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International economic and social classifications

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its fortieth session (see E/2009/24, chap. I.A). The report provides an overview of recent activities in the area of economic and social classifications undertaken in response to the requests of the Commission. In particular, it describes the outcomes of the recent meeting of the Expert Group on International Economic and Social Classifications, including work on the reformulation of the mandate of the group and a strategic outline for future work. The Commission is invited to take note of these activities and proposed procedure for adoption of an updated mandate and work programme of the Expert Group.

* E/CN.3/2010/1.



I. Introduction

1. The present report provides an overview of activities in the area of economic and social classifications carried out since the thirty-eighth session of the Commission in 2007.
2. The information in the present report is organized in two chapters. Chapter II highlights major activities carried out since 2007 in relation to the International Standard Industrial Classification of All Economic Activities (ISIC), the Central Product Classification (CPC), the International Standard Classification of Occupations (ISCO) and the International Standard Classification of Education (ISCED), as recommended at previous sessions of the Commission or initiated by their respective governing bodies.
3. The Expert Group on International Economic and Social Classifications has reviewed at its meeting in 2009 the progress of work on these classifications and provided guidance on a larger range of classifications currently under development. The major issues raised at the meeting of the Expert Group, which have an impact on the future work programme and organization of work, are described in chapter III of the present report.
4. Additional information on classifications considered during the meeting of the Expert Group in 2009, reflected in the report of the meeting and in the documents submitted to that meeting, is available on the United Nations Statistics Division Classifications website.¹

II. Activities carried out by custodians of classifications within the Family of International Classifications

A. Activities carried out by the United Nations Statistics Division

5. The United Nations Statistics Division has continued work on implementation tools for the recently revised International Standard Industrial Classification of All Economic Activities (ISIC) and Central Product Classification (CPC), and carried out technical assistance activities in accordance with the guidelines provided by the Commission at its previous sessions.
6. In particular, the Statistics Division has continued work on the Implementation Guide for ISIC Revision 4 (ISIC Rev.4), and the Companion Guide to ISIC and CPC, drafts of which have been submitted to the meeting of the Expert Group in 2009 for review.
7. Correspondence tables between ISIC Rev.4 and the previous version of ISIC, between CPC, Version 2 (CPC Ver.2), and the previous version of CPC, as well as between CPC Ver.2 and ISIC Rev.4 have been prepared. In addition, correspondence tables between CPC Ver.2 and the Harmonized Commodity Description and Coding System, the fourth version of the Standard International Trade Classification (SITC Rev.4), and the revised version of the Extended Balance of Payments Services Classification, as well as between ISIC Rev.4 and the North American Industry Classification System have been made available.

¹ See <http://unstats.un.org/unsd/class/intercop/expertgroup>.

8. An alphabetical index for CPC Ver.2 has been developed and is available on the Statistics Division website.

9. The Statistics Division has also carried out a number of classifications workshops aimed at promoting the newly revised standard classifications, informing countries about changes in these classifications and implications for application, as well as providing guidance for the implementation of the classifications. Such workshops have taken place for countries in the Economic Commission for Latin America and the Caribbean region (June 2007), Economic and Social Commission for Western Asia region (December 2007), Economic Commission for Africa region (November 2008), Economic and Social Commission for Asia and the Pacific region (November 2008 and September 2009) and countries in the Caribbean (November 2009).² The latter workshop was organized by the Caribbean Community and received substantive support from the United Nations Statistics Division, the International Labour Organization and the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization. A workshop for Francophone African countries is planned for January 2010.

10. A survey to monitor the current use of activity and product classifications is planned for early 2010.

11. Translation of ISIC Rev.4 in all official United Nations languages has been completed and the publications are now available in electronic and hard-copy format, facilitating the implementation and use of the classification in many countries around the world.

12. The Statistics Division has also carried out work on a range of other classifications, in particular those related to environmental goods and services, environmental industries, energy products and waste products. This work has been done in coordination with different Sections within the Division and with other working groups.

13. The Statistics Division continues to operate the Classifications Hotline and to issue the Classifications Newsletter as major vehicles for providing assistance to statistical offices and other users of classifications.

