

GLOSSARY

Age-specific fertility rate

The number of births occurring during a specified period to women of a given age or age group, divided by the number of person-years-lived during that period by women of that age or age group. When an age-specific fertility rate is calculated for a calendar year, the number of births to women of the given age is usually divided by the mid-year population of women of that age.

Age-specific mortality rate

The number of deaths occurring during a specified period to persons (usually specified by sex) of a specified age or age group, divided by the number of person-years-lived during that period by the persons of that age or age group. When an age-specific mortality rate is calculated for a calendar year, the number of deaths to persons of the specified age is usually divided by the mid-year population of persons of that age.

Age-specific net international migration rate

The net gain or loss to the survivors of a given age or age group at the end of a specified period due to international migration occurring during that period divided by the number of survivors of that age or age group.

Age-specific net internal migration rate

The net gain or loss to the survivors of a given age or age group within a given location, such as urban or rural areas at the end of a specified period due to internal migration occurring during that period, divided by the number of survivors of that age or age group within that location.

Asset formation

Additions to assets such as land, physical capital and human capital that households, corporations or government own.

Average household size

The mean number of members per household.

Average labour productivity

The level of output per unit of labour input, usually measured as output per person-hour or person-year.

Average propensity to consume

For the economy, this is the proportion of national income devoted to consumption. Similarly, the average propensity to consume of an individual or a population group is the proportion of the individual's or group's income which is devoted to consumption.

Average savings ratio

For the economy, this is the proportion of national income devoted to savings. Similarly, the average savings ratio of an individual or a population group is the proportion of the individual's or group's disposable income which is saved. The savings ratio is sometimes used synonymously with the average propensity to save.

Capital formation

Additions to the stock of physical capital. Two types of capital formation are distinguished--gross and net. The former includes replenishment of inventories, depreciation, repairs and maintenance expenditure while the latter excludes them.

Capital income

Income of different kinds, including profits, dividends and interest, accruing to physical capital and financial claims in return for services rendered by those forms of capital.

Capital market

The market for long-term loanable funds as distinct from the money market, which deals in short-term funds. In principle, capital market loans are used by industry and commerce for fixed investment. The capital market is not one institution, but all those institutions that canalize the supply of long-term funds.

Capital stock

The total amount of machines, equipment and buildings, as well as inventory existing at any one time, in a firm, industry or economy.

Capital-intensive

A process of production using proportionately more capital than other factors of production, such as labour.

Central planning

A type of development planning where government determines what shall be produced by various sectors of the economy, at which prices, and how factors of production shall be allocated among different users. The provisions of the plan, which is prepared at the centre, are mandated to the various sectors.

Childbearing span

The age span within which women are capable of bearing children, generally taken to be from age 15 to age 49 or, sometimes, to age 44.

Cohort

A group of individuals who experienced the same class of events in the same period. Thus a birth or age cohort is a group of people born during a particular time period.

Commodity markets

Markets in which commodities are bought and sold through a process that determines prices and quantities of commodities traded.

Comprehensive planning

A form of development planning, sometimes referred to as aggregative, global or overall planning which covers most or all sectors of the economy. This planning, unlike sectoral planning, is concerned with a full range of variables, including aggregate output, household and government consumption, savings and investment, imports and exports, employment and incomes.

Corporate investment demand

The amount of money which corporations spend on capital goods over a specified time period in order to replace and/or augment their capital stock.

Crude birth rate

The number of births in a population during a specified period divided by the number of person-years-lived by the population during the same period. It is frequently expressed as births per 1,000 population.

Crude death rate

The number of deaths in a population during a specified period divided by the number of person-years-lived by the population during the same period. It is frequently expressed as deaths per 1,000 population.

Crude net internal migration rate

The net change (loss or gain) to the population residing within a given geographical or residential location due to internal migration during a specified period, divided by the number of person-years-lived by the population of that location during the same period. It is frequently expressed as net change due to internal migration per 1,000 population.

Crude net international migration rate

The net change (loss or gain) to the population due to international migration during a specified period, divided by the number of person-years-lived by the population during the same period. It is frequently expressed as net change due to international migration per 1,000 population.

