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STATISTICS OF THE DISTRIBUTION OF
INCOME, CONSUMPTION AND WEALTH

Report of the Expert Group on
Statistics of the Distribution of
Income, Consumption and Accumulation

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I. INTRODUCTION

1. The second session of the Expert Group (formerly named Expert Group on Statistics of the Distribution of Income, Consumption and Wealth) met in Geneva during the period 17 through 21 April 1972. The following members of the Expert Group participated in the second session: Mr. R. Beales, United Kingdom; Mr. K. Bjerke, Denmark; Mr. E. Budd, United States; Mr. M.R. Eidelman, USSR; Mrs. M.A. Mód, Hungary; Mr. M. Mukherjee, India; Mr. T. Noda, Japan; Mr. C.A. Oomens, Netherlands; Mr. J.V. Sourrouille, Argentina and Mr. A. Vanoli, France. In addition to the experts, a representative of the International Labour Office participated in the meeting. Mr. R. Beales was elected Chairman of the second session.

2. The document for discussion by the second session of the Expert Group was "A draft system of statistics of the distribution of income, consumption and accumulation" (E/CN.3/425). The Expert Group also had the following background documents:

(i) "Report of the Sixth Session of the Working Party on National Accounts and Balances, 10-14 April 1972", Conference of European Statisticians, Conf.Eur.Stats/WG.22/32.

(ii) "Report of the Working Group on Statistics of the Distribution of Income, Consumption and Wealth" 8-12 November 1971, Economic Commission for Latin America, ST/ECLA/Conf.42/L.6.

3. The Expert Group noted that document E/CN.3/425 reflected the results of the second round of discussions on the draft system of statistics of the distribution of income, consumption and accumulation. It represented a revision and extension of document E/CN.3/400, in the light of the comments of regional meetings, of the first session of the Expert Group, of the sixteenth session of the Statistical Commission and in correspondence from national statistical authorities. It was thought that document E/CN.3/425, coupled with the report of the second session of the Expert Group, would furnish the seventeenth session of the Statistical Commission with a suitable basis for purposes of adopting international guidelines in respect of the objectives, structure and concepts, definitions, classifications and tabulation of a system of statistics of the distribution of income, consumption and accumulation. So that it might best serve this purpose, the Expert Group decided to focus its report on the modifications, amplifications and clarifications that the Group recommended in document E/CN.3/425.

4. The Group was informed that if the seventeenth session of the Statistical Commission adopted international guidelines in respect of the system, a publication would be issued on this subject in 1973. It was proposed that the publication should also deal with the approaches to, and the techniques for, gathering and compiling the statistics of the system and with analytical measures of income and related distributions such as Lorenz curves, Pareto log-normal and other frequency distributions and measures such as Gini ratios. The Expert Group approved of the plan to include the technical discussion of these, as well as other, aspects of the collection and compilation of the statistics of the system which, while they would prove to be useful to countries, do not lend themselves to inclusion in the international guidelines. The Group recommended that the phrase "of Households" should be added to the title of the system in order to indicate clearly that it concerned the incomes, consumption and accumulation of households only.

II. PURPOSE AND NATURE OF THE STATISTICS (Section II of document E/CN.3/425)

5. The Expert Group agreed that the statistics of the distribution of income, consumption and accumulation are suited for two major purposes, namely (i) assessing, and developing policies in respect of the economic welfare of the population and (ii) formulating income and fiscal policies and evaluating and planning economic and social development. The Group thought that paragraph 5 of document E/CN.3/425 should be amplified in order to indicate that the two broad categories of uses of the statistics are equally important and that distributions of income, consumption and accumulation are important considerations in dealing with welfare policies, income and fiscal policies, and economic and social development.

6. The Group also called attention to the need to indicate that the system concerned measurable economic welfare and that it was a sub-system of the system of demographic and social statistics which was being formulated. The system of demographic and social statistics as a whole was designed to deal with many other measurable aspects of the welfare of the population.

7. The Group recommended the addition of a paragraph, perhaps following paragraph 6 of document E/CN.3/425, concerning the values of data on the trends in the distribution of income, consumption and accumulation. These data would for example indicate whether these distributions were becoming more or less concentrated and the effects of economic and social development on the distributions. For some of these purposes, it would be desirable to have data in comparable prices in respect of runs of years or at intervals of time. It might also be advantageous to standardize in respect of the composition of the population and in respect of the structure of economic activity in certain forms of analysis.

