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NATIONAL ACCOUNTS AND BALANCES: SYSTEM OF BALANCES OF
THE NATIONAL ECONOMY (MPS)

Progress report on the development of the System of Balances of
the National Economy (MPS)

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith the report prepared by the Council for Mutual Economic Assistance.

* E/CN.3/1983/1.

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CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION	1 - 3	3
I. THE SYSTEM OF BASIC INDICATORS AND THE METHODOLOGY FOR CALCULATING THE BALANCE OF LABOUR	4 - 11	4
II. IMPROVEMENT OF THE INDICATORS OF THE BALANCE OF THE NATIONAL WEALTH	12 - 25	5
III. THE SYSTEM OF STATISTICAL INDICATORS OF NON-MATERIAL SERVICES	26 - 42	6
IV. THE DEVELOPMENT OF INDICATORS FOR POPULATION INCOME STATISTICS	43 - 51	8
V. BASIC INDICATORS OF CONSUMPTION STATISTICS	52 - 57	10
VI. THE SYSTEM OF INDICATORS OF SOCIAL STATISTICS	58 - 66	11
VII. IMPROVEMENT IN THE CLASSIFICATION OF THE BRANCHES OF THE NATIONAL ECONOMY OF THE CMEA MEMBER COUNTRIES	67 - 76	12
VIII. IMPROVEMENT OF THE METHODOLOGY FOR CALCULATING THE GLOBAL SOCIAL PRODUCT AND EXPENDITURE ON GOODS AND MATERIALS AT CURRENT PRICES	77 - 87	13
IX. IMPROVEMENT OF THE METHODOLOGY FOR CALCULATING THE INDICATORS OF THE UTILIZATION OF THE NATIONAL INCOME (CONSUMPTION FUND, ACCUMULATION FUND AND LOSSES)	88 - 93	15
X. CONCLUSION	94 - 98	16

INTRODUCTION

1. The statistical balance of the national economy, in the form in which it has evolved up to the present in the theory and practice of official statistics in the Socialist countries, is a system of economic tables and indicators which makes possible a concrete description in figures of the process and results of the expanded economic process and which reveals the economic proportions and interrelationships in the national economy and the level and growth rates of social production. The statistical balance of the national economy reflects all the major stages of the economic process: production, distribution (exchange), consumption and accumulation. The theoretical basis for drawing up a statistical balance is provided by the scientific theory of the economic process. The need to draw up a statistical balance of the national economy in the Socialist countries arises from the planned nature of the socialist economic system and from the law of the planned, proportionate development of the economy which is a feature of socialism. A statistical balance of the economy makes it possible to analyse the process and results of social production in two main aspects:

(a) The production of material goods and services and their utilization in the economy;

(b) The flow of income and expenditures of economic units and of the population in the production, distribution, redistribution and final utilization of the global social product and the national income.

2. The experience of the Socialist member countries of CMEA has been generalized by the CMEA Standing Commission on Statistics, which, at its eleventh session in November 1968, approved the "Basic methodological principles of the compilation of the system of balances of the national economy". Shortly thereafter, the System of Balances of the National Economy, embodied in the present report, was adopted by the Statistical Commission for the use of interested countries, in addition to the System of National Accounts (SNA), and was referred to as the "Material Product System" (MPS).

3. In subsequent years, the CMEA Standing Commission on Statistics continued to work on the specific problems and issues involved in the preparation of a statistical balance of the national economy. The aim of the present report is to acquaint the reader with the most significant methodological developments in this field. These developments have made it possible to improve and enhance substantially the system of balances and the analysis of the phenomena and processes studied with the aid of the balance. These studies include the system of basic indicators and the methodology of the balance of labour; the balance of the national wealth; the system of statistical indicators of non-material services; the basic indicators for population income statistics; the basic indicators of consumption statistics; the system of indicators of social statistics; improvement in the classification of the branches of the national economy; improvement of the methodology for calculating the global social product and expenditure on goods and materials at current prices; and improvement of the methodology for calculating the indicators of the utilization of national income (consumption fund, accumulation fund and losses).

