UN Glossary of Classification Terms
(Long version) *

Australian Bureau of Statistics

* Broader version includes definitional materials from consolidated paper on Best Practices: Standards Statistical Classifications: Basic Principles, SNA 93 Glossary and other terms nominated by the Expert Group
UN Glossary of Classification Terms

Acronym

Refers to a normalised shortened name (e.g. ISIC Rev 3.0, CPC V. 1.0 etc).

Activity

Refers to a process which generates output e.g. services or goods. In economic productive activities, factors of production, land, labour, capital and entrepreneur (regarded as resource inputs) would be involved to produce goods and services (regarded as production outputs). One single economic activity is defined as a process resulting in a homogeneous set of goods and services. These homogeneous set of goods and services could be that typically produced by a group of economic producers who would be grouped together to form a classification category e.g. class, group, subdivision, division. The activities within a classification category could be called primary activities i.e. activities that are mainly engaged by statistical units classified to a classification category.

A producer could produce a range of goods and/or services. This producer is said to engage in more than one economic activity. Generally the producer is classified according to its main income earning activity. There are three types of economic activity: principal activity, secondary activity, and ancillary activity.

Source: ISIC Rev. 3, 29-38

Age

Is the estimated or calculated interval between the date of birth and the date of occurrence of the event. Duration of life at death, at birth of child, at delivery of foetus, at marriage, at divorce expressed in the largest possible completed units of time, such as years, months, weeks, days or hours of life, as appropriate.

The age distribution of a population is given either by individual years of age or by age groups [e.g. quinquennial (five-yearly), decennial (ten-yearly), broad age groups, such as 0-19 years, 20-39, 40-59 years, 60 years and over].

Statisticians often round off the age to the number of complete years lived, and this is called age at last birthday.


Aggregation / Disaggregation

In standard hierarchical classifications, statistics of related categories can be meaningfully grouped or collated to provide a broader picture or disaggregated when finer details are required.

Ancillary activity

This activity supports the principal and secondary activities and the non-durable goods or services of an ancillary activity are wholly used by the producer i.e. not sold to another producer. Examples of an ancillary activity are accounting, transportation, storage, purchasing, sales promotion, repair and maintenance etc.

Source: ISIC Rev. 3 29-38
Area

The extent, range, or scope of a special unit or multiple units used for statistical purposes. Refer also to Scope.

Australian and New Zealand Standard Commodity Classification (ANZSCC)

Has been developed for use in Australia and New Zealand for the collection and presentation of commodity statistics. The Central Product Classification, Provisional, provided the basis of the classification and links are provided to other international standard classifications.

Source: ANZSCC Version 1.0

Australian and New Zealand Standard Industrial Classification (ANZSIC)

Has been developed for use in Australia and New Zealand for the production and analysis of industry statistics. It replaced the Australian Standard Industrial Classification (ASIC) and the New Zealand Standard Industrial Classification (NZSIC) which had been in use for many years prior to 1993. The ANZSIC has been aligned with the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 3 wherever possible.

Source: ANZSIC, 1993 Edition

Balance of Payments Manual 5 (BPM5)

The manual includes methodology which measures the economic transactions of an economy with the rest of the world. The International Monetary Fund is the custodian of BPM5.

Source: BPM5, para 13

Best Practices about Classifications

Refers to the approach or procedure which is recognised as the most efficient and effective in producing a desired result. Best practice can only be achieved if agreed and endorsed by experts.

In the development and revision of international and national classifications, best practice procedure would generally involve a benefits and costs exercise viz. weighing the applicability of the final classification in terms of requirements of the domestic economy vis-a-vis the world economies. Specifically the best practice to be adopted in the development and revision of a classification would require a selection of some of the characteristics of a good classification that are desirable or achievable and optimising those characteristics. Refer also to Custodian of a Classification


Boundary

Represents the limit of a known or recognisable quantity, area or scope. Each category in a classification has a boundary for containing all the related elements (activities, commodities, occupations etc.).
Building blocks (elementary items)

Are the most elementary items of a statistical classification, i.e. the most detailed code for a variable, and may be used alone or in combination to describe a category in one or more classifications, or to compare classifications. For example, the building blocks of General Industrial Classification of Economic Activities within the European Community (NACE) can be combined to reconstruct higher levels of ISIC.

Category

Is an item within a classification, e.g. a tabulation category, subdivision, group or class in ISIC Rev. 3. The ISIC Rev. 3 class could be further broken down to form subcategories. A classification category or subcategory is given a code (alphabetical or numerical). Generally, a detailed level category in a hierarchical classification would be the list of the elements e.g. activities, commodities, types of occupations, types of education etc. Refer also to Item.

Census

The complete enumeration of a population or group at a point in time is referred to as a census (e.g. census of population, manufacturing, etc.).

Central Product Classification (CPC), Version 1.0

Is a complete product classification covering goods and services. The CPC Version 1.0 provides a framework for the international comparison of various types of statistics dealing with goods, services and assets.

Each type of good or service distinguished in the CPC Version 1.0 is defined in such a way that it is normally produced by only one activity as defined in the International Standard Industrial Classification of all Economic Activities (ISIC), Rev. 3. Conversely, each activity of the ISIC Rev. 3 is defined in such a way that it normally produces only one type of product as defined in the CPC Version 1.0 (where each type of product may have a number of individual products coded under it). So far as is practically possible, an attempt is made to establish a one-to-one correspondence between the two classifications, each category of the CPC Version 1.0 being accompanied by a reference to the ISIC Rev. 3 class in which the good or service is mainly produced. However, such a one-to-one correspondence is not always possible. In practice, therefore, the output of an industry, no matter how narrowly defined, will tend to include more than a single product.

United Nations (Statistics Division) is the custodian of the CPC.

Source: CPC Version 1.0

Central government

Is the body whose political authority extends over the entire territory of the country and which can impose taxes on all resident and non-resident units engaged in economic activities within the country.

Source: SNA93, 4.118

Centre of economic interest

An institutional unit is said to have a centre of economic interest when there exists some location - dwelling, place of production or other premises - within the economic territory on, or from, which it engages, and intends to
continue to engage, in economic activities and transactions on a significant scale either indefinitely or over a finite but long period of time.

In most cases, a long period of time may be interpreted as one year or more, although this is suggested only as a guideline and not as an inflexible rule.

Source: SNA93, 4.15

Character

In classifications a character could refer to the distinctive or collective quality of the classification categories. The reference to the characteristics of a good classification would also be based upon this concept.

Claset

Refers to EDI messages which normalises data allowing the exchange of information about classifications and tables. The content of this information includes general information, structure, textual descriptions, values, titles etc.

Class

Is a title/name used in classifications to depict a particular level (e.g. in ISIC Rev. 3 the 4 digit level is referred to as the class).

Classification

Is a set of discrete, exhaustive and mutually exclusive values which can be assigned to one or more variables to be measured in a statistical survey or used when presenting the results of a survey. The terms classification or nomenclature can be used interchangeably.

The categories of a classification could be either hierarchical or flat. Hierarchical classifications, range from the detailed level (e.g. class) to the broadest level (e.g. division). Flat classification (e.g. sex classification) are not hierarchical.

