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Session: Preparing and implementing household
income and expenditure surveys

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HIES: Main uses

- ▶ assess the level, structure and trends of the economic well-being (income and/or expenditure) of households and individuals, (85% of countries)
- ▶ determine and update the basket of consumer goods and services and weights used for the calculation of CPI (89% of countries),
- ▶ estimate distribution of economic resources: poverty, inequality and social exclusion (85% of countries)
- ▶ estimates for household sector of National accounts: (60%)
- ▶ evaluation of government policies (taxation, other macro-economic policies; social security systems; migration; population; etc)(28%)
- ▶ other uses: labour market, consumer behaviour & market research, nutrition, health, savings & indebtedness, etc. (41%)

HIES and SDG monitoring

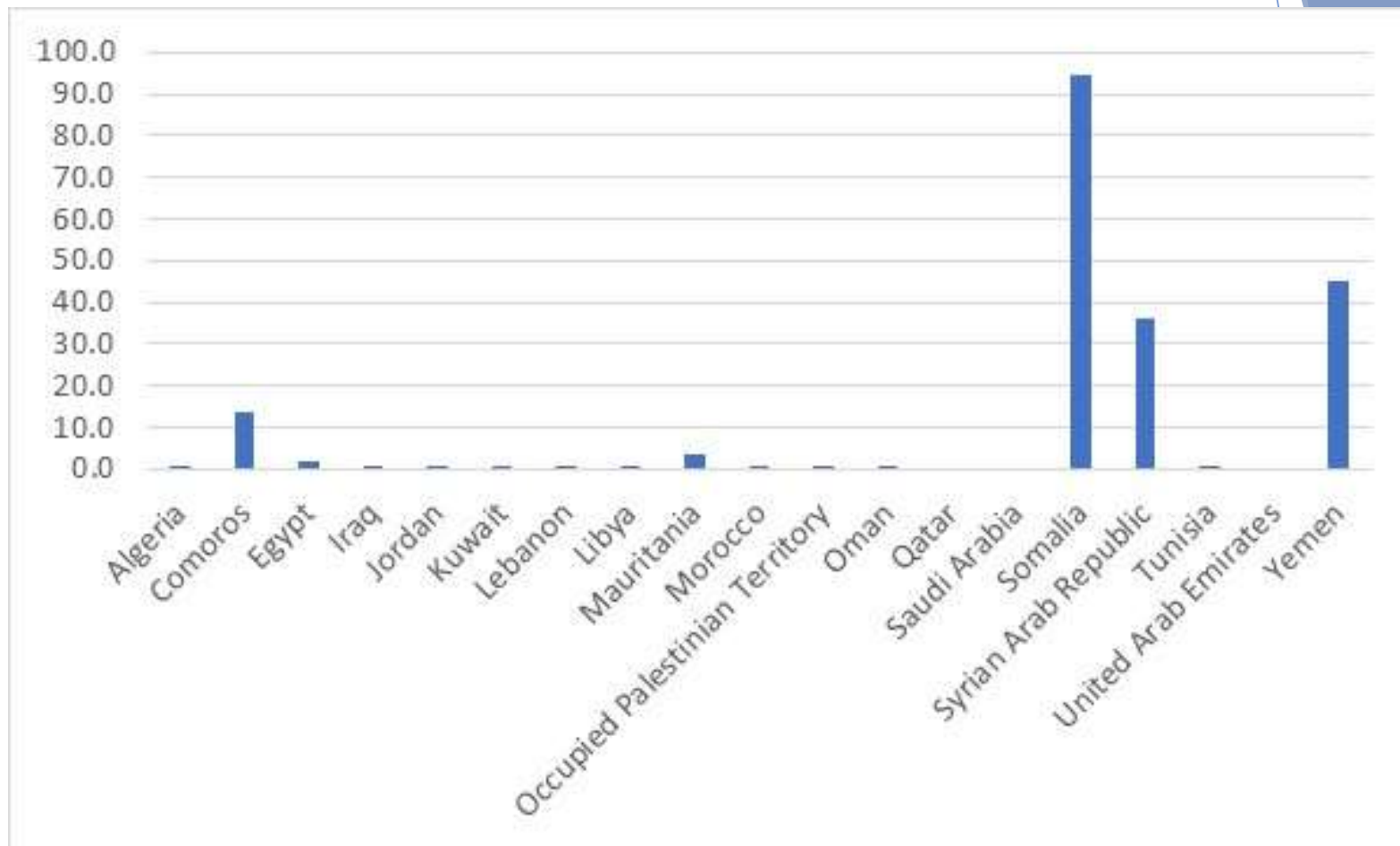
Goal 1: End poverty in all its forms everywhere

- ▶ Indicator 1.1.1: Proportion of the population living below the international poverty line by sex, age, **employment status** and geographic location (urban/rural)
- ▶ Indicator 1.2.1: Proportion of population living below the national poverty line, by sex and age

Goal 10. Reduce inequality within and among countries

- ▶ Indicator 10.1.1: Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population
- ▶ Indicator: 10.2.1 Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities

SDG 1.1.1 -Employed population below international poverty line, % 2019, ILO modelled estimates



Impact of COVID-19 on HH Consumption

Pandemic triggered unusually large changes in household spending patterns

1. **Change in consumption pattern**

Consumers face reduced choice (Consumption of some goods and services is impossible, shifting spending towards available goods)

Consumers avoid activities perceived to be high-risk in terms of contracting the virus

2. **Change in purchasing behaviour:**

Consumers move to online shopping.