8. The Group made the following additional recommendations in respect of Section II of document E/CN.3/425:

- (i) Paragraph 8 should indicate the usefulness of data on primary incomes classified according to kind of economic activity. The kinds of economic activities that were prevalent and growing or declining in a country affected the distribution of incomes.
- (ii) Paragraphs 8 and 9 should furnish a fuller discussion of the values of data on the total income of the population and the total consumption of the population.
- (iii) Paragraph 12 should call attention to the uses of the data in explaining differences in the magnitude of the incomes of various groups of the population.

III. OBJECTIVES AND CHARACTER OF THE INTERNATIONAL GUIDELINES (Section III of document E/CN.3/425)

9. The Experts considered that the following additions should be made in this section of the document:

- (i) Paragraph 19 should call attention to the significance of the methods used in gathering and compiling the statistics of the system for the international comparability of the data. While the international guidelines should not include recommendations in respect of these methods, they should indicate the likely implications of the techniques used for international comparability.
- (ii) Paragraph 20 should include a brief discussion of the relative burden to small countries, as compared to large countries, of household sample inquiries for purposes of gathering the statistics of the system. It would, in general, be necessary to use the same size of sample in the case of both types of countries; and would therefore be relatively more costly and burdensome for the small countries than for the large countries.

IV. SCOPE AND BROAD PRIORITIES OF THE STATISTICS (Section IV of document E/CN.3/425)

10. The Expert Group agreed, in general, with the proposed scope of the system in terms of the population to be covered and the flows to be included; but recommended that the text of the relevant paragraphs should be amended as follows:

- (i) In paragraph 21, a less restrictive view should be taken concerning the possibilities of including the institutional population in distributions of income and consumption according to size. While it was usually not feasible to cover the entire institutional population in such distributions, it should be possible, and it would be useful, to include at least those persons living in institutions who were economically independent.
- (ii) In paragraph 23, reference should be made to the practical problems which may arise in matching data on income in kind from own production with the corresponding consumption, when the time at which the income was received differed from the time at which the commodities were consumed.

11. The Expert Group recommended that the problems of compiling data in constant or comparable prices should be more fully described. These problems were, in many respects, of a general character and were, or would be, dealt with in other contexts, in particular, in the chapter of the SNA on constant prices and in the papers on the System of Quantity and Price Statistics. In these cases references to the documents in question should be given in the complementary system. Problems also arose which were specific to statistics of the distribution of income and consumption, for example differences in the prices paid by various groups of the population; these questions should be dealt with more fully in the complementary system.

12. While the Group agreed that the document on the system should include a discussion of the priorities to be assigned to its different parts, along the lines of paragraphs 28 to 33, it considered that the actual priorities would vary from one country to another, reflecting national needs. It was therefore considered that specific, detailed recommendations should not be made in the international guidelines concerning orders of priority. The Group recommended that paragraphs 28 to 33 should be amended accordingly.

13. The Group recommended the following additional amendments to the section relating to priorities:

- (i) In paragraph 29, it should be pointed out that reporting discrepancies often limited the possibility of using data on saving as a basis for cross-checking data on current receipts and outlays.
- (ii) Priorities should be discussed in relation to the different types of transaction only; the reference in paragraph 30 to attaching different orders of priority to data on the population living in households and on the population living in institutions should be deleted.
- (iii) The last sentence of paragraph 31 should be redrafted so as to avoid an apparent contradiction with the preceding sentence.
- (iv) The third sentence in paragraph 32 should be deleted.

V. STRUCTURE OF THE SYSTEM (Section V of document E/CN.3/425)

A. General

14. The Expert Group considered that table 1 "The accounts of the complementary system" of document E/CN.3/425, modified in terms of the recommendations in this report, furnished a suitable framework for the system in the case of countries using the SNA. They also agreed that the tables shown in section C "The system in relation to the SNA" of the document, altered to take account of the Group's recommendations in this report, showed the way in which the flows of the system may be built up from the transactions of the SNA.