The characteristics of a good classification are as follows:

the categories are exhaustive and mutually exclusive i.e. each member of a population is able to be allocated to one category without duplication or omission;

the classification is comparable to other international standard classifications. Countries develop and adopt categories compatible with international standard classifications;

the categories are stable i.e. they are not changed too frequently;

the categories are well described and backed up by explanatory notes, coding indexes, coders, concordances (i.e. correspondence tables) to other international standard classifications and earlier version of the same classification etc. to facilitate and disseminate the use of the classification;

the categories are well balanced i.e. not too many or too few categories. This is obtained by determining the required size (measured by employment, turnover etc.) limit for the categories;
the categories reflect realities in the economy of the country e.g. in an industry classification, the categories should reflect the total picture of industrial activities of the country; and

the classification is backed up by availability of instructions, training manual, handbook and training in its use.

Refer also to Nomenclature.

Classification of Broad Economic Categories (BEC)

Introduced by the United Nations Statistical Office the BEC is a subsidiary classification for rearranging trade data for analysis which serves a specific purpose. This classification groups commodities on the basis of their main end use. Exports and imports of merchandise classified by 5-digit SITC Rev. 3 codes are linked to the nineteen BEC categories.

Source: BEC

Classification of Environmental Protection Activities (CEPA)

Deals with the disaggregation of the flow and asset accounts of the SNA in order to identify the monetary data connected with environmental protection services. This disaggregation refers to production activities and products of different industries, to capital formation and to the stocks of assets produced or used for environmental protection purposes.

CEPA was developed on the basis of the Economic Commission for Europe (ECE) Draft Standard Statistical Classification of Environmental Protection Facilities and Expenditures, and the Classification of Characteristic Activities of the European System for the Collection of Economic Information on the Environment (SERIEE) created by the Statistical Office of the European Communities (Eurostat).


Classification of Individual Consumption by Purpose (COICOP)

Is used to classify only a single kind of outlay - namely the individual consumption expenditures of households, NPISHs and general government. Individual consumption expenditures are those which are made for the benefit of individual persons or households.

COICOP is an integral part of the 1993 SNA, but it is intended also for use in three other statistical areas: household budget surveys, consumer price indices and international comparison programmes. The purposes defined in COICOP are based on the classifications of consumer expenditures which national statistical offices have developed for their own use to serve a variety of analytical applications.

The OECD, working in close collaboration with Eurostat, was responsible for restructuring and defining COICOP.

Source: SNA93, 18.7/OECD/CLASSTEXT/04.98

Classification of Outlays of Producers by Purpose (COPP)

Is used to identify the types of expenditures by producers (i.e. intermediate consumption, compensation of employees, other taxes less subsidies on production, consumption of fixed capital and gross fixed capital formation).
The categories of COPP are:

Outlays on current production;
Outlays on repair and maintenance;
Outlays on engineering and related technological work;
Outlays on research and development;
Outlays on pollution abatement and control;
Outlays on sales promotion;
Outlays on external transportation;
Outlays on employee training, welfare and morale; and
Outlays on general administration.

The UN Statistical Division was responsible for restructuring and defining COPP.

Source: SNA93, Table 18.4, para 18.13

**Classification of Products by Activity (CPA)**

Is a statistical products classification system at European Union (EU) level. Its main aim is to ensure comparability between national and EU statistics.

Products are defined as transportable and non-transportable goods and services.

Source: Eurostat, Glossary of Business Statistics, pp 34-35

**Classification of the Functions of Government (COFOG)**

Is used to identify the types of current transactions, capital outlays and acquisition of financial assets by general government and its subsectors.

This classification is used to help distinguish between expenditure by government on individual services and collective services. By convention, all government final consumption expenditures under education, health, social security and welfare, sport and recreation, and culture should be treated as expenditures on individual services except for expenditure on general administration, regulation, research, etc.

A major use of COFOG is to identify consumption expenditures which benefit individual households and which are transferred to Division 14 of COICOP in order to derive actual final consumption of households (or actual individual consumption). COFOG also permits trends in government outlays on particular functions to be examined over time and is also used for making intercountry comparisons of the extent to which governments are involved in economic and social functions.

The OECD, working in close collaboration with Eurostat, was responsible for restructuring and defining COFOG.

Source: SNA93, 9.87/OCED/CLASSTEXT/04.98

**Classification of the Purposes of Non-profit Institutions Serving Households (COPNI)**

Is used to identify the types of current transactions, capital outlays and acquisition of financial assets by non-profit institutions serving households.
By convention, all consumption expenditures of NPISHs are treated as individual consumption in the 1993 SNA. One of the main uses of COPNI is to classify expenditures by NPISHs in a manner consistent with the purposes of the individual consumption expenditures of households and government in order to obtain the 1993 SNA aggregate of actual final consumption of households (or actual individual consumption). COPNI can also be used to facilitate international comparisons of the activities of NPISHs.

The OECD, working in close collaboration with Eurostat, was responsible for restructuring and defining COPNI.

Source: SNA93, 18.3-18.12/OECD/CLASSTEXT/04.98

Classification structure

Refers to how the categories of a classification are arranged, split or grouped.

The categories of a classification can be arranged in either a hierarchical or flat structure. Flat classifications (e.g. sex classification) are arranged as a single level structure classification. Hierarchical classifications range from the detailed level (e.g. class) to the broadest level e.g. division. The hierarchical classification structure is, therefore, a true structure made up of a succession of partitions which fit into each other.

Classification unit

Is the basic unit to be classified in the classification (e.g. in an activity classification this would be the statistical or economic unit). Refer also to Unit of Observation.

Classifying

The term is used when classifying or assigning a classification code to a unit.

Code, code letters and numbers

Normally consists of one or more alphabetical or numerical characters assigned to a descriptor in a classification. Each code is unique to the property of a classification.

If the property changes, then the code should also be changed. A code could be linked to different codes with common characters especially in a hierarchical classification. For example, in ISIC Rev. 3, Technical and vocational secondary education has a class code 8022, which is linked to Group 802 Secondary education and to Division 80 Education.

Statistical compilation, storage, retrieval is facilitated by the use of electronic codes with their descriptors.

Coding

Refers to the transformation of a textural information into a code.

Coding index

For a classification is a detailed, comprehensive list of entries which reflect the information which is expected to be available to enable coding.
The code list (of descriptions and codes) is ordered either alphabetically or numerically and could be stored electronically or on hard copies. A code list acts as a link between responses and the classification, enabling responses to be coded accurately and quickly to the appropriate category of the classification. It may be necessary to compile different coding indexes for coding different items to the same classification because of the differences in the information provided. The coding index will depend on the coding methodology being used.

**Coding strategy**

Refers to the following:

a guideline for systematically allocating codes to the categories in a new classification;

a procedure or a guideline for systematically coding activities, commodities, occupations etc. in industry, commodity or occupation classification respectively;

a manner in which to transform descriptions into codes

**Coding structure (coding system)**

Refers to the systematic numbering/lettering of all the categories in a classification. The use of standardised conventions when creating coding structures help in comparing classifications.

The following numbering systems could be used:

a strict decimal numbering system i.e. each category in a classification system would have the same number of digits;

a non-strict decimal numbering system i.e. each category in a classification system would not have the same number of digits or letters. For example, in ISIC Rev. 3, the tabulation categories are identified by letters, the divisions, groups, classes are identified by a two-, three-, and four-digit number respectively.

**Combined Nomenclature (CN)**

Can be regarded as an extension of the Harmonised System (HS), whose developments were made from the CCT (European Customs Common Tariff) and the European Statistical Nomenclature both in application until 31 December 1987. The CN comprises about 10,000 groups of goods identified by a 4 digit code (heading) or an 8 digit code (subheading) in 21 sections and 98 chapters. The CN entered into force in 1988.

