

HOUSEHOLD DISTRIBUTIONAL RESULTS ON INCOME, CONSUMPTION AND SAVING IN ARMENIA

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Motivation

- Economic policy needs
- Global financial crises and COVID

Main Objectives

- Harmonisation of national accounts and well-being statistics in Armenia
- Better understanding the difference between micro and macro aggregates

Data Sources

- Household's Integrated Living Conditions Survey (HILCS)
- Sectoral accounts / HH sector
- Other sources

Data Sources

HILCS

Purposes

- ✓ Estimation the well-being indicators and
- ✓ HH expenditure basket of CPI.

Main characteristics

- ✓ Target population – all private households (residents) / not individuals, absence data about institutional households
- ✓ Type of information - Income, non-wage income, transfers, employment, durable goods, education, health, housing, agricultural activity, food production, consumption, and etc.

Data Sources

HH sector

- ✓ National concept
- ✓ All private households, exclusion data about institutional households

Other sources

- ✓ Income statement of financial organisations
- ✓ State budget - STIK
- ✓ Central Bank publications - the change in pension entitlements

Methodology

Based on EG-DNA concept

Step 1 - Adjustments to NA totals



Step 2 - Determining relevant micro data sources



Step 3 - Imputation for missing items and alignment



Step 4 - Cluster households



Step 5 - Derivation of indicators to present the distributional results

Results – Income

Table 1. Income items in macro and micro levels in 2021, mln. USD

	<i>Indicators</i>	<i>Macro</i>	<i>Micro</i>	<i>Macro - estimated</i>
B2Rg+B3Rg	Gross operating surplus and mixed income	2,723.14		2,723.14
B2Rg	Gross operating surplus			718.51
B2R1g	Owner occupied dwellings			718.51
B3Rg	Gross mixed income - total	2,723.14		2,004.63
D1R	Compensation of employees	5,059.42		5,059.42
D11R	Wages and salaries		2,696.50	
D4N	Net property income received / Net property income	- 195.45		- 195.45
D4R	Property income received	303.41	23.51	303.41
D41R	Interest received			172.18
D4P	Property income paid	498.86		498.86
D41P	Interest paid			375.91
B5g	Balance of primary incomes	7,587.11		7,587.11
D62R	Social benefits other than STiK received		815.35	
D6211R+D6221R	Pension benefits		575.52	
D6212R+D6222R	Non-pension benefits		239.83	
D75N	Net miscellaneous current transfers			884.51
D75R	Miscellaneous current transfers received		483.15	1,140.24
D75P	Miscellaneous current transfers paid			255.73
D75x	of which transfers between resident households (2008 SNA 8.133)		91.01	
B6g	Disposable income	8,587.62		8,587.62
D63R	STiK			567.30
D63R1	Education			267.01
D63R2	Health			300.29
B7g	Adjusted disposable income			9,154.92

Own estimation

Changes after estimation

Results – Consumption & Saving

Table 2. Consumptions items in macro and micro levels in 2021, mln. USD

	<i>Indicators</i>	<i>Macro</i>	<i>Micro</i>	<i>Micro / Macro</i>
CP010	Food and non-alcoholic beverages	4526.5	1600.0	35.3
CP020	Alcoholic beverages, tobacco and narcotics	484.5	166.1	34.3
CP030	Clothing and footwear	374.3	106.4	28.4
CP040	Housing, water, electricity, gas and other fuels	1504.1	N/A	N/A
CP050	Furnishings, households equipment and routine maintenance of the house	207.2	101.2	48.8
CP060	Health	578.5	175.9	30.4
CP070	Transport	616.2	65.7	10.7
CP080	Communications	350.1	102.9	29.4
CP090	Recreation and culture	232.6	N/A	N/A
CP100	Education	123.0	70.3	57.1
CP110	Restaurants and hotels	245.5	61.9	25.2
CP120	Miscellaneous goods and services	274.8	124.9	45.5
P31DC	Final domestic consumption expenditure	9517.2	N/A	N/A
<i>P33-P34</i>	<i>Adj. for expenditures by resident HH abroad minus expenditures by non-resident HH on the territory</i>	<i>299.0</i>	N/A	N/A
P33	Final consumption expenditure of resident households abroad	813.4	N/A	N/A
P34	Final consumption expenditure of non-resident households on the territory	514.4	N/A	N/A
P31NC	Final national consumption expenditure	9816.2	2640.7	26.9
D63R	STiK	567.3	N/A	N/A
P4	Actual final consumption	10383.5	N/A	N/A
B7	Adjusted disposable income	9873.4	N/A	N/A
D8R	Adjustment for the change in pension entitlements	201.8	N/A	N/A
B8	Gross Saving	-308.3	N/A	N/A
P51c	Consumption of fixed capital	653.18	N/A	N/A
B8n	Net Saving	-961.5	N/A	N/A

Main challenges

- Absence of information about institutional HH
- Missing data income and consumption sides both macro and micro levels
- Macro – micro gaps are large even the data are excising in macro and micro levels

Next steps

Short-term

- ✓ To find other statistical and administrative microdata sources
- ✓ Suggestions to Armstat for making changes in questioners and adding new fields and questions for estimation some important items in micro level especially in income sides

Long-term

- ✓ Applying the methods based on EG DNA recommendation for imputation missing data
- ✓ Aligning micro data with national accounts totals
- ✓ Clustering households into household groups

Thank you very much for
attention!