

First Meeting of the 2010/2011 Bureau
Geneva, 3-4 November 2010

Item 7(d) (ii) of the Provisional
Agenda

**PROGRESS REPORT ON THE UPDATE TO THE CANBERRA GROUP HANDBOOK
ON HOUSEHOLD INCOME STATISTICS**

Note prepared by the UNECE secretariat

I. BACKGROUND

1. The Task Force to Update the Canberra Group Handbook on Household Income Statistics was established by the CES Bureau in February 2009. It was established as a follow-up to the CES Bureau's in-depth review of statistics on income, living conditions and poverty.

2. The overall objectives of the Task Force, as set out in its Terms of Reference, are to update the 2001 edition of the *Canberra Group Handbook* (CGH) with:

(a) An inventory of countries' current definitions of income to see how these may have advanced since the last international comparison was undertaken in 1998;

(b) Practical guidance to assist countries in the measurement of household income based on best practice; and

(c) The establishment of a set of quality assurance guidelines for countries to assess the quality of their income estimates.

3. The primary output of the project will be a revised edition of the *Canberra Group Handbook on Household Income Statistics*, reflecting the latest international standards and best practice in household income measurement.

4. This report provides an update to the progress report provided to the CES Bureau in February 2010. It also proposes a process for consultation and adoption of the final manuscript.

II. ACHIEVEMENTS TO DATE

5. Most of the work is being undertaken through electronic communication and teleconference calls. One face-to-face meeting of the Task Force was held in Geneva, on 19-20 August 2010. All Task Force members were represented at the meeting including the ABS (Chair), the UNECE Statistical Division (secretariat), Austria, Canada, Norway, USA, ILO, Eurostat, Luxembourg Income Study (LIS) and OECD.

6. The meeting reviewed the draft material that represented the outcome of the substantial work that had been undertaken over the past year. This work included:

(a) Revisions to incorporate the international standards for household income statistics, adopted by the International Conference of Labour Statisticians (ICLS) in 2003;

(b) The conduct of a new survey of country practices and the resulting update of information included in the 2001 CGH;

(c) The development of material providing greater practical guidance for the measurement of selected income receipts to help facilitate greater harmonisation of income measurement across countries and greater consistency with the concepts in the System of National Accounts;

(d) The establishment of best practice guidelines for quality assurance processes, analysis and interpretation of household income statistics and their dissemination; and

(e) The development of recommendations concerning future directions for work in the field of household income, consumption and wealth statistics.

7. The meeting was used to finalise much of the new content for the Handbook. It also provided guidance on the remaining work to be undertaken mostly by the ABS which has the overall editorial responsibility for the preparation of the new Handbook.

III. FURTHER WORK

8. The Task Force plans to finalise the draft manuscript by the end of October 2010. The draft manuscript is being prepared according to the UN editorial rules. It will then be sent to the 46 countries who participated in the Task Force's survey of country practices to check their own responses to the survey but also to provide any other comments they might have.

9. The following timetable is proposed for consultation and adoption of the final report in the form of an updated version of the 2001 edition of the Handbook.

Mid January 2011 Final report sent to the CES Bureau members for comments.

End February 2011 The CES Bureau decides if the report, incorporating comments by Bureau members, is ready to be circulated to all CES member countries and organisations for comments.

End March 2011 Revised report circulated to all CES countries for comments (approx. 1 month).

June 2011 Final report presented by the Chair of the Task Force to the CES plenary session for adoption.

IV. LINKS TO OTHER INTERNATIONAL WORK

10. In addition to the update of the *Canberra Group Handbook on Household Income Statistics*, the CES Bureau's in depth review of income, living conditions and poverty identified the need for a wider initiative to develop an integrated framework for household income, consumption and wealth statistics. While initially this work was to be progressed through the formation of a City Group, no group was established at that time.

11. The importance of considering the relationships between, and the distributions of, household income, wealth and consumption when assessing economic wellbeing has been given new impetus by several recommendations in the 'Report by the Commission on the Measurement of Economic Performance and Social Progress' (the Stiglitz-Sen-Fitoussi report) released in September 2009.
12. The CES Task Force has established links with related work undertaken by Eurostat and OECD as a response to the Stiglitz-Sen-Fitoussi Commission reports.
13. The Task Force has established links with the Eurostat and INSEE Sponsorship Group (SpG) on Measuring progress, wellbeing and sustainable development. In particular, a formal channel for communication and ongoing coordination between the CES Task Force and the SpG Task Force on the 'Household perspective and distributional aspects of income, consumption and wealth' has been made. The preliminary results from the CES Task Force survey of country practices have been shared with the SpG Task Force to help inform their review of practices of EU member countries.
14. CES Task Force members have maintained a keen interest in the future OECD work on the development of an integrated framework for household income, consumption and wealth statistics, including the provision of practical guidance both on how they can be collected together in household surveys and on how analysis can take an integrated approach to measuring household economic wellbeing. The update of the CGH is complementary to this initiative and the revised content is being prepared with respect to the concepts expected to be reflected in the broader framework for household economic resources. A section of the updated Handbook will discuss the recommended future directions for international work in this field of statistics.

V. CONSIDERATION OF PROGRESS REPORT

15. The Task Force is currently on track to complete the project as scheduled.
16. This report is provided for the information of the CES Bureau. While there are no substantive issues raised for discussion, the **Task Force would appreciate any feedback, advice or comments that the CES members are able to provide.**

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