Source: Eurostat, Glossary of Business Statistics, p 36

**Commodity**

Is defined as being a good (product, material, asset or consumable) or service bought by consumers.

**Compensation of employees**

Is the total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period.
Concepts

Are abstract summaries, general notions, knowledge etc. of a whole set of behaviours, attitudes or characteristics which are seen as having something in common.

Concepts are used to assist in presenting/conveying precise meaning, categorising, interpreting, structuring and making sense of the classification.

Concordance

Refer to Correspondence table.

Consumption

Is an activity in which institutional units use up goods or services; consumption can be immediate or final.

Source: SNA93, 1.49

Content (of a classification category)

Refers to what is included within the boundary of a classification category.

In an industry classification, the content of a detailed classification category (e.g. class) would include a descriptor stating its scope, a list of includes and excludes and a list of primary activities.

Contributing family worker

Is a person who holds a self-employment job in a market-oriented establishment operated by a related person living in the same household, and cannot be regarded as a partner because of the extent of his or her commitment to the operation of the establishment.

Source: Principles and Recommendations for Population and Housing Censuses Rev 1, 2.231

Controlled vocabulary

Refers to the preferred vocabulary to be used for classifications which have specific meaning as given by the author or agreed by experts. Commodity and service would be examples of controlled vocabulary used in an industry or product classification.

Convention

A general rule, method, or practice established by consensus or usage or an agreement between parties, less formal than a treaty.
Conventions are often signed to establish organisations such as the Customs Co-operative Council (CCC). The functions and purposes of the organisation are included under the terms of the Convention.

**Correlation**

Refer to *Correspondence table*.

**Correspondence table**

Allows for the linking of classifications. A table systematically explains where, and to what extent, the categories in one classification, may be found in other classifications, or to earlier versions of the same classification. Methodologically, tables describe the way in which the value sets of classifications are related, by describing how the units classified to the groups defined for a classification would be classified in other classifications.

Tables are important for the development and harmonisation of international classifications. There are many different circumstances under which one may want to establish relations between classifications, and many forms which these relations may take.

Tables can be precise, depending on convention in order to describe the type of link between tables (e.g. historical, hierarchical or whether they overlap).


**Counting unit**

Is a unit whose characteristics are described in the course of a statistical inquiry. In social statistics the counting unit is commonly the person, income unit, family or household.

Source: ABS, Glossary of Integrated Economic Census Terms (1994)

**Country**

Is a land of a region or a territory of a nation which can include or exclude external territories, dependencies etc. and which can be treated as a single unit for classification purposes. Groupings of countries can occur into progressively broader or detailed geographic areas on the basis of their similarity in terms of social, cultural, economic and political characteristics.

**Coverage**

Specifies the population from which data is collected for a particular concept.

It is essential that the coverage of collections and classifications is the same across statistical topics and collections in order to facilitate comparable data. Coverage issues are often explained through the use of tables which show linkages (e.g. part or full correspondence); and should also be used to explain the ratio of coverage.

The rules and conventions of coverage are largely determined by definition of the operational concept, scope rules, specifications in information needs, collection and counting units and the collection methodology.

Source: ABS, Glossary of Integrated Economic Census Terms (1994)
Coverage ratio

Measures the extent to which the activities designated as primary to a particular class are undertaken by units belonging to that class. Defined in terms of output, the coverage ratio is the output of goods and services characteristic to the industry in proportion to the total output of the same goods or services by the economy as a whole.

Source: ISIC Rev. 3, 155

Cross reference

Is the linking, tracing or comparing of concepts/categories in one classification or between classifications.

This could be done by writing out inclusions/exclusions, footnotes or descriptors in an annotation. Cross referencing draws users' attention to the classification where related concepts/categories, inclusions/exclusions etc. are found and may require attention or consideration. Refer also to Table.

Current accounts (balance of payments)

Deal with production, distribution of income and use of income. Each account starts with the recording, as resources, of the balancing item of the previous one. The last balancing is saving which is that part of income originating in production, domestically or abroad, which is not used for final consumption.

Source: SNA93, 2.106

Current transfers

Consist of all transfers that are not transfers of capital. They directly affect the level of disposable income and should influence the consumption of goods and services.

Source: SNA93, 8.32

Custodian of a classification

Refers to an institution or statistical area which has or has been given the responsibility for implementing, through the provision of guidelines and training, maintaining, updating and revising the classification. The custodian will frequently also have responsibility for constructing the current version of the classification. Collaboration among custodians is needed for harmonisation of classifications.

Classifications are often constructed by those responsible for implementing policies, through, e.g. customs regulations or criminal legislation; or for public services such as job placement, education or public health; for describing and analysing social, economic or natural phenomena. Refer also to Best Practices about Classifications.

**Definition**

Is a statement of the precise meaning of something. In classifications this refers to words and concepts etc.

**Derived classification**

Of the family of classifications, are based upon reference classifications. Derived classifications may be prepared either by adopting the reference classification structure and categories, and then possibly providing additional detail beyond that provided by the reference classification, or they may be prepared through rearrangement or aggregation of items from one or more reference classifications. Derived classifications are often tailored for use at the national or multi-national level (e.g. NACE). Refer also to Related classifications.


**Description/Descriptor**

Is normally a one line statement/heading/index entry of a category in a classification.

**Disaggregation**

Refer to Aggregation / Disaggregation

**Division**

Hierarchical classifications often have a structure which comprises a number of aggregated categories with divisions usually representing the broadest level. The main purpose at the divisional level is to provide a limited number of categories which will provide a broad overall picture of the object or entity being classified.

**Domain**

Relates to the elements that are in each category. For example, the domain of ISIC Rev. 3, Class 9241 Sporting activities would be all the primary activities (e.g. sports events, sport clubs etc.) listed under this class. In the economic and social classifications, the domains could cover education, tourism, labour, health, time-use, economy etc.

**Durable goods**

Durable goods are defined as those which may be used repeatedly or continuously over a period of more than a year, assuming normal or average rate of physical usage. A consumer durable is a good that may be used for purposes of consumption repeatedly or continuously over a period of a year or more.

Source: SNA93, 9.38

**Economic entity**
Refers to one entity or a group of entities comprising the parent entity and each of its subsidiaries. An economic entity has legal, administrative, or fiduciary arrangements, organisational structures or other parties having the capacity to efficiently allocate resources in order to achieve objectives. Economic entities are often used as a specific classification unit or a statistical unit.

**Economic territory**

The economic territory of a country consists of the geographic territory administered by a government within which persons, goods, and capital circulate freely. In the case of maritime countries, it includes any islands belonging to that country which are subject to exactly the same fiscal and monetary authorities as the mainland, so that goods and persons may move freely to and from such islands without any kind of customs or immigration formalities. The economic territory of a country includes:

- airspace, territorial waters, and continental shelf lying in international waters over which the country enjoys exclusive rights or over which it has, or claims to have, jurisdiction in respect of the right to fish or to exploit fuels or minerals below the sea bed;

- territorial enclaves in the rest of the world (clearly demarcated areas of land which are located in other countries and which are used by the government which owns or rents them for diplomatic, military, scientific or other purposes - embassies, consulates, military bases, scientific stations, information or immigration offices, aid agencies, etc. with the formal political agreement of the government of the country in which they are physically located). Goods or persons may move freely between a country and its territorial enclaves abroad, but become subject to control by the government of the country in which they are located if they move out of the enclave; and

- free zones, or bonded warehouses or factories operated by offshore enterprises under customs control (these form part of the economic territory of the country in which they are physically located).