I. THE SYSTEM OF BASIC INDICATORS AND THE METHODOLOGY
FOR CALCULATING THE BALANCE OF LABOUR

4. In 1971, the CMEA Standing Commission adopted an improved system of basic indicators, a methodology and a model for the balance of labour for the CMEA member countries. The balance of labour is an important element of the system of balances of the national economy, reflecting, *inter alia*, the formation of the labour force, its employment, skills etc. Taken in conjunction with the indicators relating to production, the availability and utilization of productive capital and the income and expenditure of the population, these indicators provide extensive material for analysing many important aspects of the economic and social life of the community.

5. The balance-of-labour system developed in 1971 includes the following tables: the balance of labour resources, the balance of youth, the balance of qualified personnel and the balance of working time.

6. In 1975, the CMEA Standing Commission adopted supplementary methodological guide-lines for the compilation of the statistical balance of qualified personnel, which had not been dealt with in detail in the document prepared in 1971.

7. The theoretical schemes for individual parts of the balance of labour consist of two sections: labour resources - according to sex or qualifications - or resources in terms of working time; and the distribution of resources - employed persons (or amount of time worked), students and unutilized resources of people or working time.

8. The classifications used in the balance of labour are usually established as follows: resources - the able-bodied population of working age and the working population not of working age; employed persons - according to branches of the economy and forms of ownership.

9. The updated version of the balance of labour provides a much more detailed methodology than does the 1968 version for calculating the indicators of formation of the labour force and helps to give a clearer idea of the economic justification for this important element of the balance of the national economy and the opportunities it offers for analysing the phenomena under consideration.

10. In 1978, the CMEA Standing Commission also approved the current methodological guide-lines for basic indicators of labour statistics, which provide detailed explanations of a number of indicators in the balance of labour, such as "the day-to-day number and the average number of manual and office workers", and also give explanations of the main classifications of manual and office workers (those employed in the material-production sphere and the non-productive sphere, those employed in the principal activities of an economic entity and those employed in the subsidiary and other economic units etc.).

11. The document also provides a detailed analysis of statistical indicators of the movement of the labour force, the wages of manual and office workers and the utilization of working time.

II. IMPROVEMENT OF THE INDICATORS OF THE BALANCE OF THE NATIONAL WEALTH

12. The balance of the national wealth is an important part of the balance of the national economy, indicating, on the one hand, the pre-conditions for the process of reproduction of the global social product and, on the other hand, its results in the form of the material goods accumulated by society (means of production and consumer goods).

13. The national wealth is calculated as an expression of the value of the accumulated material goods and natural resources involved in economic turnover, taking account of foreign currency reserves and foreign assets (the net balance). In 1972, the CMEA Standing Commission approved an updated version of the national economic balance which dealt with a number of questions that were new to the system of balances of the national economy.

14. It is recommended that, unlike the indicators of other parts of the national economic balances which are calculated according to the territorial principle, the indicators of the national wealth should be calculated also on the basis of the principle of national ownership.

15. The new basic table designed to indicate the material structure of the national wealth and the distribution of its volume according to forms of ownership etc. provides for the interpretation of data concerning fixed assets, stocks, holdings and reserves, according to their purpose and type.

16. In addition, the table clarifies the composition of the "financial assets" category, which is taken into account as part of the national wealth.

17. A further table that has been introduced describes the indicators of change in the magnitude of the national wealth over the accounting year as a result of the accumulation of national income and consumption funds, possible over-estimates and other factors leading to an increase or decrease in the physical volume and value of the national wealth.

18. A unified nomenclature for durables according to commodity groups in the retail trade has been developed for calculating the accumulation of material goods for household consumption. The commodity groups are divided according to the purpose of the durable goods and the average length of service.

19. The calculation of stocks of consumer durables on the basis of retail turnover statistics, taking account of the average length of service differentiated for commodity groups, is regarded as the most widely applicable method. Other methods of evaluation using, *inter alia*, household property insurance data and surveys of family budgets, are also recommended.

20. Questions relating to the value assessment of various components of the national wealth and the system of prices used for calculation purposes are described in more detail.

