

## **Technical note on the 2006 Household Budget Survey**

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## Content

Abbreviations.....	3
1. Introduction.....	4
2. Modifications undertaken within HBS .....	6
2.1 Sample.....	6
2.2 Survey Tools .....	7
3. HBS Data Quality from 2006 .....	9
3.1 Relationship between variables .....	9
3.2 Daily Transaction Index .....	10
3.3 Inflation and regional price differences .....	12
3.4 Coefficient of variation .....	12
4. Data Validation with External Sources of Information.....	14
4.1 Census and demographic statistics .....	14
4.2 National Income and Product Accounts .....	15
4.3 Pensions and recipients of social transfers.....	15
4.4 Share of household with telephone.....	16
5. Data Comparability .....	18
6. Conclusions .....	21
Annex A.....	22

## Abbreviations

ISAS	Improving Social and Agricultural Statistics
HBS	Household Budget Survey
NBS	National Bureau of Statistics
MET	Ministry of Economy and Trade
PSU	Primary Sampling Unit
NSIH	National Social Insurance House

## **Preface**

The present technical note was developed by the NBS with the technical assistance from DFID „Improving social and agricultural statistics” Project, especially with the input of the international consultant, Ludovico Carraro, Oxford Policy Management.

# 1. Introduction

The Household Budget Survey (HBS) is a nationally representative survey that provides information on living standards in Moldova through the collection of households income and consumption data, as well as non-monetary indicators covering education, health, employment, housing, asset ownership, and self-assessed living conditions.

Information obtained from this survey is used primarily to monitor living standards, but also to calculate the weights for the Consumption Price Index, and the households final consumption (providing various estimates for the national accounts). More specifically for monitoring living conditions, the HBS is used to calculate poverty lines and poverty measures and generate poverty profiles that describe poverty characteristics and assessing how policies and programs affect the socio-economic situation of the population.

In 2006 the HBS was substantially modified in two main areas: the way in which households are selected (sampling frame and sampling areas), and the data collection tools (questionnaires).

Changes in the sampling frame were necessary because since 1997 the HBS sample had been extracted from the same areas causing exhaustion of households. In addition, thanks to the 2004 Census, updated and more detailed information on the population became available. Such information was used to ensure a larger geographical coverage, thus improving the quality of indicators obtained at country and regional levels.

The improvement of survey questionnaires was motivated by the need of obtaining more accurate information and at the same time reducing the efforts of households who take part in the survey.

This note has the main objective of informing the HBS users about these changes and explaining how they affect data interpretation. In order to do this, we also assess the quality of the new data and determine the comparability of 2006 estimates with those of previous years.

## 2. Key changes in the 2006 HBS

### 2.1 Sampling

The 2006 HBS sample was selected using information from the Population Census (2004) and a joint database of electricity consumers in the whole country. The sample of previous HBSs (1997-2005) was instead based on the 1996 electoral lists. In fact, in 1997 electoral lists were more representative than the 1989 population sample. Therefore, the 1996 electoral lists provided information for the selection of the sampling areas, and within these of the households selected for interviews. Sampling areas selected in 1997 remained the same until 2005, but household lists were updated using information from new electoral lists collected in 2000.

The 2006 sample is not only based on a more comprehensive and updated sample frame, but also has a larger geographical coverage by including **129** Primary Sampling Units (PSU), while the old sample only had **45** Primary Sampling Units (see annex 1). A larger number of PSUs improves regional estimates and ensures a representative sample not only for cities, towns and rural areas as did the previous survey, but also at the level of four statistical zones (North, Centre, South, and Chisinau). Moreover, both Chisinau and Balti municipalities are treated as a large primary sampling unit, from where households are selected, whereas before only some districts were included in the sample.

Furthermore, in 2006 in case of non-response the sample does not use substitution. This is because in the past this practice has led to the use of many households from reserve lists (in some cases up to 24 households were contacted before successfully interviewing the household). However, such process did cast doubts on the randomness of households' selection. In fact, there are risks that the interviewer might not make sufficient efforts to convince the initially selected households and the final sample might over-represent households more willing to take part in the survey, especially the elderly. This fact contributes to the over-coverage of these categories of population in the survey and introduced some bias in the final indicators of the survey.