15. The Experts noted the following from the "Report of the Sixth Session, Working Group on National Accounts and Balances" (Conf.Eur.Stats/WG.22/32, paras. 23-24):

"The Working Party considered that while table 1 clearly delineates the structure of the complementary system for countries applying SNA, it is much more difficult to utilize for countries using MPS. It was therefore agreed that another variant of table 1 should be prepared, in which the same main aggregates are shown as in the present table, but built up from components which can be more readily expressed in terms of existing MPS flows and using a more MPS-oriented terminology.

"It was not feasible to prepare this variant of the table during the session of the Working Party. The participants of Czechoslovakia and the USSR agreed to prepare shortly after the meeting a joint proposal which will be circulated to the other countries using MPS present at the meeting for comments, and which will then be submitted to the Secretariat. It is expected that agreement on the MPS variant of the table can be reached in time, to enable it to be included in the documentation which will be submitted to the seventeenth session of the Statistical Commission. Should this appear not to be possible, then the part of E/CN.3/425 dealing with the identification of the flows of the complementary system in terms of MPS should be considered as provisional and further work on the subject could be carried out as a continuation of the project on SNA-MPS links".

16. The Expert Group discussed the possibilities of overcoming the difficulties outlined in the preceding paragraph by preparing an abridged version of table 1 but were unable to reach agreement. They therefore decided that if these materials were furnished to the Secretariat in good time for inclusion in the documentation for the seventeenth session of the Statistical Commission, they should constitute an addendum to the Group's Report. It should be made clear in the addendum that the MPS countries had prepared the tables and that the Expert Group had not reviewed them.

B. Modifications in the concepts of the system

17. The Expert Group recommended the modifications and clarifications in the concepts of the system described in document E/CN.3/425 that are set out below: (where appropriate, they should be reflected in alterations in table 1 of the document)

- (i) The system should allow for the calculation of entrepreneurial income, and therefore primary, distributed factor, and available incomes and saving, gross of the consumption of fixed assets; the concepts net of depreciation should also be retained for the use of those countries who are able to compile the data in this form. Some countries found it difficult to gather and compile meaningful and reliable figures of the provisions for the consumption of fixed assets.
- (ii) Net rents (in some cases gross, of depreciation) in respect of owner-occupied dwellings and other structures, the owners of which were not engaged in the real estate industry, should be classed as property income instead of as entrepreneurial income. Otherwise anomalies occurred because the owners of owner-occupied dwellings and the other structures were treated as earners, though they were not considered to be economically active by virtue of the ownership of the property.
- (iii) Contributions in respect of private pension funds and premiums in respect of life insurance annuities should be recorded gross of service charges in view of the difficulties of allocating those charges among various groups of households.

- (iv) Where the difficulties of distinguishing premiums in respect of the annuity aspects from premiums in respect of other features of the mixed-type policies of life insurance companies were substantial, transactions might be recorded in respect of the premiums and benefits of all types of policies in the case of the redistribution sub-account.

18. In one view, receipts from casualty insurance policies and workmen's compensation in respect of outlays on hospital and other medical expenses should not be recorded in benefits from these forms of insurance because the recipients were no better off than if they had not found it necessary to incur these outlays. The Group, however, decided to retain these receipts in casualty insurance benefits because they financed outlays which were included in final consumption expenditure and the recipients of the benefits would need to finance the outlays from other sources if they did not have the insurance. The Experts agreed that though lump sum receipts from workmen's compensation or casualty insurance in respect of accidental permanent impairment were, in principle, capital transfers, the receipts should be treated as casualty insurance benefits as it was not feasible to separate these receipts from those which were current transactions, for example compensation for medical expenses incurred and loss of current income.

19. The Experts considered that paragraph 39 of document E/CN.3/425 should be amplified in order to discuss more fully the usefulness and difficulties of the income concept that takes into account the incidence of indirect taxes on final consumption expenditure.

VI. THE DEFINITION AND CLASSIFICATION OF THE STATISTICAL UNITS (Section VI of document E/CN.3/425)

A. The statistical units

20. The Experts agreed that the household and the individual should be the basic statistical units in the system. The Group considered that the other units referred to in paragraph 67 of E/CN.3/425 - the job, the individual enterprise and the individual flow of income - were also useful for certain analytical purposes. The Group recommended that the reference to these additional units should be retained and that their use should be more fully described. It was felt, however, that specific tabulations in respect of these units should not be included in the international guidelines.