B. Activities carried out by the International Labour Organization

14. The final International Standard Classification of Occupations (ISCO-08) classification structure has been available in English, French and Spanish on the International Labour Organization website since early 2008. A final draft in English of the detailed definitions of all ISCO-08 groups was released on the ILO website in July 2009. Correspondence tables with ISCO-88 are also available. It is anticipated that an updated English index of occupational titles will be released in the near future. This material, together with an updated introduction, will then be released as an International Labour Organization publication following formal editing.

15. French and Spanish versions of the above material will be provided as quickly as possible. Versions of the ISCO-08 structure (but not definitions of groups) have been developed by EUROSTAT in all European Union languages. A number of

² Information on these workshops is available at <http://unstats.un.org/unsd/class/intercop/training>.

countries around the world have either already completed or are undertaking revisions of their national occupation classifications in line with ISCO-08.

16. The International Labour Organization will give high priority to the provision of training on a regional basis and to the provision of technical assistance and advice on the classification of occupations directly to countries or groups of countries. Based on experience gained from these activities, the International Labour Organization also proposes to prepare a manual and training material on how to adapt ISCO-08 for use in national and regional settings.

17. In line with the mandate of the eighteenth International Conference of Labour Statisticians in 2008 the International Labour Organization will also commence work to review the International Classification of Status in Employment (ICSE-93).

C. Activities carried out by the Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization

18. At the 34th session of the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in October 2007, national authorities expressed their desire for the Institute for Statistics to re-evaluate the International Standard Classification of Education (ISCED) in light of changes that have taken place in the structure of education systems since the 1997 revision, giving special attention to higher education. In addition, international agencies had identified a number of issues related to the conceptual framework of ISCED and its implementation both at regional and global levels for review.

19. The Institute has established a technical advisory panel to provide guidance on the review strategy, take part in consultations, assist in targeting research and make recommendations for revisions of the current standard. The panel comprises the main international data collection agencies (the Institute for Statistics, the Organization for Economic Cooperation and Development and Eurostat), in addition to 12 education experts from the following regions: Africa, Asia, Europe, Latin America and the Caribbean. They represent a wide range of the international community of data producers and users.

20. At its first meeting, the technical advisory panel reviewed existing classification issues, identified new ones and prioritized them in terms of further action. The following areas were selected for focused developmental work as part of the review of the International Standard Classification of Education: reconsidering the post-secondary/tertiary classification (ISCED levels 4, 5 and 6); redefining criteria and definitions, especially with regard to the orientation (general/vocational) and the destination (labour market or further education) of secondary programmes; improving the coverage of the International Standard Classification of Education with regard to early childhood care and education programmes and technical/vocational education and training programmes; redefining educational attainment and considering the implications for data collection; and introducing specific criteria for the classification of non-formal education.

21. The technical advisory panel meeting also set up a strategy to formulate proposals and reach consensus on the recommendations to be presented to the 2011 General Conference.

22. A revised version of the International Standard Classification of Education is expected to be submitted to the General Conference for its 36th session in 2011. At present, an interim report, submitted to the 35th General Conference, is available at the UNESCO website.³

D. Activities carried out by the Food and Agriculture Organization of the United Nations

23. Over the past two years, the Food and Agriculture Organization of the United Nations and the World Customs Organization have collaborated on a set of proposals for the Harmonized Commodity Description and Coding System through the Harmonized System Review Subcommittee and the Harmonized System Committee.

24. The new version of the Harmonized System Nomenclature, HS2012, will include 320 amendments on agricultural and fisheries commodities. It will enter into force on 1 January 2012, as decided by the Council of the World Customs Organization on 26 June 2009.

25. The adoption of these amendments will make the next version of the Harmonized Commodity Description and Coding System more suitable and useful for agricultural and fishery statistics, improving their quality and precision. It thus enables HS2012 to be an international standard for classifying and coding goods of specific importance to food security and to provide early warning data in the programme of the Food and Agriculture Organization of the United Nations.

26. Since many of these amendments were based on the details introduced in the Central Product Classification, Version 2, following the proposal made by the Food and Agriculture Organization of the United Nations during the Central Product Classification revision, the expected modifications in the Harmonized Commodity Description and Coding System will also improve its alignment with the Central Product Classification categories for agricultural and food products and establish a solid correspondence and harmonization between these two important international standard classifications, further facilitating comparison of production and trade statistics.