Source: SNA93, 14.9-14.11

**Elements**

Are the components which make up the classification.

The most detailed element would refer to the lowest level of the classification, e.g. 4-digit level of ISIC.

**Employed or self-employed**

Refer to those who are engaged in an activity that falls within the production system of the SNA93.

Source: SNA93, 7.23

**Employee, paid employment job**

Is a person who works in a paid employment job, where the explicit or implicit contract of employment gives the incumbent a basic remuneration, that is independent of the revenue of the corporation, a non-profit institution, a government or household, for which he or she works.

Persons in paid employment job are typically remunerated by wages and salaries, but may be paid by commission from sales, or through piece-rates, bonuses or in-kind payment such as food, housing or training.
Employer

Is a person who, working on his or her own economic account or with one or few partners, holds a self-employment job and, in this capacity, has engaged on a continuous basis (including the reference period) one or more persons to work for him/her as employees.

Establishment

Is an enterprise, or part of an enterprise, that is situated in a single location. It has a single (non-ancillary) productive activity or a principal productive activity which accounts for most of the value added.

Eurostat

Is the Statistical Office of the European Communities.

Eurostat uses uniform rules to collect statistical data from the National Statistical Institutes of each of the 15 Member States of the European Union. Its mission is to provide the European Union with a high-quality statistical information service. The aim of Eurostat is to create common classifications, methods and organisational structures for compiling comparable statistics on the EU Member States.

Explanatory note

Assists users of classifications to distinguish the boundary of each category as it explains the content through examples, includes/excludes and references to other categories in the excludes. Explanatory notes may also contain specific rules, definitions etc.

Family (of classifications)

The family of international economic and social classifications is comprised of those classifications that have been internationally approved as guidelines by the United Nations Statistical Commission or other competent inter-governmental board on such matters as economics, demographics, labour, health, education, social welfare, geography, environment and tourism.

Field

Generally this refers to the area or sphere of operation, observation, activities etc. In classifications, the field could be groups, categories or items at a given level.
Format(s) - "one layer of the process of presentation of something"

Generally this refers to the style or manner of arrangement or procedure. In classifications this often relates to the presentation of publication/storage viz. hard copy or electronic (e.g. software used, text font, size and attributes and (tree) structure).

Framework

A framework is a multi dimensional classification system that seeks to bring in a range of elements. A framework could include a combination of classifications, code lists and/or data items modules, and generally metadata.


Functional classifications

Are designed to classify 'transactions' according to the intended use. The term 'function' can be used interchangeably with the term 'purpose'.

Functional classifications provide a means of classifying certain transactions of producers and of three institutional sectors - namely households, general government and non-profit institutions serving households.

Refer also to Classification of the Functions of Government (COFOG)
Classification of the Purposes of Non-profit Institutions Serving Households (COPNI)
Classification of Individual Consumption by Purpose (COICOP)
Classification of Outlays of Producers by Purpose (COPP)

Source: SNA93, 18.1

General Government

Consists of the totality of institutional units which, in addition to fulfilling their political responsibilities and their role of economic regulation, produce principally non-market services (possibly goods) for individual or collective consumption and redistribute income and wealth.

It could comprise mainly of central, state and local government units together with social security funds imposed and controlled by those units. In addition, it includes non-profit institutions engaged in non-market production that are controlled and mainly financed by government units or social security funds.

Source: SNA93, 2.20 and 4.9

Goods

Are physical/tangible objects for which a demand exists, over which ownership rights can be established and whose ownership can be transferred from one institutional unit to another by engaging in transactions or markets. They are in demand because they may be used to satisfy the needs or wants of households or the community or used to produce other goods or services.

Source: SNA93, 6.7
**Government units**

Are unique kind of legal entities established by political processes which have legislative, judicial or executive authority over other institutional units within a given area. Government units are, in general, statistical units.

Source: SNA93, 4.104

**Grouping / Degrouping**

In a hierarchical or tree structure classification, categories are grouped ranging from broad to detailed levels for each set. The categories within each set can be grouped (aggregated) or degrouped (disaggregated).

For example ISIC Rev. 3 group 853 Social work activities has two classes (i.e. detailed levels), 8531 Social work with accommodation and 8532 Social work without accommodation. Data collected for ISIC Rev. 3 classes 8531 and 8532 could be grouped to give data for ISIC Rev. 3 group 853. Conversely data for ISIC Rev. 3 group 853 could be degrouped to derive data for ISIC Rev. 3 classes 8531 and 8532.

**Guidelines**

Refer to the directions or principles used in the development/building, use or maintenance of classifications. Refer also to Rules.

**Harmonisation**

Harmonisation is the process of combining or comparing data for purposes of analysis, either through the use of similar standards and classifications, or through a complex set of explanations allowing comparisons across standards and classifications. (International Standard Classifications: A Draft Statement of Best Practices, para 15, p 4).

In the harmonisation of classifications, building blocks for common groupings and regroupings of items from different structures of the classifications are identified. The process is facilitated by reducing or eliminating minor differences among the classifications. Where a national standard classification has been created as a combination of two or more categories of the international standard classification, these should, preferably belong to the same aggregate group in the international standard classification. (A Statement of Best Practices, para 46).

Harmonisation of classifications requires continuous co-ordination and exchange of information between the custodians of the relevant classifications on a regular basis. Without such exchange, different interpretations of similar concepts and categories will occur. (A Statement of Best Practices, para 17).

In the harmonisation process the classifications could be described as reference, derived or related classifications.

**Harmonised Commodity Description and Coding System (HS)**

Also referred to as the Harmonised System (HS) for short, this international and harmonised classification system forms the basis for administering imports and exports and for the collection and dissemination of detailed international trade statistics.

The HS is also used in defining categories of domestically produced goods.

The HS has been developed to:

provide international uniformity in classifying and coding goods;

update the previously used Customs Co-operation Council Nomenclature (CCNN) to reflect technological developments and changes in the pattern of internationally traded goods; and

simplify the collection, analysis and comparison of international trade statistics.

The United Nations Statistics Division is the custodian of the HS.

**Heading**

Generally this refers to the title or caption of a document or section of a document. In the context of a classification it is the main descriptor of a category, also referred to as Name or Title (e.g. the heading under Division 01 in ISIC Rev. 3 is Agriculture, Hunting and Related Service Activities. Refer also to Name (of items) and Title (of a category in a classification).

**Hierarchy**

Refers to the classification structure where a classification is arranged in levels of detail from the broadest to the most detailed level. The broadest level relates to broad category groupings. Each level of the classification is defined in terms of the categories at the next lower level of the classification.

**Homogeneity (homogeneous)**

One of the characteristics of a good classification is reasonably high homogeneity for its categories. Members (e.g. business units, commodities etc.) in each category would have similar primary activities/characteristics. Systematic grouping and stratifying the members of the population would result in high homogeneity ratios for the categories.

Homogeneity ratios are defined on a mathematical basis to minimise the variance within a classification.

**Household**

Is a small group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly on housing and food. Households are also used as statistical units.

Source:  SNA93, 4.132
Industry

Is defined as the set of all production units engaged primarily in the same or similar kinds of productive economic activity.

The activity carried out by a statistical unit is the type of production in which it engages. It is a characteristic of the unit according to which it will be grouped with other units for certain statistics, e.g. industrial statistics.

