REPORT on the training

Development of a model set of questions for the household budget survey

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Introduction

The training was devoted to the development of a model set of questions for HBS. Two presentations were presented, which were based on the report "Developing a model set of questions for the household budget survey" for the second phase of the UNECE project and covered the following topics:

- Analysis of country surveys of household budgets in order to harmonise survey questionnaires.
- Development of a model set of questions for HBS.

The first part of the training included general developing questions, as well as the development of separate sections, in particular, modules on expenditures, incomes and deprivations. In the second part of the training, after the presentations, a discussion of individual issues was held.

The first part of the training: presentation of the model questionnaire

General issues

The main objective of the training on general questions of the development of the questionnaire was to provide information on the main principles that were used as the basis for developing a model set of questions and other generalised information.

As a general information, the experience of the household survey in the countries considered in the report was presented. Then we talked about the basic principles that were used as the basis for developing a model set of questions on expenditures, incomes and deprivations in a sample survey of household budgets, such as:

- comparability of questionnaires with SDG indicators;
- classification of expenditures, incomes and deprivations based on certain principles;
- implementation of the coding of expenditures, incomes and deprivations;
- ensuring the maximum possible harmonisation under the given conditions.

Information was provided on the Sustainable Development Goals in the area of poverty and inequality, as well as the indicators that measure them. The consultant, presenting his approach, stressed that all sections should be subject to classification and coding, and showed how this can be done. They were explained that as a result of applying a uniform approach, but taking into account the peculiarities of countries, the greatest harmonisation in terms of both expenditures and household incomes is possible at the class level.

Household consumption expenditures module

The objectives of the training in presenting this module were:

1. Clarification of the content of the proposed integrated functional-purpose approach to form of the Quarterly Questionnaire on Household Expenditures.
2. Discussion of possibilities for harmonisation of the Model Questionnaire and the Questionnaire of Kazakhstan on household consumption expenditures at the level of COICOP classes.

In explaining this module, the consultant explained the essence of the proposed integrated functional-purpose approach to form of the Quarterly Household Expenditure Questionnaire. In particular, the main purpose of the Model Questionnaire for household consumption expenditures was identified. It should provide information on the aggregate amounts of household expenditure (including for SDG indicators) in a form that ensures comparability of data obtained by national statistical agencies and their correct comparative analysis and generalisation. The questionnaire is designed to ensure:

- accounting for data on the total amount of household expenditures for a certain period (quarter), as well as on household expenditure by main sections, groups and classes of expenditure in accordance with COICOP;
- conditions for harmonisation of national household consumption questionnaires at the level of expenditure classes through a uniform methodology (structure and content of questions, coding and aggregation of expenditure data).

The structure of the Model Questionnaire includes the following ten modules.

I. Nutrition.
II. Non-food products of individual consumption.
III. A home.
IV. Doing housekeeping.
V. Education.
VI. Health care.
VII. Transport services.
VIII. Recreation, entertainment and social and cultural events.
IX. Other goods and services.
X. Other financial expenses.

In accordance with the provisions of an integrated functional-purpose approach to describing and accounting for the basic functions of household consumption, the questions on all expenditures related to a particular consumption function are aggregated in one module.

Classification and coding of household expenditures is carried out in accordance with COICOP, which is designed to create the conditions for the greatest possible harmonisation at the class level. In this case, the consultant showed the links between modules and sections of COICOP.

The consultant also noted that the Questionnaire assumes consideration of psychological factors during the interview. To do this, it is suggested to include in the statistical forms filled in by household members (Diary of Daily Expenses and the Journal of Accounting for Quarterly Expenditures and Incomes), sufficiently detailed "tips and reminders" on the main items of expenditure, and to provide details of expenditure items at the class level.

The questionnaire is based on the main approach to determining the expenditure of households – on the acquisition of goods and services, and therefore it does not reflect the stocks of basic food (as well as non-food) goods.

The issues of competence of national statistical agencies were also outlined, in particular, they include:
• setting up the period of the expenditure survey – two weeks, a month, a quarter;
• compilation of the Diary form of household daily expenditures;
• inclusion into the lists of food products of specific ("national") products, but within the overall codification of COICOP;
• the ability to determine expenditure with two approaches (on acquisition or actual use) and, accordingly, the ability to monitor the dynamics of stocks of basic food products, by including relevant issues in the questionnaire;
• specification or aggregation of expenditures by category within the general classes in accordance with COICOP.

