



UNITED NATIONS  
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS  
STATISTICS DIVISION

**Meeting of the Expert Group on  
International Economic and  
Social Classifications  
New York, 16-18 June 2007**

ESA/STAT/AC.124/4  
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**Final report**

**(draft version)**



## I. Introduction

The Meeting of the Expert Group on International Economic and Social Classifications was convened at United Nations Headquarters, New York, on 16-18 April 2007 at the request of the United Nations Statistical Commission. The meeting was conducted by the Economic Statistics and Classifications Section of the Economics Statistics Branch of the United Nations Statistics Division. Participants at the meeting included experts from twenty-two countries and seven international organizations. The participants represented both users and custodians of classifications. A list of participants is available as document ESA/STAT/AC.124/3.

The Meeting was chaired by Ms. Rosemary Marcuss (Bureau of Economic Analysis, United States of America) and Mr. Paul Johanis (Statistics Canada). The discussions at the meeting followed the Provisional Agenda set out in ESA/STAT/AC.124/1. The documents available at the meeting are listed in ESA/STAT/AC.124/2.

The meeting had several objectives. They were: (a) to discuss the work in the Expert Group with a view to fostering collaboration and coordination within the Family of International Economic and Social Classifications, (b) to discuss and review the proposals for the ongoing revision of the International Standard Classification of Occupations (ISCO), (c) to discuss and review the proposals for the implementation process for the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC) and (d) evaluate the need for revision of other classifications, such as the Classification by Broad Economic Categories (BEC) or the Classifications by Expenditure According to Purpose.

## II. Main Conclusions and recommendations

### 1. Global ISIC/CPC implementation programme

The EG reviewed the recommendations of the Statistical Commission regarding the proposed global implementation programme for ISIC and CPC and focused on four key elements:

#### *Time table*

The EG recommended that countries should adapt their national classifications to ISIC Rev.4 by **2009** to meet the population census target of 2010 and that international data reporting in ISIC Rev.4 format should begin in **2012**. Intermediate goals for individual programmes, such as completion of adaptation of business registers or completion of sample designs and weights for surveys, have been discussed, but no consensus could be reached due to the different nature and organization of programmes/surveys across countries. Backcasting of data will be a long-term project for which no general target date can be given, due to the different scope (length of time series) considered for backcasting across countries.

#### *Documentation*

For the supporting documentation, the EG stressed the need for a correspondence table between ISIC Rev.3.1 and ISIC Rev.4 as the primary tool for recoding business registers etc. Noting that draft correspondences have been prepared, the EG requested UNSD and the TSG to publish a final version of the correspondence table by **May 2007**.

The EG agreed to the outline of the *Companion Guide to ISIC and CPC*, as prepared by the Technical Subgroup. In order to assist countries in making the transition from ISIC Rev.3 or Rev.3.1 to ISIC Rev.4, the EG recommended a prioritization of elements of the Guide that support this transition. The EG confirmed **December 2007** as the target date for the finalization of the Guide.

Other documentation, including those on the recoding of business registers, on sampling design and weight estimation as well as on backcasting, will be prepared based on documents developed by Eurostat for the

implementation of NACE. These documents will be reviewed for applicability to the international context and amended if necessary.

The Expert Group was also informed on outstanding issues related to the ISIC and CPC publications, in particular the ongoing discussion on the treatment of outsourcing in the ISIC introduction. This issue will be further discussed by the Technical Subgroup on ISIC and CPC, who will report back to the EG on the final outcome of the discussion.

### ***Regional workshops***

Regional workshops have been supported as the first phase of the ISIC/CPC implementation in **2007/8** and should be conducted by UNSD, as outlined in the report to the Statistical Commission. The EG stressed that these workshops should apply to all regions. A second set of meetings, to be held in **2008/9**, should address specific elements of the implementation, such as adaptations of business registers, statistical collection programmes and use of the classification in administrative data.

### ***Technical cooperation***

The EG supported the principle of regional partnership for technical cooperation. As a broad rule, the following separation of responsibility was agreed: the USA, Canada and selected Latin American countries will provide assistance to the ECLAC region; members of the European Union will support the ECA, ECE and ESCWA region (to the extent that working relationships already exist); Australia, Japan and India will support the ESCAP region; UNSD will service specific subregions, such as GCC countries etc.

This support will be organized through an open discussion forum and the EG asked UNSD to further the development of such a system.

## **2. Classification by Broad Economic Categories (BEC)**

The EG review the work carried for updating the correspondences between the BEC and other product classifications, i.e. HS and SITC, and discussed possible options for updating and expanding the scope of the BEC. The EG agreed that before the start of any methodological revision of the BEC, it is necessary to identify its primary applications. Since the BEC is essentially a correspondence between a detailed input structure, such as import data at SITC detail, and an aggregated output structure, such as SNA categories for capital goods, intermediate goods and final consumption, the primary applications will determine the scope and detail of the input and output structure of the BEC and how this approach relates to the “Main industrial Groupings” in use by European countries.