21. In principle, the national wealth is calculated from residual values, that is, after allowance has been made for physical wear and tear and obsolescence.
22. Three kinds of prices are used in assessing elements of the national wealth, depending on the analytical goals being pursued: accounting-year prices; the prices in which elements of the national wealth are expressed for accountancy purposes; and constant (comparable) base-year prices.
23. The most important component of the national wealth is fixed assets. The content of this category (indicator) is described in more detail in a CMEA Standing Commission document which was approved in 1967, that is, before the adoption of the "Basic methodological principles of compilation of the system of balances of the national economy".
24. Fixed assets comprise the sum of material and physical assets that in their natural state function for a protracted period of time. The primary source of data on fixed assets is bookkeeping accounts, which do not assign to this category articles and items of material that are used repeatedly, have a lower value than the limit that countries set for fixed assets and have a normal working life shorter than the established period (these are included in stocks).
25. The above-mentioned document lists the most important groupings of fixed assets used in balance calculations and provides a methodological clarification of each.

III. THE SYSTEM OF STATISTICAL INDICATORS OF NON-MATERIAL SERVICES

26. Indicators for non-material services have been further developed in the balance of the national economy. The system of statistical indicators of non-material services endorsed by the CMEA Standing Commission in 1978 was taken as the basis.
27. "Non-material services" in the balance of the national economy include the results of useful activity in the non-productive sphere which satisfy an individual or public need but which do not take the form of a material product.
28. The CMEA Standing Commission has approved a detailed classification of non-material services by industries in the non-productive sphere and by types of activity. As is known, indicators for non-material services are reflected in the scheme for the balance of production, distribution, redistribution and final use of the national income, the balance of the population's monetary income and expenditure, and other balance tables.
29. A group of general and aggregate indicators has been established within the system of statistics of non-material services.

30. The general indicators are: the workforce engaged in providing services; rates of pay; fixed assets and capital investment in the non-productive sphere; the value of the services provided and the expenditures for providing them. The aggregate indicators are the total and net values of non-material services, the services purchased and those supplied free of charge, the material input by enterprises and institutions in the non-productive sphere etc.
31. The set of general and aggregate indicators provides a means for calculating, within the balance of the national economy, a number of aggregate value indicators covering material benefits and non-material services, such as the indicator of "total population income" and the corresponding indicator of "total household use of material goods and non-material services".
32. The aggregate indicators in the non-material services system also characterize the consumption of services as a function of the user; that is, households, society at large, enterprises in the material-production sphere or organizations and institutions in the non-productive sphere.
33. Household consumption of non-material services is regarded as the most important part of the overall volume of services provided. Both the payment of services from personal income and free services provided by public consumption funds (health care, education, subsidized housing and other services) are included under this heading.
34. The consumption of non-material services by society at large includes outlays for governmental services, the organs of justice, law and order, science, geological prospecting etc.
35. The consumption of non-material services in the material-production sphere (involving payments for the rental of premises, legal consultations, expenditure on sewerage and sanitation etc.) is included in production outlays by the users - in this case economic entities which are the producers of material goods - as an element of newly created value.
36. The volume of non-material services in value terms is calculated from the actual prices of supply, where services are supplied for payment, or the actual outlays involved in the provision of the services. The latter method of evaluation is used for services provided by budgetary, public and other such institutions.
37. In accordance with the basic principles related to the balance of the national economy, payments for services are assigned to the redistribution of the national income, together with payments of taxes and contributions and the payment of allowances and pensions. A clear distinction is made between the purchases of services and other redistributive flows (payments of a redistributive character).
38. Payments to organizations providing services are regarded as purchases if the amount paid is dependent on the volume of services provided. Accordingly, the following are regarded as belonging to the category "purchases of services":

(a) Payments to commercial organizations for services provided according to set tariffs;

(b) Payments to budgetary organizations providing services to the public, even if they cover only part of the organizations' outlays (payments for schools, kindergartens, holiday resorts etc.);

(c) Payments by individual enterprises to budgetary organizations for non-material services.