**Household income module**

The objectives of the training in presenting this module were:

1. Identify both common features and differences in income sections in the questionnaires of the analysed countries.
2. Consideration of approaches to the classification and coding of household incomes.

Presenting the results of Analysis of countries’ HBS Questionnaires, the consultant stopped on both the general features and the differences in the questionnaires of the analysed countries. He noted that:

- In most of the questionnaires at the first level, the income from labour, from property, from sales, as well as various benefits and transfers are allocated as sections. The number of the main income components varies from 13 to 42 (approximately, since there are additional specifying sub-component6s)
- there are rudiments of income classification of through coding or numbering of questions, but as a whole it is absent;
- the aggregated structure of income is comparable to a large extent.

Then he paid attention to the specifics of the development of household income section in HBS, in particular, he spoke about the need for a clear hierarchical income classification. The consultant explained that the income question is based on the classification proposed in the Canberra Group Handbook, in accordance with the Guide on Poverty Measurement, supplemented by ESSPROS for current transfers. He stressed that the purpose of introducing an uniformed classification was to unify the monetary indicators for calculating the indicators of poverty and inequality of SDG 1 and SDG 10, and in particular, the amount of disposable income – the amount of primary incomes and net amount of current transfers.

The consultant noted that a separate issue is that, in accordance with the recommendations of the Canberra Group Handbook, social transfers received in kind are not included in the calculated disposable income. The answer options should also take into account the source of origin for payment, as recommended by the above handbooks (for example, the government, the private sector, non-profit organisations, households and receipts from abroad), and the type of payment – In cash or in kind.

Separate attention was paid to the fact that in many questionnaires analysed the level of detail of current transfers is much more higher than the Canberra Group Handbook suggests. Therefore, the consultant separately explained in great detail on the modified classification of current transfers.
Deprivations module

The objectives of the training on deprivations module were the following:

1. Discussion of premises and reasons for developing harmonised module on deprivations. Analysis of comparability of deprivations questions in CIS questionnaires.

2. Discussion of Kazakhstan’s survey module on deprivations: identification of differences between harmonised questionnaire.

The consultant pointed out that CIS questionnaire contain a number of similar questions on deprivations, however the wording of questions is somewhat different between countries. He mentioned examples showing similarities in EU SILC questions and CIS countries’ questionnaires. The consultant mentioned that eight of eleven countries have separate modules on self-perception of poverty. He concluded that there are certain premises to develop a harmonised questionnaire.

The consultant emphasised that development of module on deprivations is important for valid assessment of multidimensional poverty and monitoring of SDGs’ achievement. The harmonised deprivations module is invoked to solve the problem of gaining complex and reliable information about deprivations. The harmonised questionnaire contain a minimal set of questions in order to ensure comparability and ease the implementation process. With that, countries are able to add questions relevant to their social and economic situation. The harmonised deprivations module is as well aimed at collecting information necessary to track the SDG indicators. The consultant concluded that the majority of deprivations calculated by EU SILC are relevant to CIS region and can be easily generalised.

The second part of the training: discussion of selected issues

After the presentation, a number of issues were discussed, the content of which is summarised below.

General issues

1. What SDG indicators (in relation to poverty and inequality) are already calculated? What are the methodological and substantiating materials? It was explained that a matrix of responsibility for SDG indicators was adopted, where each of the indicators is assigned to a responsible state body. It should be noted here that the staff of the Committee on Statistics expressed interest in the meta-data of these indicators; It was regretted that there is no such data in Russian, however, the consultant gave detailed explanations regarding the main indicators. With regard to the methodology, it was explained that it was on the committee’s website.

2. How are the coding and aggregation processes of all questions and indicators carried out in all forms? How adaptive is the software and what are the chances of changing codes? It was explained that any changes in the issues and their codes can be made in a relatively short time (maximum of three months) in the program and information support of the HBS.

3. Representatives of the statistics committee asked about multidimensional poverty calculation based on the current questionnaire. The consultant showed that the current questionnaire is somewhat limited (for details see the report on analysis of country questionnaire).
4. The members of the Committee were asked to talk about approaches to measuring child poverty and defining the middle class. The consultant explained that this was not part of his terms of reference approved by the UNECE, however, he would later send to the Committee relevant materials on the matter.

5. A question was raised on the publication of the Guide on Poverty Measurement Manual. After the consultation with Andres Vikat, the manual’s English version was sent to the Statistics committee (the Russian version is coming soon).