Due to the changes in the sampling frame, new interviewers and supervisors were hired and a joint network of interviewers have now a combined task of conducting interviews both for the Household Budget Survey and the Labour Force Survey.

**Table 1. The main characteristic of the survey**

Indicators	2005	2006
1. Nr. of primary sampling units	45	120
2. Sample domains	total country, urban and rural areas	total country, urban and rural areas, statistical regions (North, Center, South, Chisinau)
3. Use of substitution lists	yes	no
4. Use of sub-sampling panel (participation of households during 4 consecutive survey years)	yes	yes
5. Task of each interviewer (enumerator)	12 households	villages - 4 households towns – 6 households Chisinau, Balti -10 households

## **2.2 Survey Tools**

Changes in the survey questionnaire were undertaken with the goal to obtain more detailed information on incomes and expenditures, and in particular improving the way the survey covers the various income sources and the different types of expenditure. Furthermore, changes had the aim of reducing households' burden when filling in the questionnaires.

Questionnaire changes can be grouped as follows: a) re-adjustment of all methodological definitions concerning employment indicators in accordance with those used by the Labor Force Survey (LFS); b) modification of the Household Diary design; c) changes in the reference period for expenditures and incomes from individual agricultural activity, remittances, expenditures for food and some types of expenditures for utility services.

Before providing details of these changes is necessary to explain the general interview structure in the HBS.

### ***Interview structure***

In each interview, households are visited three times: at the beginning of the month, in the middle and at the end of the month. During the first visit the interviewer asks about household composition, housing characteristics, employment and expenditures for a particular item during the last 6 and 12 months. The interviewer also introduces and explains the use of the 'diary' to the household, who will record income and expenditure transactions during the two weeks and the whole month. In the second visit the enumerators check that the diary is properly kept and answer any questions the household may have, and take with them the first half of the diary. At the end of the month a final interview gathers information about education, health, durable goods and subjective perceptions of household welfare, and the second part of the diary is checked and collected.

### ***The new diary***

The Household's Diary introduced new separate chapters for **expenditures and incomes from individual agricultural activity and expenditures for utility services**, with detailed lists of possible types of incomes and expenditures - a fact that contributes to an increased accuracy of records. A printed list of items in the chapter of food consumption from own production minimizes the risk of non-inclusion of some products, but also leaves the possibility of registering other non-specified products.

Similarly, whereas the previous questionnaire contained an open table where the household has to keep records of purchase of food products, non-food goods and other types of services, the diary has now a separate sheet for each day.

More importantly in the new diary the household is asked to maintain records for food expenditure only for **half a month**, and not the **whole month**. Such change does not affect the ability to assess food consumption expenditure, and has the advantage of reducing substantially time and efforts required to the household (see section 3.2 for more details).

### ***Changes in the reference period***

Compared with the old questionnaire the reference period of various transactions was also changed. Such changes are summarised in table 2.

As some types of incomes and expenditures have seasonal character, the 2006 survey collects the information concerning expenditures and incomes from individual agricultural activity both for the **current month** and the **last 12 months** (excluding the survey month). The same applies to some types of expenditures related to dwelling maintenance, such as central heating, procurement of coal and wood, gas. Information is collected both for the **current month** and **the last 12 months**.

**Table 2. Reference period for incomes and expenditure**

Indicators	2005	2006
1. Cash incomes of household's members	current month	current month
2. Incomes from individual agricultural activity	current month	last 12 months and current month
3. Expenditures for individual agricultural activity	current month	last 12 months and current month
4. Expenditures for utility services	current month for all types of utilities	current month and the last 12 months for some types (central heating, wood, coal, gas)
5. Expenditures for food products procurement	current month	Half a month
6. Consumption of products from own production and the ones received for free	current month	On a weekly basis during the month of interview



### 3. HBS Data Quality

Assessments of survey data quality are generally conducted at two levels: internal consistency and external validation through alternative sources of information. In this section we start by looking at selected issues of internal data consistency, while external validation is described in the following section.

Before providing details of the specific checks of data quality it is useful to mention that, prior to the data analysis stage, information collected by the survey undergoes two checking stages: one within the territorial centers of data collection undertaken by survey supervisors and the second carried out at the NBS headquarters. At both checking stages, whenever errors or inconsistencies emerge, the interviewer is contacted to verify once again the data, and if necessary the household is contacted directly to solve any uncertainty. All these checks are aimed at resolving obvious consistency mismatches, related for instance to skip patterns, conflicting information and outliers. The type of consistency checks that follow are of more sophisticated nature and involve the relationship between consumption and income, the quality of data entered in the food expenditure diary, and the ability of capturing price differences over time and between urban and rural areas. A final assessment of data quality concerns the relative size of sampling errors.

