



# Conclusions and recommendations from testing the model set of survey questions for measuring poverty in pilot countries

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## Two stages

- Desk-review of country questionnaires and development of proposals for a model questionnaire
- Discussion of the proposals developed in four countries:
  - Kazakhstan
  - Azerbaijan
  - Kyrgyzstan
  - Belarus



## Key findings from the desk-review

There is a strong basis for harmonizing consumer expenditures questionnaires at the class level:

- All questionnaires use alike sections.
- Most countries use the COICOP to encode goods and services.
- Differences in country COICOPs do not generate systemic bias at the class level.

# Key findings from the desk review of country questionnaires

For incomes, the lack of classification can create significant difficulties in the process of harmonizing income questionnaires:

- At the first level of income hierarchy there are some differences that increase as one moves down the income component hierarchy.
- It is necessary to adopt a unified classification at the level of sections, groups and classes of income.

With regard to deprivations, there is no unified approach:

- Many country questionnaires attempt to assess various deprivations.
- It is proposed to take the EU-SILC as a basis questionnaire:
  - Exclude questions unspecific to the region.
  - Add the most common questions in the questionnaires.



# Development of a model set of questions

Main objectives:

- Defining Variables and Questions.
- Identification of the possibility of harmonizing questionnaires with indicators of achievement of SDG 1 (1.1.1, 1.2.1, 1.2.2, 1.3.1, 1.4.1) and SDG 10 (10.1.1 and 10.2.1).
- Classification and codification of variables.

# The main issues to be developed at the testing stage

- Does an aggregate of expenditure or income cover *all components of expenditure or income*?
  - Are all components included and sources of income origin accounted for?
  - Is there fading out effect for certain components?
  - What aggregate indicators are calculated (link with SDGs)?
- Are aggregates calculated by a *similar methodology*?
  - Is there unified classification?
  - Aggregation around function (module)
- Clarification of question wording.
- Discussions regarding the relevance of questions for the country.



# Income components: Classification and coding

Classification and coding on the basis of the classifier does not exist, but in general the of income breakdown corresponds to the conceptual definitions of the Canberra Croup Handbook:

- Primary income (income from employment and property)
- Social transfers
- Other income

but

1. Not all income components and their subcomponents are clearly defined - the likelihood of potential inclusion of components from another class
2. Narrow definition of some components (for example, income from financial and intangible assets)
3. Inclusion of some receipts from the sale of property into household income

## Income components: Social transfers

- The country social policies greatly affects the composition of social transfers
- The division of transfers is based on national legal terminology, which leads to incompatibility of the country's social transfer composition
- The questionnaires for income sources of origin are composed in such a way that, first of all, state social transfers are taken into account. Attention to other sources of origin (private sector, non-governmental organizations, other households, abroad) is sometimes not enough
- There is no unified practice of including transfers in kind in gross household income
- The classification of social transfers proposed by the Canberra Group Handbook is not clear enough for countries



# Calculation of income components

- The calculation of household income is carried out in the form of gross household income.
- Disposable and adjusted household income is not calculated



*Clarification of the composition* of other expenditures is required:

- There is no classifier for other expenses – there is no unified approach.
- In some cases, income from employment is already collected without paying taxes.
- Gross household income includes gross income from household farm (not net one).

# HH income: General recommendations

- Develop *country-specific income classifications* based on the Canberra Group Handbook; for social transfers, apply the ESSPROS functional classification modified to reflect the country peculiarities
- Introduce *Income component coding* similar to coding within the COICOP
- Introduce explicitly into questions *sources of income origin*, in particular from the public and private sectors, non-government organizations, other households, and from abroad.
- Strengthen the explanatory potential of *HHS instructions and methodological documents* to eliminate the potential for inaccurate interpretation of terms by both respondents and interviewers.
- Start *calculating disposable income* and adjusted disposable income to ensure that four SDG indicators 1 and 10 are calculated by using income definitions.



