

IARIW-TNBS Conference on Measurement of Income, Wealth and Well-being in Africa

Pre-conference training session on Income and Wealth Measurement in Household Surveys

10 November 2022, Arusha, Tanzania

Organizer: Alberto Zezza, Center for Development Data, World Bank
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Draft Agenda as of 30 September 2022

Chair: Gero Carletto (Living Standards Measurement Study, World Bank)

9.00-11.00 Measuring welfare, trade-offs and complementarities: Income, wealth and consumption (*Giovanni Vecchi, University of Rome Tor Vergata*)

11.00-11.30 COFFEE

11.30-1.00 Issues in the measurement of Wealth (*Giovanni D'Alessio, Bank of Italy and Center for Development Data*)

1.00-2.00 LUNCH

2.00-3.30 Adjusting for prices and household size composition (*Dean Jolliffe, World Bank*)

3.30-4.00 COFFEE

4.00 – 5.30 Perspectives from LIS: Challenges in integrating and harmonizing high- and low-income country data (*Teresa Munzi, Luxembourg Income Study*)

Speakers Bios



Dean Jolliffe is a Lead Economist in the Development Data Group of the World Bank and member of the LSMS-ISA team. He has extensive experience in the design and implementation of household surveys and is currently managing ongoing LSMS-ISA work in Ethiopia. He has also worked in the South Asia region at the Bank on poverty assessments for Afghanistan, Bangladesh, and Nepal.



Giovanni D'Alessio is a Lead Statistician in the Rome's Center for Development Data (C4D2) on secondment from the Bank of Italy where he was a manager in the Statistical Analysis Directorate. As the Head of Sample Survey Division of the Bank of Italy from 2001 to 2015 he has been responsible for the Survey of Household Income and Wealth and other surveys. He is author of several research papers on the measurement of economic well-being and on income and wealth distribution.



Teresa Munzi is the Director of Operations of the LIS Cross-National Data Center in Luxembourg. She has extensive experience in the harmonization of income microdata with a view to enable cross-national comparative research on the well-being of households. Following recent developments at LIS, she is currently concentrating on the comparability between high- and low-income countries.



Giovanni Vecchi currently works at the Dipartimento di Economia e Finanza, University of Rome Tor Vergata. Giovanni does research in Development Economics, Economic History and Welfare Economics. He is the author of numerous publication on welfare, poverty and inequality, including most recently the book [*On the Construction of a Consumption Aggregate for Inequality and Poverty Analysis*](#). Washington, D.C.: World Bank Group, 2022 (with Giulia Mancini).

Motivation

Measurement of household income and wealth is notoriously challenging. In developing countries, where large segments of the population work in the informal sector or are engaged in activities that are often seasonal (e.g. agriculture) and where record keeping and financial accounting are relatively rare, the measurement challenges are in many ways different from those prevalent in high-income countries, on which much of the literature on income and wealth measurement has focused. Furthermore, since the prevailing metric for poverty measurement in developing countries remain consumption expenditures, a disproportionate amount of effort has been made to standardize and disseminate best practices for the measurement of consumption in developing countries, with the collection of income and wealth receiving far less attention.

Despite the difficulties associated with collecting information on household income and wealth in developing countries, there are many compelling reasons to still pursue collection of quality income and wealth data. Income measures are necessary to study the sectoral composition of the economy in microeconomic analyses, how households derive their livelihoods, and the productivity of different household assets, factors of production, and economic activities. Even when consumption expenditures serve as the primary measure of standards of living, income-based measures may prove more effective in identifying the chronic and transient poor as well as understanding the sectoral composition of income. The source and nature of household income is a critically important factor in understanding household welfare dynamics. Further, analyses of intrahousehold distribution of resources, clearly of great interest in well-being and distributional analyses, would also benefit from more precise and accurately measured household income and wealth. As developing countries continue to grow and transform, it is likely that the formal sector will become a larger and more important share of economic activity and thus the need and importance of data on household income is expected to grow over time.

Given the growing need for collection of high-quality information on household income and welfare coupled with the lack of experience and expertise in its collection within developing countries, there have been recent efforts to fill this gap. One such initiative is currently being implemented under the leadership of the World Bank's Rome-based [Center for Development Data](#) (C4D2). The C4D2 training initiative, conducted in partnership with several Italian organizations and African institutions, aims at improving and harmonizing the curricula of seven African regional statistical training centers, facilitating the uptake of global standards and best practices in household survey design, creating a network of household survey experts at the regional level, and promoting harmonization across countries. Under the training initiative, which adopts a training of trainers' approach, C4D2 has organized training programs and workshops in several thematic areas, the latest of which is a training program on measurement of household

income and wealth. Lecturers from the African statistical training centers will then utilize the training material for teaching activities in their own institutions.

The focus of the training session will be on the theoretical underpinnings, practical considerations, best practices and ongoing challenges in the collection of information on income and wealth via household surveys.

Description

This session aims at to train graduate students, junior national statistics office (NSO) staff and other survey practitioners, as well as early career researchers in survey methods, in the fundamentals of collecting and analyzing information on household income and wealth via household surveys.

In particular, the session will:

- (i) Provide an overview of the concepts of income and wealth as they relate to the measurement of welfare and how they differ from the concept of consumption, based in large part on several decades of experiences by the [Living Standards Measurement Study](#) (LSMS) program at the World Bank in collaborating with statistical offices in low- and lower-middle income countries.
- (ii) Discuss widely used definitions and approaches to defining and measuring income and its components (with a focus on employment, property income, income from the production of household services for own consumption, and income from transfers) according to international standards.
- (iii) Illustrate approaches to and issues with the measurement of wealth using household surveys.
- (iv) Discuss approaches to accounting for differences in household composition and prices.
- (v) Overview of the [Luxembourg Income Study](#) (LIS) practices in constructing an income aggregate for high income countries and how they have changed to accommodate for the inclusion of lower income countries, and the challenges of including lower income countries into LIS, and harmonizing their data with those of high-income countries.
- (vi) Examples of (best) international practice will be given throughout, and specific issues in data collection on income and wealth will be discussed (sampling design, under-reporting, non-response, etc.), with a view to provide guidance as to how to best measure household income and wealth.

Audience

The target audience for the session will be young professionals who are early in their career or advanced in their graduate studies, junior staff from NSOs, other early career survey practitioners and researchers.

Attendance and registration

There are a limited number of places in the training session: participants are encouraged to register early and, in any case, no later than September 30th, 2022. Participants will receive a Certificate of Attendance.

Financial support

Financial support to cover the costs of participation in the training session and the IARIW-TNBS Conference is going to be available for a limited number of participants. If you would like to apply for support please contact Alberto Zezza (azezza@worldbank.org) and Maria Chiara De Sando (mdesando@worldbank.org) including a recent CV and a short explanation of your interest and motivation in attending the training session and the conference.