Source: ISIC, Rev. 3

Industry of origin, industry of production

As it is not possible to establish a one-to-one correspondence between activities and products, industry classification cannot be used to measure output data at any detailed level. For that purpose a product classification, based on the physical characteristics of the goods or the nature of the services rendered, is developed where each category may be accompanied by a reference to industry class where these products (goods and services) are mainly produced. This is regarded as 'industry of origin' or 'industry of production' for the product concerned.

Source: ISIC, Rev. 3

Input Output Classification

Is a detailed classification which allows for the examination of economic activity. Economic activity is one of the key notions in business statistics and National Accounts in particular input output analysis. For example the input consists of products, capital goods and manpower, while the output consists of products.

Source: Department of Statistical Methods, Netherlands, Division Research and Development: Study on statistical units, p 4

Institutional sector

Institutional units make up the total economy are grouped into the following five mutually exclusive institutional sectors:

The non-financial corporations sector;
The financial corporations sector;
The general government sector;
The non-profit institutions serving households sector; and
The households sector.

The Institutional sector is a classification of units.

Source: SNA93, 4.6

Institutional unit

Is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.

The main attributes of institutional units may be described as:
entitled to own goods or assets in its own right, it is therefore able to exchange the ownership of goods or assets in
transactions with other institutional units;

able to make economic decisions and engage in economic activities for which it is itself held to be directly
responsible and accountable at law;

able to incur liabilities on its own behalf, to take on other obligations or future commitments and to enter into
contracts; and

having either a complete set of accounts, including a balance sheet of assets and liabilities, exists for the unit, or it
would be possible and meaningful, from both an economic and legal viewpoint, to compile a complete set of
accounts if required.

There are two main types of units in the real world that may qualify as institutional units, mainly persons or groups
of persons in the form of households, and legal or social entities whose existence is recognised by law or society
independently of the persons, or other entities, that may own or control them. Refer also to Classification unit and
Statistical unit.

Source: SNA93, 4.3-4.5

International Statistical Classification of Diseases and Related Health Problems, The Tenth Revision (ICD-10)

A classification of diseases may be defined as a system of categories to which morbid entities are assigned
according to established criteria. There are many possible axes of classification and the one selected will depend
upon the use to be made of the statistics to be compiled. A statistical classification of diseases must encompass the
entire range of morbid conditions within a manageable number of categories.

The Tenth Revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10)
is the latest in a series of international classifications of diseases. It came into effect on 1 January 1993. World
Health Organisation is the custodian of the ICD-10.

Source: ICD-10

International Classification of Impairments, Disabilities and Handicaps (ICIDH)

Is a manual published by the World Health Organisation (WHO), a specialised agency of the United Nations with
primary responsibility for international health matters and public health. It contains three distinct and independent
classifications:

impairments, concerned with abnormalities of body structure and appearance and with organ or system function,
resulting from any cause; in principle, impairments represent disturbances at the organ level;

disabilities, reflecting the consequences of impairment in terms of functional performance and activity by the
individual; disabilities thus represent disturbances at the level of the person; and

handicaps, concerned with the disadvantages experienced by the individual as a result of impairments and
disabilities; handicaps thus reflect interaction with and adaptation to the individual's surroundings.

Source: ICIDH
International Classification of Status in Employment (ICSE)

Classifies jobs held by persons at a point in time. A job is classified with respect to the type of explicit or implicit contract of employment of the person with other persons or organisations. The basic criteria used to define the groups of the classification are the type of economic risk, an element of which is the strength of the attachment between the person and the job, and the type of authority over establishments and other workers which the job incumbents have or will have. Persons can be classified through a defined relationship to a past, present or future job.

International Labour Organisation (ILO) is the custodian of ICSE, which was last revised through a resolution, adopted by the 15th International Conference of Labour Statisticians in 1993.


International Labour Organisation (ILO)

Within the United Nations, the ILO has the responsibility for all matters relating to the world of work and related human rights, such as freedom of association, right to collective bargaining, abolition of forced and child labour, equality of opportunity and treatment. International labour standards in these and other areas are promoted through Conventions and Recommendations for these areas, the reporting by countries of the implementation of ratified Conventions, as well as procedures for investigating complaints against governments for non-compliance by representatives of the social partners, i.e. Workers and Employers organisation, which are also represented in the annual International Labour Conference (ILC), the ILO Governing Body and advisory bodies on equal basis with governments.


International Monetary Fund (IMF)

Is a voluntary cooperative institution which attempts to maintain a stable system of buying and selling of currencies so that payments in foreign money can take place between countries smoothly and without delay. The chief impetus for the existence of the IMF came as a result of the Great Depression that ravaged the world economy in the 1930s. Members of the IMF believe that keeping other countries informed of their intentions regarding policies that influence payments by the government and private residents of one country, to those of another, is to everyone's advantage. The IMF also lends money to members having trouble meeting financial obligations, but only on condition that they undertake economic reforms to eliminate these difficulties for their own good and that of the entire membership.


International Standard Classification of Education (ISCED)

Was designed by UNESCO (United Nations Educational, Scientific and Cultural Organisation) in the early 1970's to serve 'as an instrument for assembling, compiling and presenting statistics of education both within individual countries and internationally'. It presents standard concepts, definitions and classifications. It covers all organised and sustained learning opportunities for children, youth and adults including those with special needs education, irrespective of the institution or entity providing them or the form in which they are delivered.

Source: ISCED, 1997, para 0.2
**International Standard Classification of Occupations (ISCO)**

Classifies jobs with respect to the type of work performed by the incumbent, i.e. in the sense that a set of jobs whose main tasks and duties are characterised by a high degree of similarity constitutes an occupation. Persons are classified by occupation through their relationship to a past, present or future job. The latest version of the classification, ISCO-88, groups occupations into 10 major groups, 28 sub-major groups, 116 minor groups and 390 unit groups on the basis of the skills required to carry out the tasks and duties of the jobs belonging to the occupations.

ISCO-88 (COM) is a variant of ISCO-88 developed for Eurostat for use by countries in the European Economic Area when reporting occupational statistics. ISCO-88 (OCWM) is a variant of ISCO-88 developed for use in connection with the international recruitment of migrant workers in South East Asia countries.

International Labour Organisation (ILO) is the custodian of ISCO.

Source: ISCO-88, pp 2-4

**International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 3**

Is the United Nations International Standard Industrial Classification of All Economic Activities. It has four categories viz. tabulation category (in one letter code), division, group and class. The last three categories are in two-, three- and four- digit numeral codes, respectively.

The main purpose of ISIC is to provide a set of activity categories that can be used when collecting, tabulating or analysing statistics of economic activities of entities (e.g. businesses, government, households etc.). The third revision is used in the SNA93 and other classifications.

ISIC was approved by the Statistical Commission in February 1989 recommending adoption of it by the Economic and Social Council. It was adopted by the Council on 22 May 1989.

Source: ISIC, Rev. 3

**Item**

Refers to an article or a unit included in enumeration. In classifications, an item could apply to the element in a classification category or a classification category.

In an industry classification, an item could be the primary activity of a class. 'Textile dyeing' in ISIC Rev. 3 Class 1712 Finishing of textiles is an example of an item in a standard classification. Refer also to **Category**.

**Job**

A set of tasks and duties executed or meant to be executed, by one person. Refer also to **Occupation**.

Source: ISCO-88

**Key**
Refer to Correspondence table.

**Keyword**

Is part of the controlled vocabulary often used to assist in identification or retrieve information about a classification (e.g. keywords used within a software search facility). Keywords just reflect the form of the word, they do not contain information on the semantics

**Kind-of-activity units (KAUs)**

Is an enterprise, or a part of an enterprise, which engages in only one kind of (non-ancillary) productive activity or in which the principal productive activity accounts for most of the value added. Each enterprise must, by definition, consist of one or more kind-of-activity units.