21. The Group considered that the individual should be used as a supplementary statistical unit to the household in the case of aspects of consumption expenditure such as education and recreation, as well as a basic statistical unit in the case of primary income and distributed factor income.

22. It was pointed out that the choice of the statistical unit depended on the sources from which data were obtained and that difficulties often arose in matching data obtained from different sources when the statistical units to which the data related were different, for example in matching data derived from income tax records with data gathered in household surveys. The Group recommended that these problems should be discussed more fully in the final version of the system than they were dealt with in document E/CN.3/425.

B. The definition of statistical units

23. The Experts considered that in accordance with the recommendations in respect of population censuses, the head of the household should be considered to be the individual who is generally recognized as such. Paragraph 73 should therefore be deleted.

24. The Group recommended that an explicit definition should be given of the terms "earners" and "income recipients". Earners should be defined to include all persons who received forms of primary income, as defined in the report. The term "income recipient" should be used in respect of distributive factor income and available income and should be defined to include all persons who received incomes of these types. It was also recommended that in addition to the concept of earners, the concept of full-year regular (full-time for their occupation) earners should be introduced and that distributions of primary income should be shown per earner (for all earners) and per full-year regular earner. The Experts agreed that earners should include unpaid family workers as defined for purposes of population censuses, that is persons who worked in an economic enterprise operated by a relative for at least one-third of the normal working hours, who lived in the same household and who were not paid wages or salaries.

C. Classifications of the statistical units

1. Types of classifications to be used

25. The Experts recommended that in an introductory paragraph to this section of the document, attention should be drawn to the problem of reconciling the levels of detail that are required in classifications for analytical purposes with the limitations in this respect that are imposed by the size of the sample used to gather the data.

26. The Group made the following further recommendations in respect of this section of E/CN.3/425:

- (i) Reference should be made to the values for purposes such as the analysis of welfare, and of distributions of the total available income of the population according to size.
- (ii) The final version of the international guidelines should include a discussion of the usefulness in the case of the developing countries of distributions according to size of consumption expenditure as an alternative to distributions according to size of income, which may be unavailable or unreliable.

2. Classifications according to size of an aggregate

27. The Expert Group recommended that in paragraph 79, reference should be made to the need for distributions according to the size of per capita income, as well as according to the size of the aggregate income of households.

28. The Experts agreed that for purposes of distributions according to fractile groups, the use of ten instead of twelve groups of equal size (deciles) should be recommended. It was thought to be desirable to sub-divide further the highest fractile group but not the lowest fractile group. For some purposes it would be advantageous to distinguish households or individuals with negative incomes and with zero incomes.

3. Classifications according to the characteristics of individuals

29. The Expert Group made the following comments in respect of the classification according to socio-economic classes:

- (i) An introductory paragraph should be included in the text explaining the dual use of the classification, namely for purposes of classifying individuals according to their own socio-economic status and for purposes of classifying households according to the socio-economic status of the head of the household.
- (ii) It should be indicated that where the person who would normally be considered the head of the household is not living there, the household should be classified according to the socio-economic status of the person living in the household who is recognized as the de facto head.
- (iii) In one view the condensed level of the classification (the major groups) should be modified so that own account workers and employers would be separated, and employees outside agriculture would be divided into manual and non-manual workers. The Expert Group as a whole did not approve of the proposed changes and recommended that the major groups shown in E/CN.3/425 should be retained.
- (iv) Major group 5 (economically inactive persons living in households) should be sub-divided into (a) persons living mainly from social security benefits, (b) persons living mainly from private pensions, annuities and/or property income, (c) persons living mainly from other transfers of income, for example transfers from an absent household head and (d) students. The definition of major group 6 (persons living in institutions) should be clarified. A separate category should also be provided in respect of vagrants and similar persons; they would be very difficult to cover in income distribution and related statistics.

30. The Group agreed that in the classification according to age, five-year groups of age should be distinguished throughout. It was also agreed that age should be defined as in the international recommendations in respect of censuses of population.

31. The Group recommended that in paragraph 95, the uses to which classifications according to kind of activity and according to occupation may be put should be described more fully. Attention was called to the usefulness of such classifications for purposes of studying income differences between different industries and occupations and for purposes of examining the effects of changes in the structure of industry and occupations on the distribution of incomes.

