

# Twinning Project

Contract: GE 16 ENI ST 06 18

## Strengthening the Capacity of the Georgian Statistical System

### Component 4: “Strengthening Social Statistics”

Sub-component 4.2: “Household Income and Expenditure Survey Methodologies and data collection tools”

## MISSION REPORT

Activity: 4.2.C (RS) “Decision making on methodological improvement and new indicators to be developed”

Mission carried out by  
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Ms. Ms. Simona Měřinská, Czech Statistical Office

From October 5<sup>th</sup> to November 10<sup>th</sup> 2020

Version: Final

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## 1. General comments

This mission report was prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". This was the third mission within the sub-component 4.2: "Household Income and Expenditure Survey Methodologies and data collection tools". Due to COVID-19 the mission was carried out as a series of 4 Remote Sessions in the period from October 5th to November 10th 2020. The mission was mainly devoted to the continued work on the possibilities of calculating comparable indicators with the existing or potentially collected data in Georgia.

The purposes of the mission were:

- To discuss and to identify the potential of existing already collected HIES national survey data for calculation of experimental new indicators relying on the existing reference EU indicators and standards and on assessment of the comparability issues related to this exercise (differences in methodology, coverage and availability of variable components entering the calculation of these indicators)
- Methodology and instruction for interviewers applied to data collected for these indicators in the EU context
- Material deprivation and housing situation component variables used for headline indicators and practical aspects of their implementation in European surveys
- Prospective content of a feasibility study on new indicators potentially produced on an experimental basis to compare the Georgian and EU / selected European countries results

The consultants would like to express their gratitude to the Geostat staff who participated in the mission, for the kind support and valuable information received during the mission and in particular for the efforts and calculations done on the existing Georgian survey data and their presentation within the remote sessions.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, Geostat, Statistics Denmark, or other statistical institutions involved in the implementation of the project.

## 2. Assessment and results

The mission was carried out as a Remote Session in the period from October 5<sup>th</sup> to November 10<sup>th</sup> 2020. Within this period 4 videoconference Zoom meetings were held, on which topics from the Terms of Reference were discussed – three meetings on 05., 08. and 13. of October, followed by the fourth meeting on 08. on November. A short coordinating conference meeting with the Geostat management took place on the 10th of November

On each meeting experts and Geostat participants agreed on tasks to be performed and presentations to be prepared for the next meeting of the session. Conducting this mission remotely has been more difficult, less focused and more time consuming than if the mission was conducted with experts being present in Georgia. But in general all parties were prepared for each meeting, worked dedicated in between the meetings and achieved the results of the mission. It is the experts perception that the mission was successful and that substantial steps were taken towards the final target of the sub-component.

The first part of the mission thematic scope was devoted to the reviewing of the existing income data collection national Georgian Household Income and Expenditure Survey – following up on the discussion from the previous 4.2.B remote session in June. The exchange on this topic shows a large initial coherence in the covered income components with the EU-SILC – with the main income components already covered following similar rationale for the split of total household income into sub-components. The questionnaire content already includes questions on the main income components corresponding to the EU-SILC income variables. Selected minor issues worth further investigating might exist at the component level, no major income component is, however, completely missing in the existing questionnaire. This creates a good potential for deriving EU-SILC

methodology based experimental indicators allowing for comparison with the EU-SILC income based indicators for European countries or for the EU as a whole.

The issue of inclusion or non-inclusion of the non-cash income components was confirmed as a topic of specific interest with respect to interpretation and cross-country comparability of the income based indicators – given their importance for a non-negligible parts of the Georgian household population and the national practice of including this income component in the household income based indicators. Further confirmed topic for further attention towards the feasibility study was the use of different equivalence scales.

With the income components already covered by large in the collected HIES data, the existing datasets allow for calculation of a set of indicators using the common methodology for the EU-SILC main indicators. The agreed indicator portfolio for experimental calculation for feasibility study includes:

- At-risk-of-poverty rate (AROP), with the selected main population breakdowns (by gender, age, urban / rural areas)
- At-risk-of-poverty threshold – already involved, as part of the AROP calculation
- At-risk-of-poverty rate before social transfers – as a modification of the AROP calculation using only a subset of the AROP total income components)
- Relative at-risk-of-poverty gap
- Income quintile share ratio S80/S20
- Gini coefficient (of household incomes)

For potential comparison with the EU-SILC indicators, the focus of the discussions and presentations was on the possibility of ad-hoc module proposal aiming at covering selected areas of non-financial living standards indicators – material deprivation and housing.

