

**Expert meeting on measuring poverty and inequality
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Poverty measurement in Montenegro

Milena Vukotic

Department of living conditions, social
services and household consumption

Basic info about Montenegro:



- Montenegro is a country located in Southeastern Europe
- Population: 620 029 from Census 2011
- Administrative capital: Podgorica
- Old Royal Capital: Cetinje
- Area: 13 812 sq km (5 333 sq miles)
- Monetary unit: Euro
- Real growth rate of GDP (%) in 2015 was 3.4
- GDP per capita in 2015 was 5 826 €

Presentation overview

- **Household Budget Survey (HBS)**
 - Minimum Consumer Basket (MCB)
 - Absolute poverty line

- **Survey on Income and Living conditions (EU SILC)**
 - Relative poverty line

Household Budget Survey

- National representative survey which has been conducted regularly by Statistical office of Montenegro since 1983.
- From 2005 HBS is in compliance with international standards and recommendation from Eurostat.
- The data are collected monthly for the entire observed year, and they are published annually.

Household Budget Survey

- The data obtained through the HBS are used for producing the personal consumption balance in the System of National Accounts and Consumer Prices Index (CPI).
- Results of HBS are used for preparation and analysis of poverty line by consumption method (absolute poverty line) and for calculation Minimum Consumer Basket.
- From 2005 to 2015, the HBS was conducted continuously, every year.
- By the Decision of the Statistical Council from 2015, HBS will be conducted every 2 then 3 years (we conducted HBS 2017 and the next survey will be in 2020).
- Data from HBS are send to Eurostat every five years.

Minimum Consumer Basket

- The Montenegro Minimum Consumer Basket (MCB) was developed in 2009 based on the Household Budget Survey (HBS) from 2007.
- Reflect the real picture of household consumption in Montenegro and refers to a household consisting of 4 members (2 adults and 2 children).
- The MCB structure consists of: the cost of minimum food and non-alcoholic beverages (which includes 130 food items), expenditures for the minimum required non-food products and services and the value of imputed rent.
- At the request of the Statistical Council, the Statistical Office of Montenegro and the Institute of Health, with technical assistance from the World Bank, we started to review and update the calculation of the MCB based on more recent data - from HBS 2015.

Absolute poverty line

- Statistical Office of Montenegro made the poverty analysis for the first time in 2008 for 2005 and 2006 in cooperation with World Bank and with support of Ministry of Health, Labor and Social Welfare.
- Poverty estimations are based on national absolute poverty line which was made according to the methodology recommended by World Bank. Main data source for estimation of poverty in the observed period is Household Budget Survey (HBS).
- The main indicator of living standards is the consumption of households.
- Absolute poverty line used by MONSTAT for poverty analysis is nationally specific line and cannot be used for international comparisons, only for monitoring of state and change of poverty in Montenegro.

EU SILC and Relative poverty line

- The EU SILC survey is the main source for the compilation of comparable indicators on social cohesion used for policy monitoring at European level.
- It collects, on an annual basis, timely and comparable multidimensional micro-data on income, poverty, social exclusion and living conditions.
- Through the IPA Multi-Beneficiary programme, MONSTAT was benefit from technical support in relation to the EU-SILC survey.

EU SILC and Relative poverty line

- EU-SILC project Montenegro has been implemented since the middle of 2011.
- The Statistical Office of Montenegro conducted the EU SILC for five years (2013-2017) in a row as a regular annual survey.
- The basis for this work was to Eurostat Regulations and Document 065.
- Indicators calculated from EU SILC are based on the concept of relative poverty that takes into account the available household income, the number of household members (household size) and the distribution of income within the population.



Thank you for your attention!

Enjoy in Montenegro!