32. The Group noted that the classification of educational attainment in E/CN.3/425 was based on the latest available draft of the International ^{Standard} Classification of Education (ISCED). It was agreed that the final version of the system should be amended, if necessary, in order to incorporate any changes introduced in ISCED.

33. The Experts recommended that in the case of the classification of household size, minors should be defined as all persons below the minimum school-leaving age.

VII. DEFINITION AND CLASSIFICATION OF INCOMES (Section VII of document E/CN.3/425)

A. Primary and distributed factor incomes

34. The Expert Group made the following recommendations in respect of the definitions of compensation of employees and of wages and salaries:

(i) Paragraph 105 of document E/CN.3/425 should be amplified to indicate that it is often feasible to gather data on employers' contributions to social security schemes on behalf of each of their employees but not data on the employers' contributions to private pension, family allowance and similar schemes on their behalf.

(ii) Compensation of employees and wages and salaries should include the outlays in cash and in kind made to domestic servants, even when for purposes of the statistics of income distribution, the domestic servants are included as part of the household in which they serve.

35. The Experts noted that, contrary to the impression given by paragraph 107 of E/CN.3/425, the differences in the definition of wages and salaries between the system and the MPS were not statistically significant. This was so because:

(i) Reimbursement for the costs of transport and hotels incurred in business travel was not included in wages and salaries; only reimbursement for food and other out-of-pocket outlays was included. It was not difficult to separate the latter element of wages and salaries from the rest of wages and salaries.

(ii) As sick-leave payments were made by social security schemes, and not by employers, these payments were not included in wages and salaries according to the definitions of the system.

(iii) Payments to authors were classed as wages and salaries in the MPS; depending on the circumstances of the payments, they might also be part of wages and salaries in the system. In any case, the difference between the system and the MPS because these payments might, in the system, be treated as a form of property income or entrepreneurial income, rather than as wages and salaries, was statistically insignificant.

36. The Experts considered that for purposes of the system, net rents should not be imputed in respect of owner-occupied dwellings in the case of countries using the MPS because rents were generally less than the costs of housing services in these countries and imputations in respect of net rents would therefore be negative.

B. Current transfers

37. The Experts agreed that a category A 1F "unallocable" should be added to the classification of current unrequited transfers according to purpose in table 6 of document E/CN.3/425. This category was needed because of the mixed character of certain transfers that households received in connexion with the loss of income, job or accident. It was emphasized that the difficulties of using the classification according to purpose proposed in table 6 varied from one country to another, depending on the laws and institutional arrangements in respect of the transfers that governments made to households.

C. Available income and current receipts

38. The Expert Group recommended that the definition of current receipts in paragraph 141 of E/CN.3/425 should be spelled out in terms of the flows that were included, namely wages and salaries, income of members from producers' co-operatives, property income received (without a deduction of property income paid), casualty insurance benefits, benefits from private pension funds and from annuity life insurance policies, and unrequited current transfers.

39. The Experts also recommended that at the end of section VII, a paragraph should be added describing the passage from available income to total available income of the population. It was agreed that the latter concept should be termed "total available income" in order to distinguish it from the concept of total income that was linked to disposable income.

VIII. DEFINITION AND CLASSIFICATION OF CONSUMPTION (Section VIII of document E/CN.3/425)

40. The Expert Group agreed that the section relating to the definition and classification of final consumption expenditure should be amended as indicated below:

- (i) The treatment of payments to domestic servants should be clarified; such payments should be included in final consumption expenditure whether or not the servants are living in the households of their employers.
- (ii) The treatment of second-hand sales by households and of deferred rebates and discounts should be explained; these items should be treated as negative consumption.
- (iii) The fourth sentence of paragraph 145 should be deleted; a sentence should be added to this paragraph explaining that in the MPS, the housing component of personal consumption in respect of rented dwellings was valued in terms of cost (depreciation and other material inputs), and not in terms of the rents actually paid.

- (iv) In paragraph 146 it should be pointed out that for a number of purposes, the two-digit level of the SNA classification of household goods and services was not sufficiently detailed and that the three-digit level would therefore need to be used.