39. The category "payments of a redistributive character" covers the interest paid by financial institutions, insurance premiums and benefits; membership contributions to public organizations; fees levied for the issuance of passports and the like; pension and benefit payments; the purchase of lottery tickets; and taxes.

40. In order to give the fullest and most comprehensive possible picture of the economics of the non-productive sphere, its statistical indicators are presented in the form of balance tables: a balance of the availability and utilization of non-material services; the value of purchasable non-material services per element of input (for enterprises operating on a commercial basis); the value of non-material services per element of input (for budgetary and similar organizations); and an income/expenditure balance for organizations and institutions in the non-productive sphere.

41. The balance of the availability and utilization of non-material services portrays in a general way the process of providing non-material services to institutions within the country and similar services obtained from abroad as well as the utilization of non-material services in the material-production sphere and the non-productive sphere, by households, society at large, and abroad. In this table, as in the tables mentioned above, services are grouped by industry in the non-productive sphere.

42. It should be noted that the extensive work done by the CMEA Standing Commission in recent years in the field of statistics relating to non-material services provides scope for new insights into international comparisons of synthetic economic indicators in MPS and SNA.

IV. THE DEVELOPMENT OF INDICATORS FOR POPULATION INCOME STATISTICS

43. In 1979, the CMEA Standing Commission adopted basic statistical indicators for population income and their methodological content, basing its decision on the principles used in handling population income in the balance of the national economy.

44. In accordance with the Standing Commission's recommendations, two basic indicators of population income should be calculated in future: final income and total income.

45. Final income is that portion of the national income received by the population when the income is finally distributed. It is comprised of all the monetary income and income in kind received by the population as compensation for work (wages and wage-type income, income from co-operative entities and subsidiary personal plots), the money received from public consumption funds (pensions, allowances, scholarships) and the money received from the financial system (interest on deposits, insurance benefits etc.), after the deduction of income not used in the acquisition of material goods (compulsory payments and voluntary contributions, payments for non-material services, and increased savings). In addition, it includes the value of the material goods consumed in the institutions that provide cultural amenities and social services to the public.

46. The final income of the population interpreted in this way avoids double counting of income and fully corresponds to that part of the national income that accrues to the population and is spent by it on the consumption and accumulation of goods.

47. Total income is the indicator which includes final income together with the growth in savings and the difference between the total expenditure of institutions providing cultural amenities and social services and the value of the goods consumed in such institutions. The idea of the total income of the population is linked to that of the total consumption of material benefits and non-material services by the population.

48. Such partial indicators as the personal income of the population and its income in kind from social funds are also defined.

49. From the standpoint of accurately reflecting the income of the population in the balance of the national economy in combination with other indicators, an important part of the new document is the description of how the income of the population is distinguished from production-related consumption and collective consumption by society as a whole.

50. Thus, for example, the following are not included in the income of the population but are classified as material costs of production: the cost of special clothing and footwear worn exclusively during working hours; food, drink, soap and the like supplied to workers to protect the body from the harmful effects of production activities; the operating costs of cloakrooms and showers at the workplace etc.

51. Provision is made for the groups of population-income indicators used in analysing the various aspects of the formation and utilization of the population's income (according to manner of payment - in cash or in kind - to source and to disposition).

V. BASIC INDICATORS OF CONSUMPTION STATISTICS

52. In developing the basic methodological principles of the balance of the national economy which are linked to an analysis of the consumption of material benefits and services, the CMEA Standing Commission approved, in 1971, a comprehensive system of value indicators and physical indicators describing consumption by the population.

53. The document contains a detailed treatment of what is included in the term "total consumption by the population" and further explains how that term is distinguished from production-related consumption, accumulation, other forms of consumption not related to production, and redistributed payments.

54. In the interest of attaining an appropriate economic approach, the value indicators of consumption by the population are grouped according to the following: material content and form of benefits and services; sources of financing; purpose and use of the material benefits and services; and sources (channels) from which the material goods and services are acquired.

55. The physical indicators of consumption by the population are divided into groups, such as:

(a) Indicators characterizing the consumption of basic foodstuffs and non-food commodities in the country;

(b) Indicators of the nutritional content in the consumption of foodstuffs and of the provision of energy to households.

