Recommendations and outcomes of comparing income indicators

HIES vs EU-SILC

Calculation At Risk of Poverty Rate

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| ***Recommentations*** | ***Outcomes*** |
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| *Household Income Questionnaire – “shinda 05”* |
| ***Module:*** *1. Pensions, scholarships, insurance, assistance during the past three months* |
| Georgia has a specific allowance for internally displaced persons- If allowance is not regular, it should be excluded from the income indicators. | Allowance for internally displaced persons is regular type contribution, which is country specific. Many household in Georgia are beneficiaries, hence mentioned category is not excluded from the calculation of income indicators. |
| ***Summary:*** *Pensions, scholarships, insurance, assistance during the past three months – Changes was not made for calculation of income indicators.* |
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| ***Module:*** *2.Incomes received as presents, assistance or free service* |
| The Georgian HIES questionnaire contains a separate table for all possible gifts, Irregular gifts are not included in the income definition for the EU income based indicators | All possible irregular gifts were excluded from the calculation of income indicators. |
| The national instrument of Educational grant from the state is covered in the HIES questionnaire, Irregular grants are not included in the income definition for the EU income based indicators | Payment of tuition fee is regular contribution by government. Part of student are beneficiaries for entire period of studying. Mentioned category was not excluded from calculation of income indicators. |
| ***Summary:*** *All categories (gifts, assistance and etc) except “payment of tuition fee” were excluded as for irregular type of frequency for calculation of income indicators.* |
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| ***Module:*** *3.Other incomes of household* |
| Funding from a donor could correspond to the intra-household transfers received (other than alimonies) as for they are irregular type should be excluded. | Since there are regular type scintific grants from the donor organizations and government, mentioned income categories are included in calculation of income indicators. |
| One-off transfers (cash / non-cash inheritances, financial gifts, lottery winnings) are not included in the EU income definition. The income from betting, if regular, could be considered as quasi-self-employment income | Cateogry “other” was excluded from the calculation as for it includes lottery winnings, income from betting and etc. |
| ***Summary:*** *All categories except “Inherited money“ and “Other income” Are included in calculation.*  |
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| ***Module:*** *Part II. 1. Changes in financial state of the household during the past three months* |
| EU-SILC as such does not collect any amount received by the household from old arrears (outstanding salary, pension, scholarship, stopped social assistance etc.) expected to be paid | Whole module was excluded from the calculation |
| EU-SILC does not cover any amount from existing savings. The money kept on the household bank accounts or deposit accounts are not part of the regular data collection |
| ***Summary:*** *Whole module was excluded from the calculation of income indicators.* |
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| ***Module:*** *2.Selling / Purchasing of property during the past three months* |
| According to the EU-SILC methodology, the total disposable household income does not include any income from the sale of real estates (i.e. land, fields, buildings, flats, garages) nor any income from the sale of a car or other movable property, these being eventually part of the wealth / assets balance | Whole module was excluded from the calculation |
| ***Summary:*** *Whole module was excluded from the calculation of income indicators.* |
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| ***Module:*** *3. Other changes in property state during the past three months* |
| The aim is to find out whether the household (or one of the members) has received real estate or expensive durables in the form of inheritance or a gift during the last three months. According to the EU-SILC definition this is NOT considered as income component. These are considered as the capital transfers, affecting assets of the household, but not its disposable income at the time of their receiving. | Whole module was excluded from the calculation |
| ***Summary:*** *Whole module was excluded from the calculation of income indicators.* |
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| ***Module:*** *4.* *Parcels received/sent from/to persons who left the household (temporary or constantly)* |
| ***Summary:*** *Changes was not made for calculation of income indicators.* |
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| ***Module:*** *5.* *Expenses and incomes in foreign currency* |
| The EU-SILC methodology does not explicitly deal with income in foreign currency (as a separate item) | Many Georgians are receiving money from abroad regularly, this is kind of country specific fact |
| ***Summary:*** *Changes was not made for calculation of income indicators.* |