3. **Reduce overall spending**

Faced with crisis and uncertainty, consumers delay or change their consumption

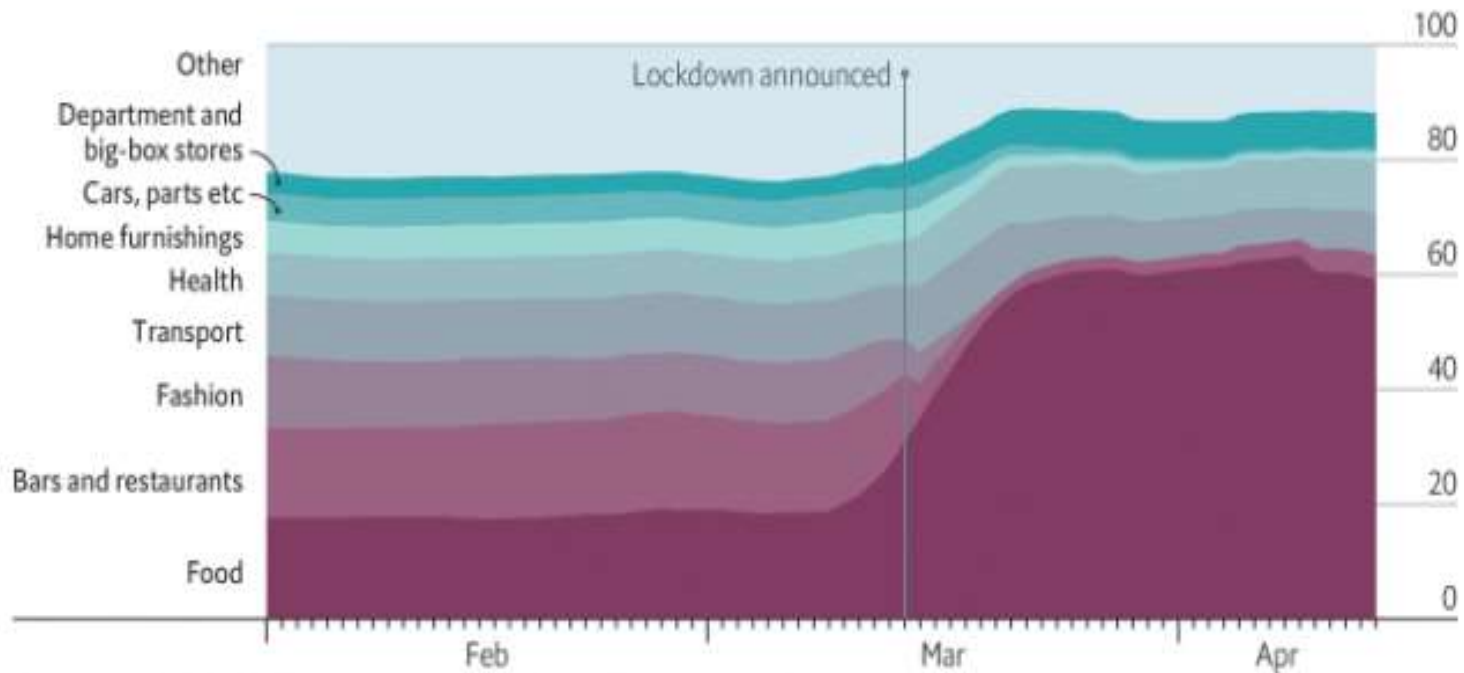
Decrease in the share of durable and semi-durable goods; Increase in the share of non-durable goods

4. **Increased saving**

Consumption patterns are changing during the lockdown but also, in some cases, rapid price changes

Locked down, loading up

Spain, selected retail sales, % of total*



Source: "Tracking the COVID-19 Crisis with High-Resolution Transaction Data," by Carvalho et al, Cambridge Working Papers in Economics (2020)

*Seven-day moving average

The Economist

COVID-19: Challenges for data collection

- ▶ the questionnaires not adapted to the telephone survey (large volume and the questionnaire complexity; increased time to conduct the survey over the telephone)
- ▶ inaccessibility of households;
- ▶ increase No of refusals (some for health reasons);
- ▶ lack of a database with telephone numbers of respondents;
- ▶ lack of telephones in the households;
- ▶ with home schooling, parents available for interviews only for limited time;
- ▶ Increased data collection workload for interviewers

HIES: Other challenges

- ▶ Frequency, timeliness, comparability of surveys
- ▶ Data quality issues:
 - Valuations for consumption or income from own production (particularly important in underdeveloped rural economies)
 - Underreporting of some expenditure (e.g. food away from home).
 - Recall period
 - Income
- ▶ Response rate
 - Reporting (diary) fatigue
 - Complexity of the questionnaire(s)
 - Hard-to reach population groups
- ▶ Disaggregations
- ▶ New data sources: Credit card transactions

Some resources

- ▶ ILO Resolution concerning household income and expenditure statistics Adopted by the 17th ICLS, 2003
<http://www.ilo.org/public/english/bureau/stat/download/res/hiestat.pdf>
- ▶ EUROSTAT: Household budget surveys in the EU - Methodology and recommendations for harmonization 2003
<https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-bf-03-003>
- ▶ Canberra City Group on Household Income Statistics : Canberra Group Handbook on Household Income Statistics (2nd edition, 2011)
http://www.unece.org/fileadmin/DAM/stats/groups/cgh/Canberra_Handbook_2011_WEB.pdf
- ▶ OECD Framework for Statistics on the Distribution of Household Income, Consumption and
- ▶ 9 World Bank (2000 Handbook on multi-purpose household surveys)



Thank you for your attention!