56. Indicators including all the basic goods consumed in the country (in physical units of measurement) are worked out on the basis of appropriate balances set up according to the following general scheme:

1. Stocks at the beginning of the year	1. Used for production-related and non-productive consumption
	1.1 The component representing non-productive consumption
2. Production	2. Exports
3. Imports	3. Losses
	4. Stocks at the end of the year
Total resources	Total utilization

57. The indicator "used for production-related and non-productive consumption" is calculated as a balance on the basis of the other data in the scheme.

VI. THE SYSTEM OF INDICATORS OF SOCIAL STATISTICS

58. The system of indicators of social statistics approved by the CMEA Standing Commission at its twenty-eighth (1976), thirty-second (1978) and thirty-fifth (1980) sessions, which was formulated with a view to studying the various aspects of social conditions and life-styles in a comprehensive and integrated manner and monitoring the implementation of social-development programmes designed to improve the population's level of living in the CMEA member countries, has become a substantial addition to the balance of the national economy.

59. The significance of this system of indicators lies in its comprehensive approach to the study of the different social processes by using a common monitoring unit and terms, classifications and groupings agreed upon by the countries concerned, and in the attempt made to unify the various groups of social indicators previously elaborated in relative isolation.

60. Several indicators of the balance of the national economy have also been made integral parts of the system of social-statistics indicators. These include, inter alia, indicators of the following subsystems: the labour force and employment; the social composition of society; the distribution of income and property among the population; consumption; the use of time by the population; and social security.

61. The link between social statistics and the balance of the national economy lies in the fact that the aim of the latter, in addition to reflecting the process of production of material benefits, is to describe production relationships. This is reflected primarily in the fact that the basic indicators of the balance are calculated according to forms of ownership and social groups of the population.

62. In the balance of the national economy, the income of the population employed in the economy appears as part of the national income produced, while in the system of social statistics it is investigated in connection with the study of income distribution according to social group.

63. In the balance of the national economy, the classification of the population's income and expenditure according to social group is a determining factor in the study of purchaser demand, while in social statistics it is a major element in the investigation of the living conditions, level of living and life-style of the members of society.

64. The secondary distribution of income also provides an extremely close link between the balance of the national economy and social statistics. Secondary distribution includes all measures on the basis of which the income of the population is redistributed through the State budget, on the one hand through income taxes and the like, and on the other hand, through expenditure in cash or in kind on social needs.

65. Data on the breakdown of time correspond to the amount of time spent by the population on different forms of activity, including the time spent on a worker's basic activities and on work on personal and subsidiary plots. This makes it possible to determine the amount of time spent on producing the global social

product and the national income. Moreover, data on the breakdown of time establishes the time spent on various forms of work connected with running a household, on the upbringing and care of children and on study, as well as leisure time.

66. In addition to the subsystems whose indicators are closely connected with the balance of the national economy, the system of social statistics includes the following subsystems: population and families; education; state of health; housing; cultural activities; tourism, leisure and physical culture; development of communal amenities; protection of the environment; working conditions; and participation by the population in social and political life.

VII. IMPROVEMENT IN THE CLASSIFICATION OF THE BRANCHES OF THE NATIONAL ECONOMY OF THE CMEA MEMBER COUNTRIES

67. As is known, the major theoretical principle underlying the balance of the national economy is the division of the many different forms of economic activity in each country's economy into two spheres: the production sphere and the non-productive sphere. In the statistical practice of CMEA member countries, this distinction is made on the basis of the classification of the branches of the national economy; the classification is being constantly improved to give a true reflection of the process of consolidating the social division of labour and the specialization of production actually occurring in the economy, of the appearance of new activities and their separation into independent accounting units and of changes in the economic nature of certain activities.

68. The present improved classification of the branches of the national economy of CMEA member countries was adopted by the CMEA Standing Commission in 1975.

69. The classification of the branches of the national economy is a grouping of similar types of activity reflecting the results of the social division of labour and the place of certain activities in the system of the expanded economic process.