#### 3.1 Relationship between variables

One way of checking consistency of data is to compare key aggregates to determine their correlation and consistency. Of special interest is the relationship between income and consumption. It is well known that within a certain period of time, individual households may well be in a situation of making savings or dis-savings, but on average we expect the level of incomes to be similar to consumption expenditures.

According to the 2006 HBS the average per capita income was 796,1 lei, while expenditure per capita was 852,7 lei<sup>1</sup>. The expenditures' outrun of incomes is very frequent in surveys of this type and reflects the difficulty of collecting all the income sources and especially the ones with seasonal character or the less frequent ones, as well as the population unwillingness to declare all the income sources. Although amounts are still of a relatively similar magnitude, we must admit that on average incomes appear to be under-estimated. Indeed, by cross-checking individual reported main income sources and declared incomes we do find evidence of some under-reporting. Among persons that declared that their main income source comes from paid employment, 6% failed to declare such incomes. Similarly, in 12% of cases, although there are people in the household reported to be working abroad, remittances are not declared, and in 10% of cases persons who declared their main source of income to be social payments failed to report such values. All this suggests that the main cause of the discrepancies between incomes and expenditures are due to the unreporting of incomes rather than overestimation of expenditures.

Nevertheless, it is also important to investigate discrepancies between income and consumption beyond the simple comparison of average values. In fact, the income aggregate shows a substantially higher degree of variability, and as a result consumption and income, though highly correlated (correlation factor is almost 0.6), do show substantial differences in some cases and it is important to understand whether there is a specific group of households for which such differences are unusual.

We therefore analysed how the ratio between income and consumption expenditures varies depending on the main household source of income. It clearly emerged that the main problem comes from agricultural income (see table 3). Indeed, when agricultural income is the main source of income the gap between income and expenditure is the highest. Low agricultural income might

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<sup>1</sup> Incomes and expenditures are adjusted to the CPI

also affect the ratio when the main income source is different since agricultural income might be a secondary source (this is often the case for pensioners).

On the other hand particularly high ratios are found when remittances and casual employment are the main sources of income since these sources are irregular and they overestimate actual level of income when they are assumed to be constant income sources.

**Table 3. Ratio between the incomes and expenditures by income sources**

Main source of income	Ratio between expenditures and incomes		% cases
	average	median	
Salary from permanent employment	1,06	0,96	33,1
Salary from occasional employment	1,16	1,02	2,5
Income from self employment in non-agriculture	1,06	0,99	5,9
Pension	0,94	0,89	20,7
Income from self employment in agriculture	0,86	0,81	23,3
Remittances	1,13	0,92	11,7
Other incomes	0,98	0,92	2,9
Total	1,00	0,90	100,0

### 3.2 Daily Transaction Index

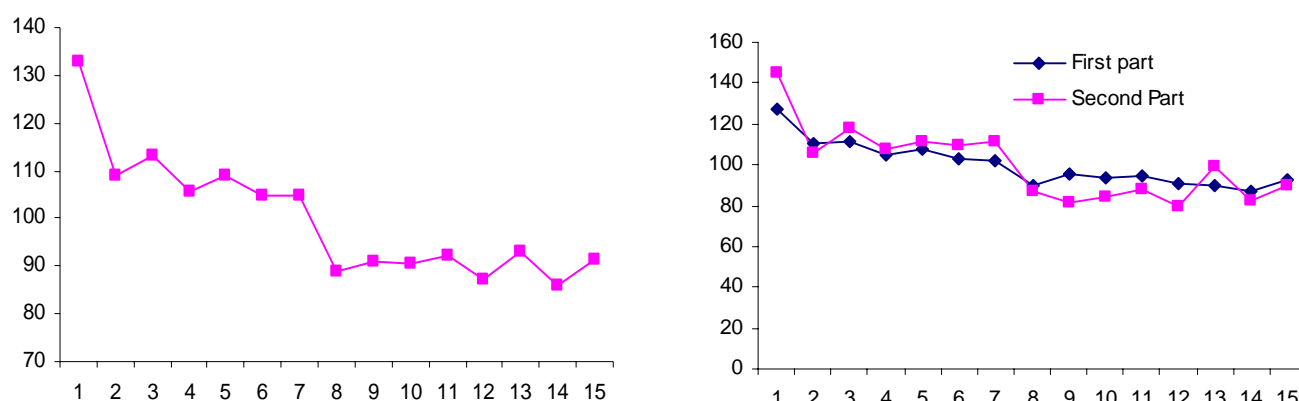
As explained earlier before 2006 the household was asked to register for a whole month both income and expenditure transactions. Taking into account that in average 75% of daily transactions of one household is for food products and the expenditures for their procurement is likely to be relatively constant on a weekly basis, in 2006 households were asked to register such expenses only for half a month. This change has essentially reduced the burden of the households when making entries in the diary without reducing the quality of collected information. At the same time, this ultimately has the objective of achieving better household cooperation, improving both the quality of collected data and eventually reducing the non-response rate. This aspect will become even more important in the context of economic growth and population's wellbeing increase, as the households will be less and less willing to allocate some time for filling in questionnaires.