41. The Group agreed that the coverage of total consumption of the population could not be the same in micro statistics as in macro statistics because some of the components of the macro concept could not be allocated to individual households. In particular, it would be necessary to exclude items B 7.1 and 7.2, D 5 and 6 and E 7.1 of table 7 of section VIII, E/CN.3/425, in the context of micro statistics. The Group recommended that paragraph 150 should be amended accordingly.

42. The Experts considered that paragraph 147 of E/CN.3/425 should be modified in order to make it clear that only those benefits in kind which were not covered by wages and salaries should be added to final consumption expenditure (personal consumption).

IX. DEFINITION AND CLASSIFICATION OF ACCUMULATION (Section IX of document E/CN.3/425)

43. It was pointed out that when unincorporated enterprises did not keep accounts, it might be easier to make estimates of depreciation on the basis of data on the quantity of the stocks of fixed assets valued in terms of current prices than in terms of the original cost of the assets. The situation would arise in the case of some developing countries. It was agreed that this point should be mentioned in paragraph 158 of E/CN.3/425.

44. The Expert Group agreed that paragraph 159 of E/CN.3/425 might be deleted because in practice the treatment of consumption of fixed capital is essentially the same in the case of countries using the SNA and in the case of countries using the MPS.

X. THE TABLES OF THE SYSTEM (Section X of document E/CN.3/425)

A. General considerations

45. The Expert Group discussed the section of document E/CN.3/425 on the tables of the system in the light, inter alia, of the conclusions of the sixteenth session of the Statistical Commission that the number of tables included in the international guidelines should be kept to a minimum, and that the guidelines should include a core of basic tables and indications as to the kinds of tables that it would be useful to add in order to satisfy certain requirements.

46. The Experts recommended that the tables to be included in the international guidelines should relate to the main flows of the system and that they should be supported by two sets of illustrative, more detailed tables on the components of these flows - one set in the case of countries using the SNA and the other in the case of countries using the MPS. The more detailed tables proposed in annex II of E/CN.3/425 were considered to be suitable illustrations of the supporting tables in

the case of the former countries but not in the case of the latter countries. In addition, supplementary tables, which dealt with tabulations of the data of the system for purposes of special requirements, should be described in general terms in the text of the guidelines.

47. The Group considered that the tables in annex II of document E/CN.3/425 indicated, on the whole, the tables which should be included in the international guidelines in respect of the long-range goals of the system. Countries would usually prepare a very large number of valuable tables if they had the data of the system. In general, the tables in the annex indicated the major directions and ways in which the data of the system might be tabulated in order to satisfy the basic needs for data on the distribution of income, consumption and accumulation. It was necessary to deal more fully than was the case in E/CN.3/425 with tabulations for purposes of meeting less general requirements for the statistics. The technical portion of the publication on the system should discuss techniques of analysing, as well as methods of summarizing, the data of the system.

43. The Experts next discussed ways of organizing the tables in annex II. They noted that in the annex the tables were grouped in the following fashion: three tables which linked the summary data of the system with the national accounts and balances (Tables 1-3); three tables which summarized and correlated the main flows of the system for socio-economic classes and groups of size of income (Tables 4-6); tables which dealt with each stage in the formation and use of incomes in the case of socio-economic classes and groups of the size of the income aggregates in question or which portrayed selected characteristics of households and individuals with which incomes and consumption varied (Tables 7-21); and four tables which give cross-classifications of key aggregates of the system according to socio-economic classes and groups of size of income. It was suggested that the tables would be more easily comprehended if they were organized into three sets - one in respect of socio-economic classes, the second in respect of groups of size of income, and the third in respect of other classifications. In another view, the way in which the tables were organized in annex II was preferable because attention was focussed on the various stages in the formation and use of income. It was also suggested that the tables in respect of households and those in respect of individuals should not be interspersed. The Group recommended that notes should be added to a number of the tables in annex II in order to explain the contents clearly.

B. Tables

1. Tables 1 through 3

49. The experts agreed that table 1 should be devoted to summarizing the aggregates of the system, using the broad socio-economic classes (the major groups of the socio-economic classification). In estimating the data called for in the table, the Experts considered that it would be desirable, if feasible, to adjust the results of the household sample inquiries, on which it would, in general, be necessary to rely in compiling the other, more detailed tables of the system, with data from more comprehensive sources of information such as population censuses, income tax returns, and national accounting estimates. The table in question should also show the links between private consumption expenditure and the total consumption of the population and between available income and total available income of the population.