A small group of experts will undertake the first task to identify the primary applications and, derived from that, the main parameters of a possible BEC revision. The following EG members volunteered for this task, to be completed by **December 2007**: Emile Bruneau (France), Dave Clement (Trinidad and Tobago), Rosemary Marcuss (USA), S.K. Nath (India).

## **3. Revision of ISCO**

### ***Revision process and development of draft ISCO-08 structure***

The Expert Group was informed of the progress made by the ILO with the work to update the International Standard Classification of Occupations 1988 (ISCO-88), and of the ILO plans to complete the work and to seek endorsement in **December 2007** of the final updated classification structure, to be called ISCO-08, through an ILO Tripartite Meeting of Experts in Labour Statistics. This process was mandated by the 17<sup>th</sup> International Conference of Labour Statisticians.

The Expert Group reviewed the draft ISCO-08 classification structure and discussed a number of areas where significant changes to ISCO-88 were proposed. Subject to the resolution of a small number of outstanding issues, the Expert Group was generally of the opinion that the structure was suitable use as an international standard.

The Expert Group congratulated the ILO and the (TEG/ISCO) on the progress made, but recognised that a great deal of work needed to be completed in the remaining time.

### ***Outstanding issues***

There was agreement that there was an important need for information about researchers, and extensive discussion about whether or not researchers should be identified separately at an aggregate level of the classification. This issue had been discussed previously at a meeting of the ILO Technical Expert Group for Updating ISCO (TEG/ISCO). The conclusion had been that, for a variety of reasons, the identification of researchers within ISCO separately from other related occupations, was not the best way to collect this information. The prevailing view within the Expert Group was that this conclusion was sound.

The Expert Group discussed a proposal from China on the classification of traditional Chinese medicine practitioners. There was general agreement that the treatment in ISCO of practitioners of traditional medicine was an important issue for all regions of the World. There were concerns, however, that the creation of categories that were specific for only one region may not be appropriate. The ILO will consider the range of options for these and other health occupations in consultation with the TEG /ISCO and the World Health Organisation.

Regarding other structural issues, the Expert Group agreed that there was a need for further clarification of the nomenclature used for and content of some categories, particularly for occupations related to information and communications technology. There was also a need for further discussion in TEG/ISCO about the proposal concerning the classification of teachers and, in particular, the meaning of the term 'vocational education'.

### ***Implementation of ISCO***

With respect to the ILO plans to support implementation of ISCO-08, the overall approach proposed by the ILO was seen to be sound. It was felt that it would be important to ensure that the proposed regional workshops would lead to practical outcomes and to the development of national plans for the updating occupation classifications or for regional or sub-regional collaboration on occupation classification. It was felt that it may be useful to provide focussed technical assistance to a small number of countries in each region, rather than attempting to spread scarce resources thinly. These countries may then be in a position to provide assistance to other countries or play a leadership role in regional collaboration. The process that had led to the development of a regional adaptation of ISCO-88 was cited as a useful example.

## **4. International Family of Health Classifications**

The EG was informed about current developments in the WHO Family of International Classifications and specific tools that will be employed in the upcoming revision of the ICD. The EG affirmed that the health classifications form a part of the UN family of International Economic and Social Classifications and will review derived classifications in the WHO Family for their inclusion into the UN Family.

The EG also agreed that the open web-based tools employed for the ICD revision should be evaluated for their use in the ISIC/CPC implementation process, as well as future classifications revision. For that purpose, the EG will remain informed on the use of these tools by WHO and the progress in the ICD revision process.

## **5. Classifications of Expenditure According to Purpose**

The EG reviewed the need for a revision of the Classifications of Expenditure According to Purpose, in particular the Classification of Individual Consumption According to Purpose (COICOP), which has a strong application in the calculation of CPI. The EG confirmed that at this point in time there is no strong evidence justifying a change of this classification. However, existing extension of COICOP, such as those used for Household Budget surveys or the Harmonized Index of Consumer Prices for European countries, should be made available to a larger audience. In addition, a revised version of the link between COICOP and CPC, taking into account the new CPC Ver.2, should be developed.

## **6. Family of International Economic and Social Classifications**

The EG reviewed the underlying documents defining the Family and confirmed its current definition and scope of membership and roles of custodians within the Family. However, there is a need to review the current assignment of classifications to categories within the Family (reference/derived/related), in particular for Trade in Services.

The EG stressed that updated information on classification within the Family should remain accessible from a central portal, such as the UN Classifications website. However, individual classification structures will remain only on custodians' websites to ensure that, as result of changes, corrections etc., no conflicting structures are being distributed.

The EG also agreed that information on other classifications of interest should be made available, without explicitly including them in the Family. This may cover classifications that cover specific subjects and are therefore of international interest, but have not gone through the same strict approval process as members of the Family. The list of such classifications will be amended over time and circulated to the EG.