

## Glossary

### Term

### Use in *Government at a Glance*

#### Budget

A comprehensive statement of government financial plans which include expenditures, revenues, deficit or surplus and debt. The budget is the government's main economic policy document, demonstrating how the government plans to use public resources to meet policy goals, and to some extent indicating where its policy priorities.

#### Cash transfers

Benefits provided to eligible individuals by governments that are not required to be spent on a specific good or service. Examples of cash transfers include pensions, unemployment benefits and development aid.

#### Central Budget Authority (CBA)

The Central Budget Authority (CBA) is a public entity, or several co-ordinated entities, located at the central/national/federal level of government, which is responsible for the custody and management of the national/federal budget. In many countries, the CBA is often part of the Ministry of Finance. Specific responsibilities vary by country, but generally, the CBA is responsible for formulating budget proposals, conducting budget negotiations, allocating or reallocating funds, ensuring compliance with the budget laws and conducting performance evaluations and/or efficiency reviews. This Authority regulates budget execution but does not necessarily undertake the treasury function of disbursing public funds. Lastly, a very important role of the Central Budget Authority is monitoring and maintaining aggregate/national fiscal discipline and enforcing the effective control of budgetary expenditure.

#### Citizen's budget

A citizens' guide to the budget is defined here as an easy-to-understand summary of the main features of the annual budget as presented to the legislature. It should be a self-contained document that explains what is in the annual budget proposals and what their effects are expected to be. While containing links or references to more detailed documents, the guide should not require readers to refer to them, or to know their contents, in order to understand the guide.

#### Collective goods and services

Goods and services that benefit the community at large. Examples include government expenditures on defence, and public safety and order.

#### Composite index

An indicator formed by compiling individual indicators into a single index on the basis of an underlying model (Nardo et al., 2005).

<b>Dataset</b>	A set of indicators or variables concerning a single topic (e.g. regulatory quality).
<b>Efficiency</b>	Achieving maximum output from a given level of resources used to carry out an activity ( <i>OECD Glossary of Statistical Terms</i> ).
<b>Effectiveness</b>	The extent to which the activity's stated objectives have been met ( <i>OECD Glossary of Statistical Terms</i> ).
<b>European System of National Accounts</b>	An internationally compatible accounting framework used by members of the European Union for a systematic and detailed description of a total economy (that is a region, country or group of countries), its components and its relations with other total economies ( <i>OECD Glossary of Statistical Terms</i> ). It is fully consistent with the <i>System of National Accounts (SNA)</i> .
<b>Federal state</b>	A country that has a constitutionally delineated division of political authority between one central and several regional or state autonomous governments.
<b>Fiscal rule</b>	For purposes of this book, the OECD utilises a similar definition as the European Commission. A numerical fiscal rule refers to a permanent constraint on fiscal policy aggregates (e.g. in-year rules are excluded).
<b>Full-time equivalent (FTE)</b>	The number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs ( <i>OECD Glossary of Statistical Terms</i> ).
<b>Gender</b>	Socially constructed and socially learned behaviours and expectations associated with females and males. All cultures interpret and elaborate the biological differences between women and men into a set of social expectations about what behaviours and activities are appropriate, and what rights, resources and power women and men possess. Like race, ethnicity and class, gender is a social category that largely establishes one's life chances. It shapes one's participation in society and in the economy.
<b>General Employment Framework in the public service</b>	It usually concerns the employment conditions of most government employees, and certainly concerns most statutory employees. Casual employees, by this definition, are not employed under the General Employment Framework for government employees. Please note that in a number of countries, all employees, including those employed on a short term basis, are employed under the General Employment framework, with a few exceptions (few casual employees in those cases, if any).
<b>General government</b>	The general government sector consists of: a) All units of central, state or local government; b) All social security funds at each level of government; and c) All non-market non-profit institutions that are controlled and mainly financed by government units. The sector does not include public corporations, even when all the equity of such corporations is owned by government units. It also does not include quasi-corporations that are owned and