50. The Expert Group recommended that a table should be added to the guidelines which would compare the estimates of the main flows for all households from the micro statistics of the system, from the macro statistics of the system, and from the national accounts. This reconciliation table should also set out the differences between the sets of estimates that resulted from the conceptual differences. The difference between the sets of estimates that arose from variance in sampling and response might also be shown and should, in any case, be dealt with in explanatory notes to the reconciliation table on the reliability and accuracy of the estimates.

51. The Experts decided that tables 2 and 3, on the classification of unrequited transfers according to type, purpose and origin or destination, should not be included among the basic tables of the system; they should be considered to be supplementary tables only and therefore be described in the text of the guidelines.

2. Tables 4-6

52. The Experts agreed that it would be desirable to include two supplementary tables similar to tables 5a and 5b in which households were classified according to size of current receipts. It may be necessary for some countries to use current receipts as a proxy for available income; distributions according to size of current receipts are also of interest for certain forms of fiscal and welfare analysis.

3. Tables 7-8

53. The Experts noted that in tables 8a and 8b the same number of income recipients, namely the total number, in the case of each household was to be used in determining the income per income recipient in respect of each type of income. Attention was called to the analytical values of using the number of recipients of a given form of income in each household in order to determine the income per income recipient. While it was recognized that this computation went further in removing the effect of differences in the number of income recipients on the level of household incomes than the statistics proposed in the tables, it had not been included in the proposed tables because of the greater difficulties of computation.

4. Tables 9 through 11

54. The Group recommended that items on the compensation of employees and wages and salaries in the case of full-year, regular employees should be added to tables 9 through 11. It was also agreed that all the components of primary income should be shown in tables 10 and 11.

5. Table 12

55. The Expert Group recommended that it should be made clear that households without earners were excluded from the table.

6. Table 13

56. It was agreed that this table should be a supplementary table and be described in the text only of the guidelines.

7. Table 14

57. The Experts noted that contrary to the other tables relating to micro statistics, this table called for data in terms of absolute values; it was intended that estimates for the population covered, rather than the averages computed directly from the sample, should be presented in the table. It was agreed that this should be clarified in the text.

58. The Group considered that this table would be more valuable, and in some cases more easily compiled, if it, in addition, included households, a member or members of which other than the head owned one or more unincorporated enterprises. It was agreed that the table should be modified in this manner. It was also agreed that in the case of a partnership of two or more persons who belong to different households, entrepreneurial income from, and gross capital formation in, the business should be divided between the households concerned.

8. Tables 15-17

59. The Expert Group recommended that an additional table should be included in this set of tables to show the total available income of the population and the passage from available income to the aforementioned aggregate and which classified the income due to services provided free or at reduced cost according to sources of finance.

60. It was pointed out that total available income shown in the table described above would not cover the full range of benefits in kind included in total available income as defined for the purpose of the macro statistics. The Experts considered that the difference between the macro and micro estimates should be shown in the reconciliation table of the system.

9. Tables 18-20

61. The Expert Group recommended that an additional table should be included between tables 18a and 18b to show the passage between final consumption expenditure (personal consumption) and total consumption of the population and which would be similar in character to the table that is described above in respect of the corresponding income concepts. In this table the elements of benefits in kind would be classified according to purpose.

62. The Expert Group recommended that in table 19, households should be ordered according to the available income per member of the household, rather than according to the available income of the household. It should be pointed out that countries which are not able to compile this table in terms of fractile groups ordered according to available income per household member, should compile it in terms of fractile groups ordered according to per capita final consumption expenditure.

10. Table 21

63. The Experts noted that the data to be shown in this table related to average value of each type of transaction per household, and not to the average value of transactions as was indicated in E/CN.3/425.

64. The Group recommended that capital transfers and transactions in land should be added to the items of transactions shown in table 21.

65. It was also recommended that a table similar to table 21 should be added showing average value of transactions per household classified according to size of income.

11. Other tables

66. The Expert Group agreed that the international guidelines should include additional tables on the average primary income of earners classified according to (i) kind of economic activity and (ii) occupation. The classification according to kind of activity should be in terms of the divisions (two-digit categories) of the ISIC and the classification according to occupation should be in terms of the major groups (one-digit categories) of the ISCO.