Source: SNA93, 5.19

**Labour force status**

Of a person is determined by the rules provided for determining whether s/he during a short reference period, normally one week, should be classified as 'employed', 'unemployed' or 'outside the labour force'.

The international recommendations are given in the 'Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the 13th International Conference of Labour Statisticians (1982)'.

**Legal entities**

Are entities created for purposes of production, mainly corporations and non-profit institutions (NPIs), or government units, including social security funds. They are capable of owning goods and assets, incurring liabilities and engaging in economic activities and transactions with other units in their own right.

Source: SNA93, 1.13

**Level**

This refers to a partition of a given classification covering the whole range (fields) in a particular category and/or subcategory in a hierarchical classification. The broadest level category in the CPC Version 1.0 is Section 8 Business and Production Services; and the lowest level category in ISIC Rev. 3 is Class 2912 Manufacture of pumps, compressors, taps and valves.

**Life cycle**

Refers to the creation, changes and death of a given classification. A classification has to be revised because of a number of factors e.g. changes in industries, changes in international standard classifications etc. Changes which can occur in a classification may result in the aggregation of disaggregation of items, changes in terminology, additions and/or deletions etc. These changes will result in either a new (or revised) view of the same classification (e.g. ISIC Rev. 2 was changed and ISIC Rev. 3 was published in its stead).
The time interval for a classification revision should be such as to maintain its stability.

**Limit**

Refer to **Boundary** and **Scope (universe)**.

**Linkages**

Refers to mapping or linking one classification to another. That is each individual group in one classification should be linked with the most appropriate corresponding group(s) in the other. This allows for better management of classifications in a co-ordinated way.

The first step when establishing linkages should always be to give to the most detailed groups of one classification the code of the most detailed appropriate group in the other. This then allows, when needed, the groups of one classification to be subsequently aggregated to most of the relevant aggregated groups of the other.


**Local unit**

Is defined as an enterprise, or part of an enterprise, which engages in productive activity at form one location. The definition has only one dimension that it does not refer to the kind of activity that is carried out. Location may be interpreted according to the purpose- narrowly, such as specific address, or more broadly, such as within province, state, country, etc. Local units are also used as Statistical Units.

Source: SNA93, 5.20

**Maintenance agency**

Refers to an institution or statistical area which has or has been given the responsibility for maintaining and/or updating or revising the classification.


**Name (of items)**

Refers to the descriptions of classification categories, subcategories or their elements e.g. primary activities. Refer also to **Title (of a category in a classification)** and **Heading**.

**Network**

Applies to a chain of interconnected persons, things, operations etc. In classifications, networking could result in reference, derived or related classifications.
Exchange of information and knowledge across classifications would be facilitated and implemented if national classifications could be presented as part of the web sites of statistical offices and an international cyber platform on the Internet is used for all the major international classification debates.


**Nomenclature**

Systematic naming of things or a system of names or terms for things.

In classifications, nomenclature involves a systematic naming of categories or items. Refer also to Classification.

Nomenclature générale des activités économiques dans les Communautés européennes (NACE - General Industrial Classification of Economic Activities within the European Community)

This enables a statistical classification of economic activities within the European Union to be made. Its function is to improve international comparability with other classifications of economic activity. The NACE is designed to categorise data that can be related only to a unit of activity, e.g. an individual plant or group of plants comprising an economic entity such as an enterprise. It provides the basis for preparing statistics of the production process (labour, materials, energy etc.), capital formation and the financial transactions of such units.

Source: Eurostat, Glossary of Business Statistics, pp 147-148

**Non-durable goods**

Are those which are used up entirely in less than a year, assuming normal or average rate of physical usage.

Source: SNA93, 9.38

**Non-profit institutions (NPIs)**

Are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them. Non-profit institutions are statistical units.

Source: SNA93, 4.54

**Non-Profit Institutions Serving Households (NPISHs)**

Non-market NPIs may be divided into those controlled and mainly, or entirely, financed by government units and the remainder. The latter are described as NPIs serving households (NPISHs) and constitute a separate sector within the System of National Accounts 1993. NPIs serving enterprises belong to the corporate or general government sectors depending upon whether they are controlled and mainly financed by government units. To summarise, therefore, the sector NPISHs is defined as the set of all resident NPIs except:

NPIs that are market producers; and

Non-market NPIs that are controlled and mainly financed by government units.
The NPISHs sector includes the following two main kinds of NPISHs that provide goods or services to their members or to other households without charge or at prices that are not economically significant:

Trade unions, professional or learned societies, consumers’ associations, political parties (except in single party states), churches or religious societies (including those financed by governments), and social, cultural, recreational and sports clubs; and

Charities, relief and aid organisations financed by voluntary transfers in cash or in kind from other institutional units. NPISHs are statistical units.

Source: SNA93, 4.164

Normalised heading

This refers to standardisation of headings/titles (either short or long in length, depending on its use) and their codes in the classifications. For example, the use of the n.e.c. (not elsewhere classified) and the code ending in zero should normally be used for a dump category in classifications. Normalised headings may also include keywords or keystrings (e.g. maximum number of words in a description).

North American Industry Classification System (NAICS)

Is an industry classification system developed by the statistical agencies of Canada, Mexico, and the United States. Created against the background of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply side or production oriented principles, to ensure that industrial data, classified to NAICS, is suitable for the analysis of production related issues such as industrial performance.

Statistics compiled on NAICS are comparable with statistics compiled according to ISIC Rev. 3 for some sixty high level groupings.

Source: NAICS, 1997

Not elsewhere classified (n.e.c.), not elsewhere included (n.e.i.) or not elsewhere specified (n.e.s.) residual category

Applies to a subset of a category e.g. class, group etc. This represents the last or residual member of the category. Normally this category is given a 'dump' code ending in zero or nine in standard classifications. The total economic values (income, employment etc.) for this category should be relatively insignificant as compared to those of other categories in the hierarchical set.

Occupation

Is defined as a set of jobs whose main tasks and duties are characterised with a high degree of similarity, where a job is defined as a set of tasks and duties executed, or meant to be executed by one person.

Source: ISCO-88, p 2

Overlapping
Is defined as to partly cover, cover or extend beyond two or more classification concepts i.e. not to be completely separate.

The categories in classifications should be mutually exclusive and exhaustive i.e. no elements (activities, commodities etc.) in the categories should overlap, but there are exceptions to the rule. For example, ISIC Rev. 3 class 0121 Farming of cattle, sheep, goats, horses, asses, mules and hinnies; dairy farming and class 0130 Growing of crops combined with farming of livestock (mixed farming) are overlapping classes, as livestock farming is included in both classes. There are many reasons for the existence of overlapping categories in classifications viz. to reflect realities (in the example, mixed farming and non-mixed farming exist together) and homogeneity ratios of the categories could be maximised.

**Own account worker**

Is a person who, working on his own account or with one or a few partner, holds a self-employment job, and has not engaged on a continuous basis any employees.

Source: United Nations Principles and Recommendations for Population and Housing Censuses Rev 1 2.230

**Pairwise links**

Refers to the situation where two or more countries compare their national classifications in order to make common links. When only two countries are involved, the need for comparable information can be satisfied most effectively by directly linking their national classifications. With more than two countries, pairwise links are best done by linking the national classifications to a common international reference classification.