Disposable income

The income of a particular type of institution, such as household, corporation or government, after taxes or transfers, whichever is appropriate, which is available for consumption or savings.

Dynamics

That part of economics which is concerned with analysing the movement of economic systems through time. The "economic systems" concerned may be a market, a firm, the economy as a whole or even a whole set of interrelated economies.

Economic planning model

A mathematical representation of key economic variables and their relationships, normally used to prepare projections of output, use of productive factors, components of final demand etc.; it may be either sectoral or aggregate.

Enrolment ratio

The number of students attending a given school level, divided by the total number of persons of the age normally in school at that level.

Expectation of life at birth

The average number of years a member of a cohort of births would be expected to live if the cohort were subject to the mortality conditions specified by a particular set of age specific mortality rates. It is denoted by the symbol e_0 in the life table notation.

Expectation of life at exact age x

The average number of years a person of exact age x would be expected to live if subjected to the mortality conditions specified by a particular set of age-specific mortality rates at age x and above. It is denoted by the symbol e_x in the life table notation.

Export demand

The amount of money that foreign buyers spend over a specified time period on commodities of a particular economy.

Factor income

The income accruing to a particular factor of production in return for services rendered by that factor. Examples of factor incomes are capital income and labour income.

Factor markets

Markets in which services of factors of production are bought and sold through a process that determines prices and quantities of those services traded. In aggregate terms, for instance, the labour market or the capital market.

Factorial distribution

The distribution of income among various factors of production in return for services rendered by those factors.

Factors of production

Resources or inputs required to produce a good or service. Basic categories of factors of production are land, labor, and capital.

Family

A group of two or more persons related by birth, marriage or adoption and residing together.

Full employment

A state of the economy where only frictional unemployment exists, and everyone else who wishes to work at the going wage rate for the given type of labour is employed. Frictional unemployment reflects the time needed to switch from one job to another.

Government consumption

The amount of money that government spends on goods and services over a specified time period, other than that needed to replace and/or expand facilities.

Government investment

The amount of money that government spends on goods and services over a specified time period in order to replace and/or expand facilities.

Government savings

The portion of government disposable income not expended on current operations. It represents a measure of the amount available to the government for investment.

Gross business savings

The residual of net income accruing to corporations, after payments are made in various forms such as dividends and direct corporate taxes. It is usually kept by incorporated businesses as reserves and depreciation allowance or to finance new investment. It represents a measure of the amount available to corporations for investment.

Headship rate

The number of heads of households in a given age, sex and/or marital status category, divided by the corresponding number of persons within the same category.

Household

A single person living alone or a group voluntarily living together, having common housekeeping arrangements for supplying basic living needs, such as principal meals. The group may consist of related or unrelated persons.

Household consumption

The value of "final" goods and services consumed by households over a specified time period to meet their various consumption needs.

Household consumption demand

The amount of money that households are willing to spend on final goods and services over a specified time period to meet various consumption needs.

Household head

A member of the household in whose name the housing unit occupied by the household is owned, rented or maintained. If there is no such person, the household head can be any other adult member of the household.

Household income

The flow of money or goods accruing to a household over a specified time period.

Household investment demand

The amount of money that households are willing to spend on final goods and services over a specified time period that are used either as capital goods or as inputs in housing construction.

Household savings

The portion of household disposable income that is not spent on consumption over a specified time period.

Human capital

Productive investments embodied in human persons. These include skills, abilities, ideals, health etc. that result from expenditures on education, on-the-job training and medical care.

Income elasticity of consumption

The responsiveness of expenditure on a commodity or a group of commodities to changes in the consumer's income, measured by the proportionate change in expenditure divided by the proportionate change in income.

Income elasticity of demand

The responsiveness of the quantity demanded of a commodity or a group of commodities to changes in the consumer's income, measured by the proportionate change in quantity demanded by the proportionate change in income.

Income elasticity of savings

The responsiveness of the amount of money saved to changes in the consumer's income, measured by the proportionate change in savings divided by the proportionate change in income.