When expenditures are collected through a daily registration, an important method to verify the quality of data consists in the calculation of the daily transactions index. This index is calculated for each household and for every day as the ratio between the number of transactions carried out during the day and the average number of daily transactions carried out by the household.

It is well known that in all surveys requiring households to record daily expenditures, daily transaction indexes follow a common pattern: the index is higher during the first days in which the household is asked to keep the diary and as time passes the index usually decreases, as households start "to get tired". For instance, In Albania the daily transactions index in the Living Standard Measurement Survey (2002) decreased from 113 to 90, in case of the Serbian HBS (2004) from 106 to 91.

In the case of Moldova Figure 1 shows the weighted mean values of this index for households who do not have any in-kind food consumption (since in-kind consumption is reported during the whole month on a weekly basis and using a pre-written list of items). We observe a similar trend, though the index is particularly high in the first day, when the index takes a value of 133. Afterwards, the trend tends to stabilise, but reduces again in the second week, and reaches a value of 92 by the end of the period. Implicitly these results also suggest that further asking respondents to keep the diary for a whole month would result in even stronger effect of respondents' fatigue, and possible under-estimation of food consumption levels.

**Figure 1. Daily transaction index for food products**



In order to distribute the data entry workload, half of the households that participate in the survey register expenditures for food products during the first part of the month (first part), while the remaining half of the sample conducts such exercise in the second half of the month (second part). Figure 1 also reports the trend of the daily index for these two groups of households, to observe whether there are any significant differences in the reporting pattern, but the trend is relatively similar.

Food expenditure is consequently adjusted in monthly terms when constructing the overall consumption aggregate.

Special analysis has also been conducted to determine whether the period of recording (first or second half of the month) had an impact on the level of expenditure. Table 4 presents the difference between expenditures calculated separately for these two groups of households, but it found that the difference is not significant and the ratio of food expenditure in the first and second part over average food expenditure is respectively 1,02 and 0,94<sup>2</sup>.

**Table 4. The expenditures for food products by reference period used for the registration**

	Cities	Towns	Villages	Total
Average monthly expenditures for procurement of food products per person/lei				
- first part (dates 1-15)	430	311	184	270
- second part (dates 16-30)	392	307	172	237
- overall	418	309	179	256

<sup>2</sup> In order to further prove that keeping the diary for food cash expenditure in the first or second part of the month does not influence the declared level of consumption we run some econometric models in which food consumption level is regressed on a variable that identifies households keeping the diary in the first part of the month, non-food expenditure and a series of control variables (capturing household characteristics). If design had an impact the dummy variable identifying whether the household keeps the diary in the first part of the month would have a positive or negative coefficient and being significant. Instead, such variable has a coefficient almost equal to zero and it is not statistically significant.

### 3.3 Inflation and regional price differences

One of the ways to check quality of data is also to measure the extent to which price changes are captured by the survey. Although the HBS does not directly collect prices, for food and tobacco products people are asked to report both quantities and values of their transactions. Therefore such information can be used to estimate implicit prices, and by combining prices and budget shares it is possible to compute price indexes. We would expect the price index to change according to inflation. This would then provide both a check of internal data quality and external validation.