### 3. Conclusions and follow up

Further steps and milestones were agreed at the fourth meeting – towards the preparation of a feasibility study on the proposed methodology and possibilities of experimental calculation of new indicators based on the Georgian national HIES survey. The work was split into two work streams / parts of the feasibility study:

- Income based indicators – based on the existing data and components covered in the HIES questionnaire, with experimental calculations and comparisons with the existing EU-SILC based indicators, accompanied by alternative calculations reflecting possible sensitivity to two identified important parameters – inclusion / non-inclusion of the non-monetary (in kind) part of total household income and the used equivalence scale (the one used in the EU methodology for EU-SILC and the one based on the scale used nationally for Georgian context)
- Material deprivation / living conditions indicators – proposal for a potential ad-hoc module covering selected items used for indicators in the European context (EU-SILC based figures for European countries and the EU as a whole), covering potential topics in material deprivation and housing situation. The potential implementation of the module pending further assessment and decision of the Geostat management.

Actions needed for moving forward:

Action	Deadline	Responsible person
Material deprivation module package in English	23. November 2020	Ms. Simona Měřinská, CSU
Income / housing cost data information in English	11. December 2020	Geostat

Income based indicator calculations, based on the work already done in 4.2 B + 4.2 C	4. December 2020	Geostat
Informal coordination video call	10. December 2020	
First draft feasibility study text – income based indicators part	Mid-January 2021	Mr. Martin Zeleny, CSU
Draft feasibility study text – material deprivation / living conditions implementation part, including Georgian questionnaire	Early February 2021	Geostat
Exchange of the first drafts before the mission 4.2.D / coordination videoconference	Early February 2021	
Mission 4.2 D (tentative timing)	End February 2021	Mr. Steen Bielefeldt
Finalisation of the feasibility study text	March	CSU, Geostat
Study visit	March (tentative)	

## Annex 1. Terms of Reference

**EU Twinning Project GE 16 ENI ST 06 18**

**October 5<sup>th</sup> – October 13<sup>th</sup> 2020**

### Component 4: Strengthening Social Statistics

#### Sub-component 4.2: Household Income and Expenditure Survey Methodologies and data collection tools

##### Mandatory results and benchmarks for sub-component 4.2

- Household Income and Expenditure Survey methodology and data collection tools improved

##### Indicators of Achievement (baseline and targets):

- Availability of Household Income and Expenditure Survey (HIES) data according to updated methodology
  - **Baseline:** 2019 – Methodology is partially outdated
  - **Target:** : February 2021 – Methodology is updated and HIES data is produced according to the updated methodology
- Availability of feasibility study on reworked or new poverty indicators
  - **Baseline:** 2019 – Feasibility study on reworked or new poverty indicators are not available
  - **Target:** February 2021 – feasibility of new indicator(s) established and findings presented to Geostat management

#### Activity 4.2.C (RS): Decision making on methodological improvement and new indicators to be developed

##### 1. Purpose of the activity

- Make decisions on improvement of methodology and development of new indicators
- Improvement of HIES' methodology
  - Development of questionnaires
  - Instructions to interviewers
  - New/additional indicators list and their computation methods
  - Etc.
- Development of additional/new indicators

##### 2. Expected output of the activity

- Decisions has been made on the improvement of HIES' methodology
- Decisions has been made on which additional/new indicators to be developed
- Mission report written
- ToR for next mission prepared
- Work plan updated for sub-component 4.2

## Annex 2. Persons met

### Geostat

Mr. Vasil Tsakadze, Head of Social Statistics Department

Mr. Giorgi Mikeladze, Head of Living Conditions Statistics Division

Mr. Giorgi Kiknadze, Senior Specialist of Living Conditions Statistics Division

Ms. Ana Varamashvili, Senior Specialist of Living Conditions Statistics Division

Ms. Nino Maghradze, Senior Specialist of Living Conditions Statistics Division

Mrs. Marina Gogebashvili, Chief Specialist of Living Conditions Statistics Division

Mrs. Tsitsino Tediashvili, Chief Specialist of Living Conditions Statistics Division

Mr. Teimuraz Paksashvili, Contracted Data base administrator of Living Conditions Statistics Division

Mr. Ivane kechakmadze, Contracted Weighting and Sampling Specialist of Living Conditions Statistics Division

### MS experts

Ms. Simona Měřinská, Czech Statistical Office

Mr. Martin Zeleny, Czech Statistical Office

### RTA Twinning Team

Mr. Steen Bielefeldt Pedersen, Resident Twinning Advisor

Ms. Nino Grdzlishvili, Resident Twinning Advisor Translator