Indicative planning

A type of development planning where the government, in co-operation with the private sector, sets broad targets for the economy and defines policies to achieve those targets, including the allocation of public sector resources among the various users. The provisions of the plan are binding for the public sector but indicative for the private sector.

Indirect taxes

Taxes levied on goods and services purchased by consumers and exported by producers, for which the taxpayer's liability varies in proportion to the quantity of particular goods purchased or sold. Examples of indirect taxes are customs duties (tariffs), excise duties, sales taxes and export duties.

Infant mortality rate

The ratio of the number of deaths under one year of age occurring in a given year to the number of births in the same year. Also used in a more rigorous sense to mean the number of deaths that would occur under one year of age in a life table with a radix of 1,000, in which sense it is denoted by the symbol $1q_0$.

Inter-birth interval

Time elapsed between successive births.

Intermediate demand

The amount of money that producers spend over a specified time period on goods and services that are used as inputs into production of other goods and services, rather than for final consumption.

Internal migration

Movements of population within the national boundaries involving relatively permanent changes in residence. It is designated as out-migration from the standpoint of the location from which the movement occurs and as in-migration from that of the receiving nation.

International migration

Movements of population across national boundaries. It is designated as emigration from the standpoint of the nation from which the movement occurs and as immigration from that of the receiving nation.

Investment

Expenditure incurred over a specified time period on capital goods with the view to replacing and/or augmenting the existing physical capital. In macro-economic terms, "gross" investment refers to the total expenditure on new capital goods, while "net" investment refers to the additional capital goods produced in excess of those that wear out and need to be replaced.

Investment costs

Costs incurred in connection with accumulating inventory, installing new equipment or facilities and/or replacing the existing ones.

Labour force

Economically active persons, including armed forces and the unemployed, but excluding those not seeking employment, and conventionally housewives and students.

Labour force participation rate

The number of persons in the labour force at a given age, sex and/or level of education, divided by the corresponding total number of persons of the same characteristics.

Labour income

Income, primarily in the form of wages and salaries, accruing to labour in return for services rendered by it.

Labour market

The market in which labour services are bought and sold through a process that determines the level of employment of labour as well as wages and salaries.

Labour-intensive

A process of production using proportionately more labour than other factors of production, such as capital.

Life table

A listing of the number of survivors at different ages (up to the highest age attained) in a hypothetical cohort subject from birth to a particular set of age specific mortality rates. The rates are usually those observed in a given population during a particular period of time. The tabulations commonly accompanying a life table include other features of the cohort's experience.

Long-term planning

Preparation of a development plan for a time period that often ranges from 10 to 20 years.

Medium-term planning

Preparation of a development plan for a time period that typically ranges from 3 to 7 years.

Migratory movements

Geographic mobility defined as change of usual residence between defined political or statistical areas or between residence areas of different types.

Model life table

An expression of typical mortality experience derived from a group of observed life tables.

Morbidity

The extent of illness, injury or disability in a population.

Operating costs

Costs incurred in connection with production of goods or services, which vary with the level of output. Examples of this type of cost are costs of labour, raw materials and power.

Opportunity cost

The value of the alternatives or other opportunities that have to be forgone in order to achieve a particular thing. It coincides with money expenditure or outlays necessary to achieve it, if and only if the prices with which the outlays are calculated correctly reflect the value of alternative uses of the resources.

Person-years-lived

The number of years lived by a group of people, such as the national population or the urban population during a specified period of time. When used in relation to a life table it represents the number of years lived by hypothetical cohort between any two exact ages, and it is denoted by the symbol ${}_nL_x$.

Physical capital

The stock of goods used in production, which have themselves been produced. It consists of inventories and such durable goods as buildings, plants and machinery.

Plan horizon

A period of time to which a development plan refers.

Post-partum sterility

The period of temporary sterility following a birth. The duration of this period is heavily influenced by duration and intensity of breast-feeding.

Poverty

A situation where a population or a section of a population is able to meet only its bare subsistence essentials of food, clothing and shelter in order to maintain minimum levels of living.