The table below shows the results on the price index for three different areas of the country: cities, towns and rural areas. Results are very encouraging because the implicit price index seems to capture very well seasonality, inflation and regional price differences. Price changes follow very closely those measured through the official food Consumer Price Index.

**Table 5. Price Index for food products and tobacco items, HBS 2006**

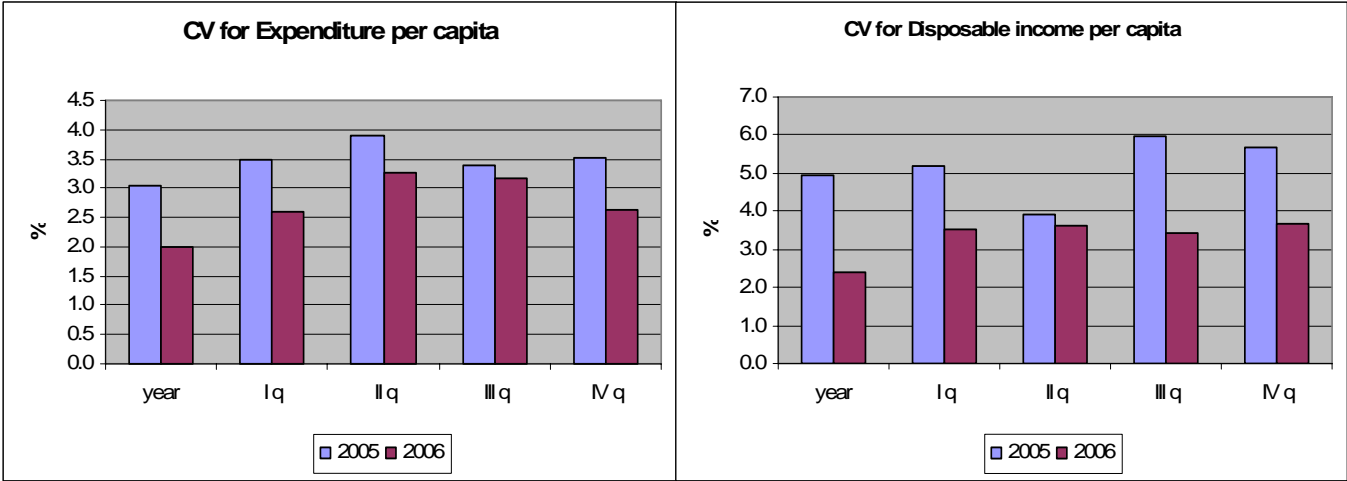
Month	Price Index HBS				CPI food products
	Cities	Towns	Villages	Total	
January	1,06	0,97	0,94	0,97	0,98
February	1,05	0,98	0,95	0,98	0,99
March	1,08	1,01	0,96	1,00	1,00
April	1,08	1,04	0,98	1,01	1,02
May	1,14	1,09	0,98	1,04	1,03
June	1,18	1,04	0,97	1,03	1,03
July	1,10	1,00	0,94	0,99	0,99
August	1,10	0,95	0,89	0,96	0,96
September	1,03	0,96	0,91	0,94	0,97
October	1,08	1,02	0,96	0,99	0,99
November	1,15	1,03	0,98	1,03	1,02
December	1,15	1,05	1,00	1,05	1,04
Total	1,10	1,01	0,95	1,00	1,00

### 3.4 Size of sampling error: Coefficient of variation

Because we obtain country estimates interviewing only a sample of households, estimates contain a sampling error, and all estimates are not exact numbers, but are accompanied by a confidence interval. The confidence interval is the precision of our estimates and they are a direct effect of the sampling error. The smaller the sampling error and the more precise are estimates produced by surveys. The coefficient of variation is simply the ratio between sampling error and the value of the estimate. The sampling error is a function not only of the sample size, but also the sampling design (stratification and sampling areas).

As we can see from figure 2, the precision of the 2006 HBS have improved considerably when we take into account the coefficient of variation of expenditure and disposable income per capita. For disposable income the coefficient of variation in 2006 is only half the respective value in 2005.

**Figure 2. Coefficient of variation**



## 4. Data Validation with External Sources of Information

Some indicators from HBS can be validated with other external sources of information. Such comparisons cannot always be considered as validation exercise since other sources can also be subject to potential problems, but differences can nevertheless lead to some insights in data interpretation. Key for such interpretation is understanding of differences in the way data is collected.

