

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
GENERAL

E/CN.3/477/Add.1
13 April 1976

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Nineteenth session
New Delhi, 8-19 November 1976
Item 5 (c) of the provisional agenda

ECONOMIC STATISTICS

SYSTEM OF NATIONAL ACCOUNTS AND BALANCES

Summary of recommendations of the Expert Group on Welfare-oriented
Supplements to the National Accounts and Balances and Other
Measures of Levels of Living

Report of the Secretary-General

SUMMARY

This report presents the conclusions of an Expert Group meeting held on the recommendation of the eighteenth session of the Statistical Commission to consider welfare-oriented supplements to the national accounts and balances and other measures of levels of living. The Expert Group had before it (a) a report by the Secretary-General entitled "The feasibility of welfare-oriented measures to complement the national accounts and balances" (E/CN.3/477), also before the Statistical Commission, (b) a document entitled "Non-monetary social indicators to measure levels of living" (ESA/STAT/AC.4/3), and (c) a background paper entitled "Report on national practices and plans in reporting statistics of levels of living" (ESA/STAT/AC.4/2). The Expert Group broadly endorsed the recommendations of the first two documents, and asked that the third, on national practices and plans, be circulated to countries for comment.

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INTRODUCTION

1. On the recommendation of the Statistical Commission at its eighteenth session, 1/ an Expert Group was convened at United Nations Headquarters from 22 to 26 March 1976, to consider welfare-oriented measures to supplement the national accounts and balances and other measures of levels of living. The Group had before it three papers. The first, entitled "The feasibility of welfare-oriented measures to complement the national accounts and balances: report of the Secretary-General", was prepared by Christopher T. Saunders, acting as consultant to the United Nations. This paper is before the Commission as E/CN.3/477. The second, "Non-monetary social indicators to measure levels of living" (ESA/STAT/AC.4/3), prepared by the Secretariat, is an extract of those portions of the "Draft guidelines on social indicators" (E/CN.3/488) which deal with non-monetary indicators of levels of living, 2/ also before the Commission. The third paper, prepared by the Secretariat and presented for background, is a "Report on national practices and plans in reporting statistics of levels of living" (ESA/STAT/AC.4/2). At the request of the Expert Group, this last report will be circulated to national statistical offices for comment, with a view to eventual publication.

I. ACTION BY THE COMMISSION

2. The Commission may wish to consider the present document in conjunction with the related documents "The feasibility of welfare-oriented measures to complement the national accounts and balances: report of the Secretary-General" (E/CN.3/477), and "Draft guidelines on social indicators" (E/CN.3/488).

3. Taking all of these into account, the Commission may wish to comment upon the conclusions reached by the Expert Group and to suggest directions for further work.

II. RECOMMENDATIONS OF THE EXPERT GROUP

4. The full report of the Expert Group (ESA/STAT/AC.4/5) will be available to the Commission as a background document. The Group broadly concurred with the conclusions and recommendations appearing in the documents it was considering. For this reason, its report does not state those conclusions in any detail. Rather, the report concentrates upon points which the Group wished to emphasize.

1/ Official Records of the Economic and Social Council, Fifty-eighth Session, Supplement No. 2 (E/5603), para. 137 (e).

2/ The following sections of E/CN.3/488 were used: II. Evolution of work on social indicators; III. Purposes and scope of social indicators in the draft guidelines; VI and annex II. Illustrative series and classifications for selecting social indicators (non-monetary series only); annex III. References to classifications; and annex IV. Examples of social indicators for different types of countries to measure levels of living (non-monetary only).

5. In terms of over-all conclusions, the Group agreed that welfare is a complex concept not susceptible to measurement as a single numerical aggregate in internationally comparable terms. They did not, therefore, recommend the setting up of international standards for compiling such a measure, in money or in any other unit of account. For statistical offices, they concluded that it is much more important at present to develop measures of specific welfare-oriented variables in non-monetary units, and in some cases in monetary imputations, in an organized and systematic manner. The Group did not recommend any modifications to existing international standard national accounts and balances, which have proved their value for purposes such as the analysis of the structure and state of the economy. They recognized that these standards rest upon conventions which may change over time, and therefore that it would be helpful if those elements in the present national accounts which are based on imputations were explicitly identified and separately subtalled. For those activities which lie outside the present national accounting framework, the first requirement is the collection and presentation of information in non-monetary terms. The Group stressed that the emphasis now being put on the distributional aspects (according to income groups, regions, ethnic groups etc.) of the constituents of recorded income and production applies even more strongly to the welfare-related measures outside the national accounts (as was emphasized throughout the discussion of social indicators and levels of living).

6. With regard to non-monetary indicators of levels of living, the Group strongly emphasized that the primary task of official statistical work should be to provide a statistical data base from which selections of indicators could be made to serve a variety of purposes. To base the selection and formulation of social indicators solely on predetermined concepts of welfare, or on social or political consensus about matters of transient interest, would seriously restrict their scope and usefulness. The Group concluded that a normative approach to the development of social indicators should be avoided, and that to this end rather than use the term "social concern", which implied a current normative interest, the term "topic" should be substituted in United Nations work. The Group also felt that this would help to avoid compartmentalization of the basic statistics; close identification of specific statistical data or indicators with specific concerns tends to obscure the interrelations among them, as well as to limit the multipurpose use of the basic statistics.

III. IMPLICATIONS FOR FURTHER WORK

7. The Expert Group report does not contain a specific recommendation for a programme of work. Rather, it endorses the priorities for future work set out in E/CN.3/477, with slight modification. In addition to the establishment of environmental statistics and the promotion of a more detailed functional analysis of expenditures by general government emphasized there, the Expert Group expressed a strong interest in the further exploration of statistics of time use, and emphasized the importance of regular household surveys as an effective instrument for seeking further information on many of the welfare-related variables discussed in E/CN.3/477.