# Expenditure: Development of the following issues

- *Collecting, classifying and coding information* about household consumption expenditures;
- Methodology of the Quarterly Questionnaire: *module composition* and *integrated functional-target approach*;
- *Conditions for harmonizing* household expenditure questionnaires at the *class level*



# Collecting household expenditure information

The primary statistical forms (Diary and Journal) provide full accounting of household consumer expenditures, however:

- there is a possibility of the *“fading out effect”* if the primary forms do not include “tips and reminders” detailing the expenditures (especially for various types of services);
- there is a risk of *“refusal to answer”* if the Diary / Journal form is complicated and requires additional efforts to distribute expenditures between two documents
- *inaccuracies and errors* are possible if there are no instructions and detailed examples of filling out the forms

# Classification and coding of household expenditure information

Using the COICOP is essential to ensure the harmonization of household statistics, however:

There is a risk of “misreporting” at the class level if:

- a) in the national COICOP any classes are missing / merged with others;
- b) coding and aggregation of data is not in strict accordance with the COICOP (the presence of other code types and complex "transition keys" and aggregation algorithms)

# Expenditures: General recommendations

The module composition of the Questionnaire, corresponding to the COICOP, facilitates the harmonization of the household expenditures statistics , while it is important to:

- Integrate in the module the questions on *all expenditures on goods and services* with regards to target function of consumption;
- Use the format of *relatively small compact tables (subsections)*, respectively, sections and groups of COICOP with the indication of expenditure groups;
- Include *class level expenditure codes* in the tables of the Questionnaires

# Deprivations: Questionnaire to country discussions

Section	Description	Number of Qs	Source
<b>Section 1 Material deprivations</b>	Material deprivations with regards to food, clothing, payment of regular payments, leisure, availability of necessary durable goods	7	EU SILC
	Availability of adequate internet access	4	EU SILC, wording taken from countries' most frequent questions
	Access to social security system	3	EU SILC
	Education Deprivation	5	Countries' questionnaires
	Health Deprivation	2	Countries' questionnaires
<b>Section 2 Housing</b>	Deprivations in access to sewage and water, housing conditions	10	4 - EU SILC, the rest was developed based on relevance to the region
<b>Section 3 Poverty self-assessment</b>	Self-assessment of the financial situation of the household and the main problems	3	1 - EU SILC, 2 - from countries' questionnaires

## Discussion with countries' offices

- *Measurement of deprivations* as a tool for assessing international indices:
  - Multidimensional Poverty Index
  - SDG Indicators of poverty and deprivations
- *Clarification* of question wording
- Implementation of *pilot questionnaires*
- Discussions regarding the *relevance of questions for the country*





## Country discussion: Multidimensional Poverty Index (related to the SDG indicator 1.2.2)

- The requirement of *a single source* for MPI calculation
- Most of the questions in the model questionnaire form the basis for calculating a harmonized MPI among countries.
- However, two problematic issues:
  - *Question about malnutrition of children.* Ministries of health statistics usually include this question. (But Kyrgyzstan included this question in its questionnaire)
  - *Indicator:* the material of the floor of the dwelling – For all countries, this indicator is irrelevant



# Questions on SDG indicators 1.3.1 and 1.4.1

- *1.3.1. Proportion of population covered by social protection floors/systems (by breakdown)*
  - Information is more reliable in the case of its receipt from the statistics of agencies responsible for social protection.
- *1.4.1. Proportion of population living in households with access to basic services*
  - Countries calculate national indicators for individual services.
  - International metadata published in October

# Deprivations: General recommendation

- Add the questionnaire with *questions based on MPI methodology* from the Global Human Development Report for a comparative calculation of MPI in all countries of the region
  - What to do if international methodology is not relevant at the country level?
- *Temporarily keep questions on the accessibility social protection floors/systems until the development of national metadata.* Exclude in future since this indicator should be calculated at the level of social protection agencies
- It is necessary to study carefully the possibility of calculating an *indicator on access to basic services* at the national level.



Thank you for attention!

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