70. The classification is divided into three levels (stages) of groupings: branches of the national economy, which are identified by a two-digit code number, sub-branches of the national economy, with a four-digit code number, and groups (within certain sub-branches), which have a six-digit code number.

71. The material-production sphere is the aggregate of those branches of the national economy whose activities yield as their final output the material benefits to be used by society as the means of production and consumer goods.

72. The non-productive sphere includes activities designed to provide society with non-material services that satisfy certain personal and social needs. The classification of the sub-branch is generally made with due regard paid to the differentiation between branches, sub-branches and groups on the basis of activities carried out within the framework of specific, organizationally isolated entities. Classification units are, as a rule, enterprises, institutions, organizations, farms and the like, which have an independent balance-sheet and,

depending on the nature of their principal activities, belong to one or another branch of the national economy.

73. In cases in which an enterprise, establishment or other entity includes organizationally separate subdivisions that keep independent accounts and carry out different economic and social functions (other than the principal activities of the larger entity) and various subsidiary and auxiliary activities, each subdivision is classified as part of the branch of the national economy that corresponds to the nature of its activities.

74. In the 1975 classification, the concept of "material-production sphere" was made somewhat broader than in the preceding version, chiefly by including in this sphere the activities of independent general-use electronic computer centres, which are now regarded as providing material services.

75. Previously, this type of activity was included in the sphere of non-material production.

76. The material-production sphere also includes the activities of dry-cleaning and dyeing enterprises and laundry enterprises whose work today is carried out by industrial methods. The separate branches of material production are more precisely delimited in the new classification. The composition of the so-called "other branches of material production" was reviewed. The individual types of activity previously grouped under this heading were more clearly defined on the basis of their economic content and were grouped with the corresponding specific branch of production. The breakdown of industrial activities into branches and sub-branches was updated and made more thorough.

VIII. IMPROVEMENT OF THE METHODOLOGY FOR CALCULATING THE GLOBAL SOCIAL PRODUCT AND EXPENDITURE ON GOODS AND MATERIALS AT CURRENT PRICES

77. The changes made in the classification of branches of the national economy and the more complete development of physical and value indicators of production in industry, agriculture and construction which the CMEA Standing Commission carried out in recent years as part of the effort to improve the corresponding unified branch systems of statistical indicators, together with the practical experience of the statistical agencies of the CMEA member countries, gave rise to the need to define more precisely and describe in more detail the methodology for calculating the global social product and production-related consumption (material expenditures) at current prices.

78. This work was carried out by the Commission during 1981.

79. The following basic changes and additions relating to the methodology for calculating the global social product and material expenditures were introduced into the "Basic methodological principles of the compilation of the system of balances of the national economy".

80. Global industrial output will, in future, also include:

(a) The output of dry-cleaning and dyeing enterprises and laundry enterprises (on the basis of the volume of actual earnings for the corresponding types of work at the established rates);

(b) The industrial activities of household subsidiary economic units which involve the processing of agricultural products through private labour (wine production, the slaughtering of cattle for private consumption, the preserving of fruits and vegetables), the laying-in of wood and the production of construction materials (the commodity part of this production will be assessed at the cost price, the non-commodity part at the average cost of commodity production).

81. The global farm output will, in addition to the output of the agricultural and livestock industries, also take into account the production of enterprises which provide farm services, including, inter alia, mechanized agricultural work and the chemical protection of plants, including crop-dusting by aircraft, the prevention of soil erosion, irrigation, livestock management and veterinary services.

82. The cost of farm services will be determined on the basis of the volume of monetary earnings of specialized organizations and enterprises for work of an agricultural nature; if there are no earnings, it will be determined on the basis of the actual expenditures incurred in performing such work.

83. The global forestry output will, in future, also include the value of wild plants and fruits gathered (mushrooms, berries etc.) and animal products obtained by hunting. The global output attributable to the gathering of wild plants and fruits and to hunting shall be determined by estimating the commodity part at actual sales prices and the non-commodity part at the purchase prices for similar products.

