



**Economic and Social
Council**

Distr.
GENERAL

ECE/CES/2008/33
29 May 2008

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

STATISTICAL COMMISSION

CONFERENCE OF EUROPEAN STATISTICIANS

Fifty-sixth plenary session
Paris, 10-12 June 2008
Item 3(b) of the provisional agenda

**COORDINATION OF INTERNATIONAL STATISTICAL WORK IN THE REGION OF
THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE:
STATISTICS ON INCOME, LIVING CONDITIONS AND POVERTY**

SUMMARY OF COMMENTS ON CANBERRA GROUP HANDBOOK

Note by the secretariat

I. BACKGROUND

1. The CES Bureau discussed the statistics on income, living conditions and poverty at its October 2007 and February 2008 meetings. One of the proposals emerging from the discussion was that a practical step forward in this area would be to update the Canberra Group Handbook. The Secretariat was asked to consult with the CES members whether there is such a demand among countries and organizations.
2. Therefore, the member countries and international organizations were invited to answer two questions:
 - (a) whether you consider necessary to set up a small group to update the Canberra Group Handbook;
 - (b) whether your country/organization would be interested to participate in the work if such a group is set up.

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II. RESULTS OF THE SURVEY

3. 21 countries and 2 international organizations replied to the survey.

The results of the survey show that majority of countries (14) support the proposal for establishing a small group to update the Canberra Group Handbook. The countries which supported the proposal are Australia, Denmark, Finland, Germany, Latvia, Norway, Poland, Portugal, Russia, Slovak Republic, Sweden, Switzerland, Turkey, and the USA.

4. Five countries (Austria, Ireland, New Zealand, Spain and Ukraine) did not have a preference or expressed concerns about the procedures and the timing of the work on the update of the Canberra Group Handbook.

5. Finally, two countries (Hungary and the Netherlands) and two international organizations (OECD and Eurostat) do not support the proposal to update the Canberra Group Handbook. However, the Netherlands and OECD indicated that they are willing to participate in the work if such a group is established.

6. The comments are provided below in three sections. Section A presents comments by countries, that support the proposal. Section B summarizes the comments by countries with concerns on the work. The last section C reviews the comments by countries and international organizations, that do not support the proposal.

A. Countries who were in favour of setting up the groups provided the following comments:

Australia

7. Any further work should be seen as an extension of the Canberra Group Report with a focus on household expenditures (incomes are a way to access consumption) and on creation of summary statistics. Most recent ICLS meeting ratified a new set of ILO standards for household income and expenditure statistics that broadly aligned with the Canberra Group Report recommendations.

8. There is not much wrong with the fundamentals of the Canberra Group Report Recommendations although perhaps some tweaking at a few edges could be appropriate.

9. A city group should be set up on expenditure statistics.

Finland

10. The important areas, which require further elaboration, are a more complete definition of income, especially definitions of social transfers in kind and imputed rent of owner-occupied dwellings.

11. The organisation and working plan of the update have to be carefully considered and the expert workload has to be reasonable. It is important that the update work will be properly coordinated with the plans of OECD.

Norway

12. Positive to all work that improves the comparison between countries within the field of income statistics. However, it is important to coordinate the work with what is being done in other institutions, such as Eurostat.

Poland

13. The preparation of updated handbook, which will cover the experiences resulting from implementation of new information sources on incomes (for example implementation of the EU-SILC survey) - seems to be fully justified not only for the scientific reasons but also for the practical meaning of the information on households income conditions (among others for social policy shaping in the field of income redistribution and fight against the poverty).

Portugal

14. The update of the Canberra Group Handbook would be a very important step towards a common and harmonized perspective allowing the establishment of a minimum set of comparable information, taking due account of the new developments in the area of statistics measuring poverty and inequalities.

15. The participation in the update of the Handbook should be coordinated and ensured at the EU level by Eurostat.

Sweden

16. Some of the issues which are of importance to western countries, such as capital income, were not included in the current handbook and therefore it is important to take up this work again.

USA

17. Is there enough work required for this effort to involve an entire working group? What is the extent of the update that is needed? How should this be assessed and, decided how large a group is needed to carry out this?

B. Concerns were expressed by the following countries:

Austria

18. Prefers a review of procedures and possible alternatives regarding implementation of the handbook to a mere update of definitions. This review should precede any update.

19. Real progress requires an explicitly interdisciplinary perspective. The following main focuses are appropriate:

- (a) coordination of methods of measurement of income, wealth and consumption (e.g. systematical comparison of income aggregates of SNA and micro data)
- (b) examination of empirical relevance of monetary variables for living conditions, deprivation etc.

Ireland

20. We should proceed on the basis of the "minimum proposal" at this stage, which is essentially information gathering. This could be done in such a way that it would guide further action, if any, in the medium term.

New Zealand

21. Do not have a strong preference either way regarding the Canberra Handbook.

Spain

22. It is a bit early to revise the handbook. Although the household income can be changeable, the movements are slow. It would be better to wait some years.

C. The following countries and international organizations did not support setting up the group:

Hungary

23. It is not necessary to update the Canberra Group Handbook yet.

Netherlands

24. Priority should be given to the development of other statistical areas which are less developed. An update of the Canberra guidelines is not very urgent at this moment.

OECD

25. It does not seem to be the way to move forward. The Canberra Group report was published in 2001 and remains an essential reference for all those working on income distribution and poverty. It is not clear in what respect it needs to be updated.

26. On the other hand, several of its recommendations (such as the establishment of "assessment reports" of national datasets) have not been followed through.

27. It would also be important to move forward on the issue of reconciling the SNA and survey data of household income.

Eurostat

28. No direct acute need for an update of the manual. If a follow up would be done, this should focus on the practical issues in the "radar screen" section 4.4.4 Towards a more complete income definition, not on revision of the cash income details.

29. What would be helpful is a best practice handbook on implementation, covering in-kind benefits (own account production is a global theme), imputed rent.

III. PARTICIPATION IN THE WORK IF SUCH A GROUP IS SET UP

30. The following countries and international organizations are ready to participate in a working group if it is being established: Australia, Austria, Finland (can bring expertise on use of administrative registers and implementation of the EU SILC), Netherlands, Spain, Sweden, Turkey (on electronic form), USA, and OECD.

31. The following countries indicated that they have no possibility to participate in the work of the working group: Denmark, Poland, Slovak Republic and Ukraine.

IV. CONCLUSION

32. Overall, 21 countries and 2 international organizations responded to the questions on the update of the Canberra Group Handbook. From these responses, 14 countries supported the set up of a small group to update the Canberra Group Handbook (Australia, Denmark, Finland, Germany, Latvia, Norway, Poland, Portugal, Russia, Slovak Republic, Sweden, Switzerland, Turkey, and the USA). No preferences or some concerns on the work of such group were expressed from 5 countries (Austria, Ireland, New Zealand, Spain, Ukraine). Two countries (Hungary and the Netherlands) and two international organizations (OECD and Eurostat) responded negatively to the proposal to update the Handbook. Eight countries and 1 international organization (OECD) expressed willingness to participate in the work if such a group is established.

V. FURTHER STEPS

33. The Conference will be informed about the results of the survey under agenda item 3(b) at the CES 2008 plenary session. The Bureau will discuss the possible setting up of the group at its October 2008 meeting.

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