Production function

A mathematical representation of the technological relationship between the quantity of output of a firm, sector or the entire economy and the quantities of inputs required to make it.

Proportionate age specific fertility rate

The rate calculated by dividing a particular age-specific fertility rate by the sum of age-specific fertility rates across the childbearing ages. The sum of all proportionate age-specific fertility rates equals one.

Proportionate age specific net international migration rate

The rate calculated by dividing a particular age-specific net international migration rate by the sum of age-specific net international migration rates across all ages or age groups. The sum of proportionate age-specific net international migration rates across all ages equals one.

Proportionate age-specific net internal migration rate

The rate calculated by dividing a particular age-specific net internal migration rate by the sum of age-specific net internal migration rates across all ages or age groups. The sum of proportionate age-specific net internal migration rates across all ages equals one.

Radix

The hypothetical birth cohort of a life table. Its common values are 1, 1,000 or 100,000.

Rate of natural increase

The difference between the births and deaths occurring during a given period divided by the number of person-years-lived by the population during the same period. This rate, which specifically excludes changes resulting from migration, is equal to the difference between the crude birth rate and the crude death rate.

Rate of population growth

The increase or decrease of a population in a specified period divided by the number of person-years lived by the population during the same period. The increase in a population is the result of a surplus (or deficit) of births over deaths and a surplus (or deficit) of immigrants over emigrants.

Rental income

Income accruing to a durable good, such as land or buildings, in return for services rendered by the good.

Reverse survival

A procedure to estimate an earlier population from an observed population, allowing for those members of the population who would have died according to observed or assumed mortality conditions. It can be used to estimate the number of births occurring over a specified time interval from the observed number of survivors of those births at the end of the interval. Similarly, the procedure can be employed to calculate net changes to the population due to migration occurring during a given time interval from the observed changes in the numbers of survivors in the population at the end of the interval resulting from migration.

School enrolment

The number of students who are enrolled and attend various educational institutions.

Sectoral planning

A form of development planning, sometimes referred to as partial planning, which is concerned with individual sectors of the economy. Such planning is often conducted within the framework of a comprehensive plan.

Sex ratio

The number of males in a population or specific sub-population, divided by the corresponding number of females.

Sex ratio at birth

The number of male births for each female birth, conventionally multiplied by 100.

Sex ratio of the population

The number of males in the population for each female, conventionally multiplied by 100.

Social accounting matrix

The tabular presentation of the income and product flows in an economy during a specified time period. It consists of a set of accounts, such as those for factors of production (labour, capital) or institutions (households, corporations and government) along with the economy's input-output table.

Statics

That part of economics which is concerned with analysing the economic system in equilibrium. The equilibrium is "timeless" or static in the sense that it does not change with time, it is fixed for all times, unless one of the underlying relationships in the system changes.

Subsidy

A special type of transfer payment to a corporation to prevent it from experiencing losses or to prevent an increase in its price.

Survival ratio

The probability of survival between one age or age group and another; when computed for age groups the ratios correspond to those of the person-years-lived function, ${}_nL_x$, of a life table.

Technical progress

Increased application of new scientific knowledge in form of inventions and innovations with regard to capital, both physical and human.

Total fertility rate

The average number of children that would be born per woman if all women lived to the end of their childbearing years and bore children according to a given set of age specific fertility rates. This rate can be computed as the sum of fertility rates by single year of age or the sum of fertility rates by five-year age group, multiplied by 5.

Total net internal migration rate

The sum of age-specific net internal migration rates across all ages or age groups.

Total net international migration rate

The sum of age-specific net international migration rates across all ages or age groups.

Unemployment

A situation which exists when members of the labour force wish to work but cannot find employment at the prevailing wage rate.

Value added

For a firm or farm, the difference between its total revenue and the cost of raw materials, services and components used in production, over a specified time period. For the economy as a whole or any of its production sectors, the aggregate of value added of different firms or farms of which the economy or sector is composed.

Vital events

Births, deaths, marriages and divorces.

Litho in United Nations, New York
13363-June 1989-4,250
24512-August 1998-300