84. The global output from trade, technical supply and procurement will, in future, also include the global output of organizations engaged in collecting scrap metal and salvage and similar activities in households. In the first case, the global output shall be computed as an added value created by the organizations in collecting scrap metal and salvage, and in the second case by estimating the procurement by households on the basis of the purchase price.

85. The global output of the other material-production branches will, in future, include the global output of independent general-use electronic computer centres, calculated on the volume of the earnings of these organizations for work they have done.

86. In reviewing the section of the "Basic methodological principles ..." that explains the principles of accounting and estimating of industrial consumption (material expenditures), a supplement which reflects payments made from the State budget to enterprises in the production sphere was added. If there is a difference, paid out of the budget, between the cost of production of material benefits (including the mark-up for commercial transport) and the price at which

they are sold for use in production, the material production expenditures shall be increased by the amount of this difference.

87. It should be noted that in addition to the changes mentioned above, a more detailed description was given for the individual principles of methodology used in computing the global social product and material expenditures at current prices.

IX. IMPROVEMENT OF THE METHODOLOGY FOR CALCULATING THE INDICATORS OF THE UTILIZATION OF THE NATIONAL INCOME (CONSUMPTION FUND, ACCUMULATION FUND AND LOSSES)

88. Taking account of the changes and additions made in the methodology for calculating the global social product and expenditure on goods and materials, the CMEA Standing Commission prepared a draft for the further improvement of the methodology for calculating the indicators that characterize the utilization of the national income (consumption fund, accumulation fund and losses).

89. The draft, particularly the part describing the methodology for calculating the consumption fund, envisages a more accurate determination of the sources of material benefits, including services of a material nature provided to the population, namely:

- (a) The purchase of goods in the trade network;
- (b) The purchase of goods on the market;
- (c) Receipts of products in kind;
- (d) Payment for handicraft work;
- (e) Payment for passenger transport, including payment for the freight transport used by the population for non-production purposes, and payment for communications services;
- (f) The purchase of electrical energy, water, gas, and thermal energy used for daily needs, and also dry-cleaning, dyeing and laundry services;
- (g) Deterioration of available housing space.

90. Accordingly, the descriptions of individual items of material benefits have been more clearly defined.

91. The methodology section concerning the calculation of the accumulation fund has been supplemented. In this connection, mention should be made, first of all, of the detailed description of the contents of the item "Accumulation of material circulating capital and reserves" which previously had been left practically unexplained. A proposal was made with regard to the methodology for calculating the increase in uncompleted construction, included in the accumulation of material circulating capital and reserves.

92. Another important addition is the detailed description of the subsection "Accumulation" into the table "Balance of production, consumption and accumulation of the global social product (material balance)".

93. The draft for the improvement of the methodology for the formulation of the indicators of the utilization of the national income will be considered at the next session of the CMEA Standing Commission (June 1982).

X. CONCLUSION

94. The information provided above gives a clear idea of the basic lines of development and the improvement of the methodology for computing balance accounts after the adoption by the CMEA Standing Commission in 1968 of the document "Basic methodological principles of the compilation of the system of balances of the national economy".

95. During this period, the CMEA member countries accumulated important new experience in the theoretical development and practical compilation of the statistical accounting balances for meeting the needs of planning and managing the national economy; this was reflected in the work of the Commission.

96. It should be noted that each CMEA member country developed those specific sections of the system of balances that provided an economic and statistical analysis of the economic processes and phenomena most relevant for it, as well as the application of certain modes and methods of statistical accounting and analysis.

97. The Commission's methodological materials relating to balance calculations give only a basic outline of the achievements of the CMEA member countries in the field of national statistics, which is richer and more diverse. Nevertheless, the work done by the Standing Commission is of extremely great practical importance for the CMEA member countries because it promotes the further harmonization of the common basic principles for structuring the balance of the national economy and it creates a greater degree of comparability between the CMEA member countries with regard to the general indicators of their development.

98. The progress achieved by the Standing Commission in developing a methodology for calculating the balance of the national economy makes necessary the issuance, within the United Nations, of an updated version of the MPS publication. This will promote more successful work in the field of international comparisons and analyses.