**Partial correlation/correspondence**

Occurs if one item, e.g. a primary activity of industry class in one classification, can be coded to two or more industry classes in another classification. Refer also to Correspondence Table.

**Partition**

Breakdown of a given field in elementary building blocks, without any overlap. Refer also to Typology.

**Population**

Is the total membership or population or 'universe' of a defined class of people, objects, or events.

There are two types of population viz. target population and survey population. A target population is the population outlined in the survey objects about which information is to be sought and a survey population is the population from which information can be obtained in the survey. The target population is also known as the scope of the survey and the survey population is also known as the coverage of the survey.

**Primary unit**
Is a unit which always can take one and only one value for the variable for which the classification represents a value set.


**Principal activity or main income earning activity:**

This activity contributes 50% or more of the total value added (or total income in practice); or its value added exceeds that of any other activity of the economic producer. Normally the principal activity of the economic producer is used for its classification. In an industry classification, the determination of the principal activity or main income earning activity of a business with multi-activities would involve a step-by-step approach i.e. working from the broad level of activities, identify their codes and incomes to determine the main income earning activity.

Source: ISIC Rev. 3, 29-38

**Product**

In business statistics, a product is defined as an outcome of economic activity. It is a generic term applied to goods and services. In national accounts, products are all goods and services that are created within the production boundary.

Source: Eurostat, Glossary of Business Statistics, p 181

**Product classification**

Serves as an instrument for assembling and tabulating all kinds of statistics requiring product detail. It provides a framework for comparison of statistics dealing with goods, services and assets.

CPC, HS, etc. are examples of product classifications that serve different users' requirements.

**Production**

Is a physical process carried out under the responsibility, control and management of an institutional unit in which labour and assets are used to transform inputs of goods and services into outputs of other goods and services.

Source: SNA93, 1.20

**Production boundary**

Refers to all production actually destined for the market, whether for sale or barter. It also includes all goods and services provided free to individual households or collectively to the community by government units or Non-Profit-Institutions Serving Households (NPISHs).

Source: SNA93, 1.20

**Reference classifications**
Of the family are those economic and social classifications that are a product of international agreements approved by the United Nations Statistical Commission or another competent inter-government board, such as that of the International Labour Organisation (ILO), the International Monetary Fund (IMF), the United Nations Educational, Scientific and Cultural Organisation (UNESCO), World Health Organisation (WHO), or the World Customs Organisation (WCO) depending upon the subject matter area. Thus reference classifications have achieved broad acceptance and official agreement and are approved and recommended as guidelines for the preparation of classifications. They may be used as models for the development or revision of other classifications, both with respect to the structure and with respect to the character and definition of the categories.


Related categories

Are those categories which have some form of elementary relationship. Statistics of the related categories could be meaningfully aggregated to give a broad picture or disaggregated when finer details are required. For example, statistics of ISIC Rev. 3 Class 8531 Social work with accommodation and Class 8532 Social work without accommodation could be aggregated to ISIC Rev. 3 Group 853 Social work activities. Usually, the related categories have commonality in their codes, e.g. 85 and 853 as shown in the example. Refer also to Derived classification.

Related classifications

Are those that partially refer to reference classifications, or that are associated with the reference classification at specific levels of the structure only (e.g. NAICS and ANZSIC). Procedures for maintaining, updating and revising statistical classifications of the family encourage the resolution of problems of partial correspondence among related classifications, and offer opportunities for increased harmonisation.


Resident and non-resident units

An institutional unit is resident within the economic territory of a country when it has a centre of economic interest in the economic territory of that country. It is said to have a centre of economic interest when there exists some location - dwelling, place of production or other premises - within the economic territory on, or from, which it engages, or intends to continue to engage, in economic activities and transactions on a significant scale either indefinitely or over a long period of time, usually interpreted as one year or more.

Source: SNA93, 4.15

Revised classification

Refers to a classification which replaces the previous classification. A change in a classification does not necessary result in a change of the name of the classification but can be distinguished by use of a version number (e.g. ISIC Rev. 2 was replaced by ISIC Rev. 3).
A revised classification may represent a rethinking of conceptual basis, similarity, criteria and scope.

**Rules**

Are statements, decisions, judgements, or precedents which are authoritative. They provide operational guidelines, which can be used for the implementation, use of, updating and revision of classifications.

**Sample**

A less than a complete enumeration is called a sample or survey collection.

**Scope (universe)**

The scope of a classification is the coverage/sphere of what is to be observed. For example a language classification should include all possible languages used by the population in question. Refer also to **Area**.

**Secondary activity**

This activity contributes less than 50% of the total value added (or total income in practice); or its value added does not exceed that of any other activity of an economic producer.

Source: ISIC Rev. 3, 29-38

**Sector**

Is a distinct identifiable part or branch of a society or the economy. For example the institutional units that make up the total economy are grouped into the following five mutually exclusive institutional sectors:

The non-financial corporations sector;
The financial corporations sector;
The general government sector;
The non-profit institutions serving households sector; and
The households sector.

Source: SNA93, 4.6

**Segmentation**

Relates to the splitting/separation of topics. Once the scope/coverage of a classification has been defined (e.g. age, language, industry), breakdowns (e.g. beginning from the top) are made, based on similarity criteria, to form groups of elementary blocks or topics and different categories or levels. Refer also to **Aggregation/Disaggregation**.

**Self-employed workers**

Are persons who are the sole owners, or joint owners, of the unincorporated enterprises in which they work, excluding those unincorporated enterprises that are classified as quasi-corporations.
**Self-employment jobs**

Are jobs where the remuneration is directly dependent upon the profits (or the potential for profits) derived from the goods and services produced (where own consumption is considered to be part of the profits).

Source: United Nations, Principles and Recommendations for Population and Housing Censuses Rev 1, 2.229

**Semi-durable goods**

Are goods which may have a life expectancy of less than twelve months or greater than twelve months depending on the intention, purpose or function of the good. For example, clothing, footwear, and household textiles are recognised as semi-durable goods.

**Similarity criteria**

Refers to the criteria used to define categories in hierarchical classifications (e.g. the grouping of elementary building blocks).

In ISCO-88 the main similarity criteria are the skill level and skill specialisation needed to carry out the tasks and duties of the jobs. Skill level is the main criterion to delineate the most aggregate categories, while skill specialisation is used to delineate the more detailed categories within the aggregate categories. Refer also to Homogeneity (homogeneous).

Source: ISCO-88

**Services**

Are not separate entities over which ownership rights can be established. They cannot be traded separately from their production. Services are heterogeneous and intangible outputs produced to order and typically consist of changes in the conditions of the consuming units realised by the activities of producers at the demand of the consumers. By the time their production is completed they must have been provided to the consumers.

The production of services must be confined to activities that are capable of being carried out by one unit for the benefit of another. Otherwise, service industries could not develop and there could be no markets for services. It is also possible for a unit to produce a service for its own consumption provided that the type of activity is such that it could have been carried out by another unit.

Source: SNA93, 6.8-6.9

**Social indicators**

Are used to measure conditions and change in given population groups or whole societies. They are used to assess differences in social conditions between and within social groups and social changes that occur within a given society over time.

Examples of some commonly used social indicators are employment levels, income levels, housing quality, life expectancy and crime rates.
**Social marital status**

Is the relationship status of an individual with reference to another person or persons. Differences in the types of acceptable marital status exist due to varying legislation and customs across the world. Examples of some types of marital status include: single, married, widowed and not married, divorced and not married, married and separated.