	controlled by government units. However, unincorporated enterprises owned by government units that are not quasi-corporations remain integral parts of those units and, therefore, must be included in the general government sector (1993 <i>System of National Accounts</i> ).
<b>Governance</b>	The exercise of political, economic and administrative authority.
<b>Gross domestic product (GDP)</b>	The standard measure of the value of the goods and services produced by a country during a period. Specifically, it is equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units ( <i>OECD Glossary of Statistical Terms</i> ).
<b>Independent Fiscal Institution (IFI)</b>	A publicly funded, independent body under the statutory authority of the executive or the legislature which provides non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance. IFIs have a forward-looking <i>ex ante</i> diagnostic task (in contrast to public audit institutions which perform an equally indispensable <i>ex post</i> task).
<b>Indicator</b>	"... quantitative or qualitative measure derived from a series of observed facts that can reveal relative positions (e.g. of a country) in a given area. When evaluated at regular intervals, an indicator can point out the direction of change across different units and through time." (Nardo et al., 2005)
<b>Individual goods and services</b>	Goods and services that mainly benefit individuals. Examples include education, health and social insurance programmes.
<b>Input</b>	Units of labour, capital, goods and services used in the production of goods and services. "Taking the health service as an example, input is defined as the time of medical and non-medical staff, the drugs, the electricity and other inputs purchased, and the capital services from the equipment and buildings used." (Lequiller, 2005)
<b>Labour force</b>	The labour force, or currently active population, comprises all persons who fulfil the requirements for inclusion among the employed or the unemployed during a specified brief reference period ( <i>OECD Glossary of Statistical Terms</i> ).
<b>Outcome</b>	Refers to what is ultimately achieved by an activity. Outcomes reflect the intended or unintended results of government actions, but other factors outside of government actions are also implicated ( <i>OECD Glossary of Statistical Terms</i> ).
<b>Output</b>	In performance assessment in government, outputs are defined as the goods or services produced by government agencies (e.g. teaching hours delivered, welfare benefits assessed and paid) ( <i>OECD Glossary of Statistical Terms</i> ).

<b>Performance information</b>	Performance information can be generated by both government and non-governmental organisations, and can be both qualitative and quantitative. Performance information refers to metrics/indicators/general information on the inputs, processes, outputs and outcomes of government policies/programmes/organisations, and can be ultimately used to assess the effectiveness, cost effectiveness and efficiency of the same. Performance information can be found in: statistics; the financial and/or operational accounts of government organisations; performance reports generated by government organisations; evaluations of policies, programmes or organisations; or spending reviews, for instance.
<b>Productivity</b>	Productivity is commonly defined as a ratio of a volume measure of output to a volume measure of input use ( <i>OECD Statistical Glossary</i> ). Economists distinguish between total productivity, namely total output divided by change in (weighted) input(s) and marginal productivity, namely change in output divided by change in (weighted) input(s) (Coelli et al., 1999).
<b>Public sector</b>	The general government sector plus (quasi) public corporations (1993 <i>System of National Accounts</i> ).
<b>Public sector process</b>	Structures, procedures and management arrangements with a broad application within the public sector.
<b>Public services</b>	Services that are performed for the benefit of the public or its institutions. Public services are provided by government to its citizens, either directly (through the public sector) or by financing private provision of services. The term is associated with a social consensus that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation going beyond that applying to most economic sectors.
<b>System of National Accounts</b>	<p>The <i>System of National Accounts</i> (SNA) consists of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules (SNA 1.1).</p> <p>The <i>System of National Accounts 1993</i> (SNA) has been prepared under the joint responsibility of the United Nations, the International Monetary Fund, the Commission of the European Communities, the OECD and the World Bank (<i>OECD Glossary of Statistical Terms</i>).</p> <p>The 2008 SNA has recently been finalised and includes a number of changes to the 1993 SNA. For all OECD countries except Australia (as well as Canada for government debt), the indicators presented under the SNA are based on the 1993 SNA. It is important to note that it will take a certain number of years (2014 for most countries) before the national accounts will reflect these changes (that will have, to a certain extent, an impact on selected indicators presented in this publication).</p>

**Unitary states**

Countries that do not have a constitutionally delineated division of political authority between one central and several regional or state autonomous governments. However, unitary states may have administrative divisions that include local and provincial or regional levels of government.

**Variable**

A characteristic of a unit being observed that may assume more than one of a set of values to which a numerical measure or a category from a classification can be assigned (e.g. income, age, weight, etc., and “occupation”, “industry”, “disease”, etc.) (OECD *Glossary of Statistical Terms*).

**Working time adjustment**

Adjustment applied to annual average compensation of government employees that compensates for differences in time worked taking into account, where applicable, the average number of working days and the average number of hours worked per week.



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