

Regional Workshop on Measuring the Informal Sector and the Non-Observed Economy

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Households



Final consumption expenditure of Households

- * To calculate the total household consumption requires a combination of different sources of information and method of calculation
- * Households receive consumer goods and services through various channels and in different ways, and because data on household consumption should be collected from various sources

Categories of household consumption:

- * a) the purchase of goods and services
- * b) The consumption of goods produced
- * c) services to stay in their own homes
- * g) Services paid domestic workers
- * e) goods and services received as income in kind
- * e) financial intermediation services
- * f) insurance services and pension funds
- * g) payments for licenses and fees

Data sources

- * a) household survey
- * b) retail trade statistics
- * c) reports of individual companies
- * d) data of socio - demographic statistics
- * d) Statistics of international trade

Data sources

- * Household Expenditure Survey (HES) provides detailed information with the classification of individual consumption by purpose (COICOP)
- * Polls HES comprise all these indicators, in addition to financial intermediation, insurance and pension funds

Data sources

- * The flow of goods and services is estimated at purchases in prices customers with better coverage of purchases from small retailers and service providers than directly from sellers and reflects the requirements of SNA-time registration and evaluation

Data sources

- * HES provides information about payment of domestic workers, on the goods and services received as income in kind, payments for licenses and fees

Limitations of the data on HES

- * Not covered, the entire population
- * Not large sample sizes
- * If not carried out on a monthly base - lost seasonality
- * Falls reliability at irregular or purchase sensitive goods (durables, alcohol)

Limitations of the data on HES

- * It is difficult to separate the costs of households (as potential owners of unincorporated businesses) for industrial purposes and for purposes of final consumption

Disadvantages of consumption produced goods

- * *Manufacturers of products for their own consumption may be farmers mainly sell products instead of consuming it*
- * *Products retained for own production is difficult to separate from its other uses (food, meat)*

Disadvantages of consumption produced goods

- * Evaluation of production for own consumption can not comply with the SNA (retail, wholesale prices)
- * HES respondents can not directly calculate the imputed value of the services to stay in their own homes, imputed payment of life insurance and accident

Data on retail trade

- * Stores sell a wide range of goods - breakdown by product
- * Retail trade includes sales to other customers, except for households
- * Households may purchase products directly from manufacturers, wholesalers and farmers, bypassing retail stores

Data on retail trade

- * It is not realistic to cover all small-scale trade in unincorporated enterprises of households, therefore, required to make adjustments based on information from other sources
- * Comparison of the data on the product groups from different sources (HES, production statistics, tax data, international trade statistics) provides the basis for correcting data on retail trade

Using production statistics to calculate households expenditure

- * If there is complete data on production, calculation of household consumption on base of certain goods
- * Data on the production of agricultural products consumed by private households, may be obtained from agricultural surveys
- * Surveys of production, household income as source of data on the production of goods (agricultural, non-agricultural) households for own use

Using production statistics to calculate households expenditure

- * If the survey holds only the total volume of production, need more information on the distribution of production between final consumption and other uses (intermediate consumption, capital)

Using production statistics to calculate households expenditure

- * Surveys of enterprises producing consumer services as the basis of consumption HES. The difficulty in the distribution of the total production between household consumption and other uses. Analyzing the use of data services in production in industries and institutions of government, balance of payments data, these household expenditure surveys can determine the proportions of this distribution

Using production statistics to calculate households expenditure

- * Estimates of consumption of services to stay in their own homes as well the home services paid hired workers must be identical to estimate output in calculations by production method. Therefore, they can be taken directly from the calculation Product
- * These production statistics and statistics of international trade as the basis for assessment of consumer goods export-import

Using production statistics to calculate households expenditure

- * If a small number of large producers supplying electricity, gas, water, telecommunications and postal services, you can use their statements to determine the final consumption of households (take to evidence an adjustments for other areas of consumption)

Using production statistics to calculate households expenditure

- * Reports of release of financial institutions, insurance companies and pension funds -Important source for calculating the human consumption of financial services and insurance services

Administrative data

- * Administrative data can be used if the system of public administration provides indicators for household consumption (excise taxes on sales of tobacco products, alcoholic beverages, gasoline)
- * Registered private cars-acquisition
- * Available vehicles - repair costs

Administrative data

- * Registration of marriages or other public and private events - the cost of religious ceremonies and funerals
- * Number of care centers for children and nursing homes - assessment of the cost of services

Administrative data

- * Some of the indicators for health and education
- * Need more information on fees and license payments to distinguish households payments from payments of producers

Social - demographic data

- * Relative indicators per capita -Consumption of food, health and education statistics
- * Indicators of consumption (tenure, private cars and the availability of facilities)

Calculation methods

1. Methods based on direct observation
 - * Information obtained from the consumption of households using HES
 - * The completeness and accuracy of the calculations depend on the quality of the data HES, if suitable adjustments

Calculation methods

2. Methods based on the flow of goods

- * Use the information on the resources of domestic and imported goods and services and information about the use of these resources for other activities, except for the consumption of households
- * Using the data on retail trade, production statistics, international trade statistics and the reports of manufacturers, suppliers

Calculation methods

- * The methods require the movement of goods:
 - * a) the availability of a complete set of resource data
 - * b) the availability of information or indicators to calculate the data of any other uses
 - * c) to be able to calculate the taxes and trade and transport margins for the transition from the evaluation of data in the prices of resources (basic prices, producer prices, CIF prices) in their assessment at purchasers' prices
 - * d) to be able to assess the direct purchases abroad by households - residents and direct purchases in the domestic market by households - nonresidents (plastic payment cards)

Calculation methods

3. Methods based on baseline data and indicators

- * Complete and detailed calculations of the consumption expenditure of households (baseline data) are made at certain intervals (three, five years, or annually in the case of quarterly payments)
- * Regular calculations are carried out to demonstrate how the indicators baseline data are extrapolated

Calculation methods

3. Methods based on baseline data and indicators (cont.)

- * Calculations of baseline data should be based on the most appropriate source, and include the adjustments necessary to ensure full coverage
- * Indicators can be in terms of value (e.g. sales and excise taxes) or in quantitative terms (e.g. number of cars, an area of housing and the number of households)

Calculation methods

3. Methods based on baseline data and indicators (cont.)

- * The relationship between basic data and indicators should be regularly reviewed
- * Subsequent calculations of baseline data may indicate a shift in the ratio between the basic data and indicators - in order to avoid aliasing in the time series changes should be applied to the entire period between the basic data

Calculation methods

3. Methods based on baseline data and indicators (cont.)

- * When a poor indicator of the difference between the estimates obtained using alternative indicators can be meaningful - to study the causes of systematic errors with the ability to change indicator

Calculation methods

- * 4. Methods based on indicators of consumption
- * On the basis of household consumption of certain products the use of administrative and socio - demographic data to calculate consumption expenditure of households
- * Data used to calculate the power consumption of food, the number of students at grade level serves as an indicator for calculating the fees and other costs of education