**Social transfers in kind**

Consist of individual goods and services provided as transfers in kind to individual households by government units (including social security funds) and NPISHs, whether purchased on the market or produced as non-market output by government units or NPISHs. They may be financed out of taxation, other government income or social security contributions, or out of donations and property income in the case of NPISHs. If it is not possible to segregate the accounts of social security funds from those of other sub-sectors of government, it may not be possible to divide social benefits into those provided by social security and other. Social security benefits in kind are subdivided into two types: those where beneficiary households actually purchase the goods or services themselves and are then reimbursed, and those where the relevant services are provided directly to the beneficiaries.

Source: SNA93, 8.99

**Socio-economic status classification**

Will have classes defined by reference to classes in classifications for occupation, status in employment, industry, size of enterprise and/or educational attainment.


**Specialisation ratio**

Measures the extent to which units belonging to a particular class in a classification (e.g. the specialisation ratio of an industry is the output by that industry of goods and services characteristic to that industry in proportion to its total output).

Source: ISIC Rev. 3, 155

**Standard**

Refers to weight or measure to which others conform or by which the accuracy or quality of others is judged. Any general use of weight, measure etc. for judging quality, accuracy could be deemed as standard.

**Standard classifications**

Are a complete set of systematic groupings or categories based on common relationships, into which all members/elements (business units, individuals, households, activities, commodities, jobs, exports, imports, etc) of a population can be divided or arranged.
Classifications which follow prescribed rules and are generally recommended and accepted. They ensure that information is classified consistently regardless of the collection, source, point of time, etc.

**Standard International Trade Classification (SITC), Rev. 3**

Was developed by the United Nations Statistical Office in 1986 primarily for international statistical purposes, including comparative economic analysis. SITC is the mechanism for compiling international trade statistics on all merchandise entering international trade, and for promotion of international comparability of trade statistics. The commodity groupings of SITC reflect:

- the materials used in production;
- the processing stage;
- market practices and uses of the products;
- the importance of the commodities in terms of the world trade; and
- technological changes.

While the HS classification groups commodities by the material the goods are composed of, SITC groups goods according to the level of manufacturing or processing.

Source: SITC Rev. 3

**Statistical classification**

Refers to classification of numerical facts systematically collected. The use of statistical classification could be enhanced if it were based on a standard classification.

**Status**

Determines the position/rank of a classification. Terms used include: draft/provisional, version 1, 2, 3, etc revision 1, 2, 3, etc, approved/not approved.

**Structure (tree)**

Relates to an illustrative structure for identifying relationships of items to their source. A hierarchical classification is based on a tree structure where each set of its detailed categories is linked to one (only) broad category. Refer also to **Hierarchy**.

**Structural Links**

Are correspondence links where opportunities for correspondence between the categories of different classifications are difficult or not possible to establish, owning to significant structural differences in the defined value sets that do not allow for common correspondence at a similar hierarchical level in the structure. In some circumstances, an approximate or truncated correspondence may be made by aggregating subclasses of one classification to different structural levels of the other classification.
Subdivision

Refers to a breakdown of a division in a hierarchical classification. Two or more subdivisions form a division.

Subset

Refers to a secondary or subordinate set whose elements belong to a larger given set. In classifications a group of categories which are defined for a given purpose and can be defined at a given level. In a hierarchical classification, for example, a subset could be those detailed categories below the broad category of the set.

System of National Accounts 1993 (SNA93)

Are world-wide guidelines on national accounting. These guidelines have been produced under the joint responsibility of the United Nations, the International Monetary Fund, the Commission of the European Communities, the OECD and the World Bank.

The SNA93 is a comprehensive, consistent and flexible set of macro-economic accounts intended to meet the needs of government and private-sector analysts, policy makers, and decision takers. It can be used in countries with market economies, whatever their stage of economic development, and also in countries in transition to market economies. The SNA93, which was unanimously approved by the Statistical Commission of the United Nations should be used as the international standard for the compilation of national accounts statistics in order to promote the integration of economic and related statistics.

Source: SNA93

Table

Statistically this refers to a list of numbers systematically arranged in columns and/or rows. In classification this usually refers to a correspondence/concordance table or a code list. Refer also to Cross reference.

Term

Refers to the specific meaning of a word used to define/express a concept. The definitions of terms should be precise, readily understood and agreed upon by classification experts.

Terminology

Refers to the system of terms specifically used in a classification. Wording or terminology may have specific meaning within the context of given classifications. For example, the terms 'industry' and 'homogeneity ratios' have unique definitions in industry classifications.
Title (of a category in a classification)

Refers to a word or a limited set of words chosen to reflect the content of the category and to differentiate between categories.

In a hierarchical classification the titles of aggregate groups should always be designed to include all the component subgroups, and nothing else. The title of a 'not elsewhere classified' group should reproduce the title of the broader group to which it belongs with n.e.c. added. Refer also to Heading and Title (of a category in a classification).

Topic

Refers to the theme of classification. For example social science topics include areas of social concern such as health, welfare and housing and social groups such as the aged, the homeless, women.

Trade

Is the buying and selling, or exchanging, of goods, services and assets between two parties, establishments or economic units.

Transaction, economic transaction

Is an economic flow that is an interaction between institutional units by mutual agreement or an action within an institutional unit that it is analytically useful to treat like a transaction, often because the unit is operating in two different capacities.

Source: SNA93, 3.12

Transfer

Is a transaction in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset in return as counterpart. A cash transfer consists of the payment of currency or transferable deposit by one unit to another without any counterpart. A transfer in kind consists either of the transfer of ownership of a good or asset, other than cash, or the provision of a service, without any counterpart.

Source: SNA93, 8.27

Typology

Refers to the study and interpretation of types, symbols and classes especially as in systematic classification. In the international family of economic and social classifications, typology could refer to the study of their categories and elements as well as their meaning and coverage for coding guidelines and/or explanatory notes. Refer also to Partition.

Unemployed

Refers to persons who are considered not employed during the period under review. Often strict guidelines are set down to determine unemployment e.g. the person not in paid employment or self-employment, had to be actively seeking work and was available to work, above a certain age (e.g. 15 year and over) during the reference period.
Source: United Nations, Principles and Recommendations for Population and Housing Censuses Rev 1, para 2.194

**Unemployment rate**

Is defined as the number of unemployed persons for any age group, expressed as a percentage of the labour force in the same group during the reference period.

Source: United Nations, Principles and Recommendations for Population and Housing Censuses Rev 1, para 2.194

**Units (classified)**

Refer to entities, respondents to a survey or things used for purpose of calculation or measurement. Their statistics are collected, tabulated and published. They include, among others, businesses, government, individual organisations, institutions, persons, groups, geographical areas and events.

**Unit of classification**

Refers to the base level category of a classification. For example, a classification unit for a particular category of transactor, or economic agent, within the system of national accounts can be referred to as either a producing unit (e.g. businesses engaged in production) or an owning and financing unit (providing financial capital for the production).

**Unit of Observation**

Is a statistical unit used for a particular category of transactor, or economic agent within the system of national accounts (either a producing unit or an owning and financing unit. Owning and financing units are classified to institutional sector (on the basis of differences in their financial role, behaviour and experience), and producing units are classified to industry (according to economic activity). Refer to Classification unit.

**Variable**

Is a characteristic of a unit being observed that may assume more than one of a set of values to which a numerical measure can be assigned (e.g. income, age, weight, etc.).

**Validity period**

Refers to the time period that any document, classification, etc. could be applicable or used. In classification, usually there is an overlapping time period where the old classification could still be used before being superseded by the revised edition.

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