27. Among others, the changes introduced relate to (a) commodities with a high volume of domestic production albeit low cross-border trade; (b) seeds for planting; (c) commodities with a potential future economic importance; (d) commodities needed to monitor potentially endangered or over-fished fishery species; and (e) commodities needed for the analysis of food security.

III. Expert Group on International Economic and Social Classifications

A. Introduction

28. At its thirtieth session in 1999, the Statistical Commission mandated the Expert Group on International Economic and Social Classifications to be the central

³ See <http://unesdoc.unesco.org/images/0018/001837/183706e.pdf>.

coordinating body for undertaking classification revisions, preparing practical proposals to bring about the convergence of existing international and multinational classifications, and reviewing the underlying principles.⁴ The Expert Group has since met biennially and advanced work on international classifications.

29. The initial work programme of the Expert Group was formulated in the context of the revisions of the International Standard Industrial Classification of All Economic Activities and the Central Product Classification. While these revisions have dominated the work of the Expert Group, other classifications have also been considered during its meeting.

B. Meeting of the Expert Group on International Economic and Social Classifications in 2009

30. The Expert Group on International Economic and Social Classifications met again from 1 to 4 September 2009 and discussed a wide range of classification issues. The topics covered included classifications that have recently been revised (such as ISIC, CPC and ISCO) and for which the focus has now shifted to implementation, established classifications that are undergoing a revision process (such as ISCED, ICD), as well as classifications in earlier stages of their development (such as classifications of energy products, classifications of waste or time-use classifications).

31. Further details on the conclusions reached and recommendations made for each of the classifications covered at this meeting are listed in the final report of the Expert Group meeting, which is available on the Statistics Division website at <http://unstats.un.org/unsd/class/intercop/expertgroup/default.asp>.

32. The shift in statistical subjects covered by the Expert Group is the result of different factors. One factor is the reduced need to discuss conceptual details for ISIC and CPC, which has dominated previous meetings of the Expert Group, after the completion of the revisions of these two classifications. Another reason is the emergence of new classifications that need to be elevated to standard classifications.

33. Initial discussions took place during the meeting, which led to recommendations for additional work to be carried out by special subgroups of the Expert Group to address technical aspects of the classifications under review.

34. In addition, the Expert Group addressed the issue of the formalization of criteria for the preparation and assessment of new classifications and revisions of existing classifications in the Family of International Classifications. Furthermore, the Expert Group undertook an in-depth review of the mandate and working arrangements for the Group as central coordinating body for international classifications, taking into account the emerging needs.

C. Family of International Classifications

35. A subgroup has been formed to review the criteria that classifications must fulfil to be considered standard classifications, to be included in the Family of

⁴ See *Official Records of the Economic and Social Council, 1999, Supplement No. 4 (E/1999/24)*, para. 108 (b).

International Classifications and to be considered reference classifications within the Family. This work will be based on existing documents that have been prepared in 1999 and will review existing criteria to ensure that new requirements on classifications are being reflected. A more strictly formalized set of criteria will also facilitate any preparatory work on new classifications by providing a clear set of minimum requirements that a classification must fulfil.

D. Mandate and working arrangements for the Expert Group on International Economic and Social Classifications

36. A review took place of the scope of the work and responsibilities of the Expert Group and its working mechanisms. An updated mandate for the Expert Group is being prepared that would more clearly spell out the boundaries of responsibility and authority of the group, which is vital in the work on a broadening set of classification topics.

37. Especially during the discussions of new classifications (or classifications still under development), it became clear that a more strategic and more formalized approach in determining the scope of the work of the Expert Group, its responsibilities and criteria for decision-making are necessary. Similar questions have also arisen during the discussion of classifications that are approved by a process that is not formally initiated by the Statistical Commission, such as classifications maintained by specialized agencies in the United Nations system with their own governing bodies.

38. The revised mandate will also consider the governing structure of the Expert Group to ensure that work can be carried out reliably between the biennial meetings. This covers a clearer definition of membership for the Expert Group and possibly the set-up of a Bureau to oversee the work between meetings, including a definition of the responsibilities and authorities of such a Bureau.

E. Conclusion

39. At the time of writing of the present report, a final proposal for the mandate and work programme of the Expert Group is not yet available. It is recommended that consideration of the topic be postponed until the next session of the Commission in 2011. It is therefore proposed that the reformulated mandate and work programme be submitted to the Commission at its next session for consideration and approval.