Discussion of the module of household consumption expenditures

6. What approach to the definition of costs is used in Kazakhstan: on acquisition or actual use? What is the relationship to stock accounting? It was explained that in Kazakhstan the approach of accounting for consumer expenses for acquisition is applied. Accounting for stocks in the statistical forms for the survey of household budgets is not conducted.

7. What are the reasons for changing the format of individual sections of the Quarterly Questionnaire in 2015 – refusing to integrate issues related to a single consumption function in a single section? The change in the format of the questionnaire in the sections "Housing and utilities and fuel costs", "Education costs" and "Healthcare costs", starting in 2015, is due to the introduction of new hardware and related software.

8. Why does the encoding do not correspond to COICOP for certain types of costs? For individual items of expenditure, for example, for cold water (code 029), hot water (code 028), central heating (code 4.1), informal expenditure in education and health care; tutor services (code 0562 ...) the codes do not correspond to the COICOP code. This is due to the fact that there is a cross-over between the COICOP and other classifiers.

9. What are the real possibilities for harmonising the proposed model and national questionnaires on household consumption expenditures at the COICOP class level: how flexible is the software, will it allow groups and classes to be transferred between sections, and also aggregate data for separate functional-purpose blocks of expenditure? Principal difficulties in the process of harmonisation of questionnaires should not arise, since both questionnaires are based on a unified COICOP methodology, the acquisition approach and the principle of sufficient detailing of expenditures at the level of classes (and categories). The software is flexible enough and easy to reconfigure.

Discussion of the household incomes module

10. Is the disposable income indicator calculated? The indicators of monetary incomes and incomes used for consumption are calculated. The staff of the Committee provided the Reference Book on Income and Expenditure as an explanatory document. In the report on the analysis of the country questionnaire, this issue has been given special attention.

11. How is the source by origin of payment determined? What is classification? The source by origin of payment is not a separate element of questions, however, in some sections of the Questionnaire on the source by origin of payments is indicated. In the report on the analysis of the country questionnaire, this issue has been given special attention.
12. Explain the coding principle in Table 11.1 of Form D004. The encoding is used to calculate cash income. In the report on the analysis of the country questionnaire, this issue has been given special attention.

13. Is it possible to unequivocally define the functional purpose of social transfers, especially for those benefits in which there is no functional definition (for example, a special state allowance)? The parties discussed the basis for including benefits in the list of transfers and agreed that the consultant would assess the possibility of classifying benefits according to the classification that he proposed.

14. Income from services (10.2 Form D004) is classified separately and how? It was explained that this income is included in the income from entrepreneurship.

Discussion of the deprivations module

15. How are the levels of satisfaction interpreted (HBS, part one, Form D002, questions #1-32). Currently the level of satisfaction is assessed using the 1 to 10 scale ("1" is being lowest level). Does grade "5" refer to deprivation? For example, in question #23.1 the respondent is asked to evaluate the overall satisfaction of school education, however even grade "1" will not necessarily infer that any household member is deprived from basic education. How is the accessibility of services is assessed? Is the Statistics committee ready to change and expand question #10 (HBS, part two, Form D002).

- Except for questions #1.12-1.14 in harmonised questionnaire on deprivations aimed at assessment of social benefits, the representatives of the Statistics committee committed to take into account the majority of Consultant’s recommendations, including:
  - consideration of changing the part 1 of Form D002 from subjective evaluation to objective assessment of deprivations;
  - inclusion of questions on deprivations, which currently are not in the HBS questionnaire;
  - a number of questions will be harmonised in accordance with the proposed deprivations module.

- The issue of accessibility of social benefits (as in questions #1.12-1.14 in the proposed harmonised deprivations module) are monitored by the Ministry of Labour and Social Protection of the Republic of Kazakhstan, since they cover the process of SDG 1 achievement. The representative of the Statistics committee pointed out that in the framework of Household budget survey such assessment of will not be comprehensive. Still it is recommended that the Statistics committee included these questions in the questionnaire in order to assess the quality of the survey.

16. There is a number of questions regarding the informal meetings of the respondent with his family, friends and colleagues (HBS questionnaire, form D002, part two, questions #5-7), as well as question on accessibility of ritual services. Why? The Statistics committee mentioned that the local cultural norms are taken into account that way.

17. There is a number of questions related to food security (HBS questionnaire, form D002, part two, questions #13-19). Why? This is related to a joint work with Food and Agriculture Organisation of the United Nations (FAO).