

**Comments on draft SNA chapter:
Addendum 1 to Chapter 8: The redistribution of income accounts**

**Deadline for comments: 16 October 2007
Send comments to: sna@un.org**

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| Submission date: | 27 October 2007 |

This three-part template allows you to record your comments on the Addendum 1 to draft chapter 8 (Add.1) easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Part I: General comments

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

Comment:

In general, we are quite pleased with the addendum. However, we do have two more general remarks.

First of all, we lack a positive definition of social benefits. The present definition in para. 8.78 is rather open-ended when they describe social benefits as benefits received by households in "... certain events or circumstances, for example, ...". The relevant "social needs" should be defined here, if this has not yet been done elsewhere in the updated SNA.

Secondly, in our opinion, the revised text in para. 8.83 – 8.91 may need some restructuring. In our opinion, the present proposal is, in some instances, a bit confusing.

Part II: Comments on specific draft paragraphs or passages

In your review of this Add.1, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs. For the each passage, a Word table is provided for you to use in making your comments. There is a row for general comments at the top of the table. Thereafter please use a separate row for each paragraph on which you wish to make detailed comments.

1. In order to clarify the limits of social benefits, paragraphs 8.79-8.82 of the revised text shown in Add.1 describe receivables by households from government, NPISHs and other units that are **not** social benefits. Do you find it helpful to clarify that such items are not treated as social benefits? Are the distinctions clear and sufficiently complete?

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| General comment | The new text is clear and sufficiently complete. However, as Eurostat, we suggest to put the part on “receivables by household that are not social benefits” at the end of the section. |
| 8.79 | Click here and start typing. |
| * | Click here and start typing. |

* Insert rows in this Word table for each paragraph on which you wish to comment.

2. Paragraphs 8.83-8.91 of the revised text shown in Add.1 set out the distinction between social security and social assistance. Institutional arrangements for the ways that government provides social benefits vary widely from country to country so that distinctions that hold generally are difficult to draw. Are these guidelines set out in these paragraphs clear? Can you think of any other way that is internationally robust to reinforce the distinction between social security and social assistance?

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| General comment | <p>In our opinion, the structure of the present proposal may need some further consideration. First, in para. 8.83, three types of social benefits are distinguished. Subsequently, in para. 8.84, three types of schemes are mentioned. The following paragraphs, however, do not directly address either of these two distinctions, but deal with reimbursements, government provided social benefits, etc.</p> <p>In our opinion, one may want to consider a structure that first deals with the distinction between employment-related social insurance and government provided schemes (social security and social assistance), and then addresses the distinction between social security and social assistance. Within the relevant parts, the difference between reimbursements, benefits in cash and benefits in cash can be addressed relatively easily.</p> |
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| 8.83 | We agree with the suggestion to split employment-related schemes into private funded schemes and unfunded schemes, as suggested by Eurostat. |
| 8.90 | In our opinion, the phrase “no mechanism to identify the beneficiaries such as the payment of contributions” may be misinterpreted. Also in the case of social assistance, the persons entitled to such benefits are always very well known, although they may not need to pay contributions. Furthermore, we think that the System should be more specific in relation to the distinction between social security and social assistance. Regarding the latter, the payment of contribution may be useful as the overarching criterion. |
| 8.91 | We do not see the rationale for adding this paragraph. |

* Insert rows in this Word table for each paragraph on which you wish to comment.

- Section H of the revised text shown in Add.1 discusses the redistribution of income in kind account and its relation to the concept of actual consumption. Discussion of this account is not presently included in chapter 8 (either in the 1993 text or the draft of 1 August 2007). Do you agree this is a useful addition?

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| General comment | Yes, in our opinion, this is a useful addition. |
| 8.94 | Click here and start typing. |
| * | Click here and start typing. |

* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comment directly on the PDF of the addendum.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make very detailed comments please send a message to sna@un.org requesting to receive a version of the addendum permitting you to comment. To optimize your commenting tools please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>