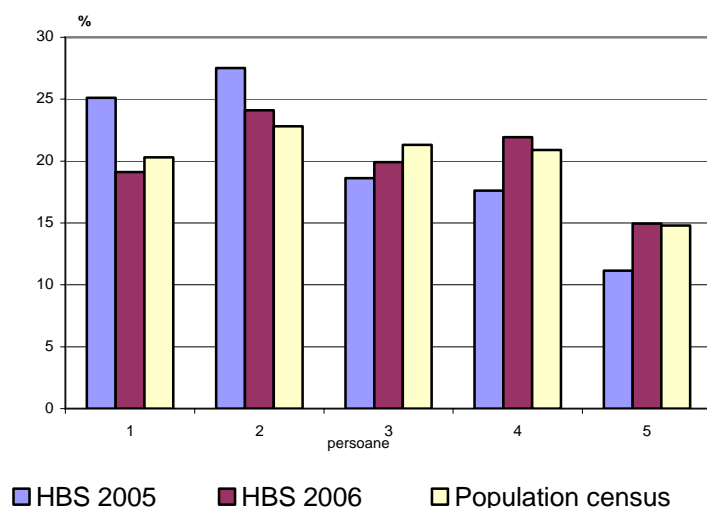
In case of the Household Budget Survey, it is possible to make some comparisons with the Census and Demographic Statistics, information on household consumption according to the National Accounts, administrative data on number of pensioners and recipients of some benefits, administrative data on households with telephone.

### 4.1 Census and demographic statistics

One of the most important external sources of information validation is the Population Census, with which it is possible to compare the average size of the households, the distribution by age and sex, the households' distribution by number of persons in the household, the type of dwelling, and other indicators.

The average size of the household according to HBS data for 2005 was 2.7 persons and in 2006 3 persons as reported by the 2004 population census. Similarly, comparing the distribution of household size, 2006 HBS estimates match very closely the distribution reported for the Census (see figure 3). Instead, in 2005 households with one single person were over-represented and the ones with many household members were under-represented.

**Figure 3. Distribution of households by size**

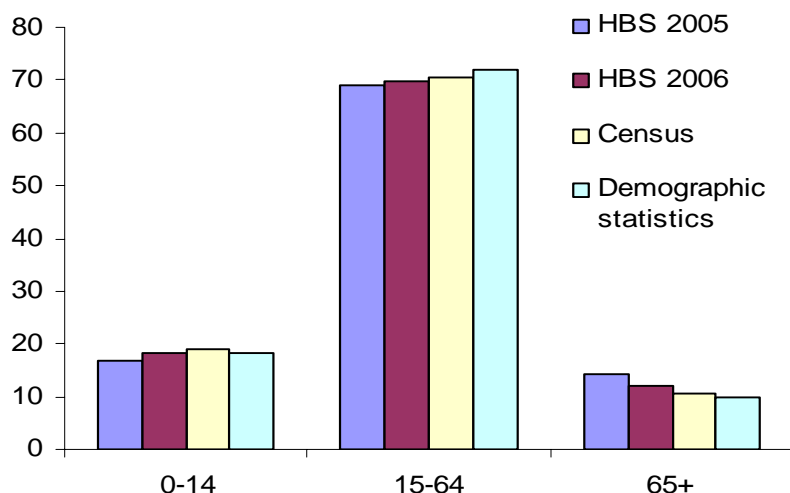


Considering the distribution of the population by main age groups, it can be noted that elderly persons (65 and over) were over-represented in the 2005 HBS as compared to the 2006 HBS. Although elderly people remain over-represented in the HBS compared to the Census data, in 2006 the structure of the population by age provides estimates significantly closer to those of the Census (see figure 4).

It is significant to point out that, although all sources are presented including people living abroad, some of the differences are likely to be due to the way such people are accounted for. While demographic statistics include all of them, since they are simply based on births and deaths registrations, both the Census and the HBS rely on currently present people in the country reporting about relatives living abroad. Such second method is undoubtedly prone to underestimate some of

the people living abroad, and most of them are likely to be of working age. This explains why both Census and HBS estimates show a smaller percentage of people in working age.

**Figure 4. Age distribution according to Census, HBS and demographic statistics**

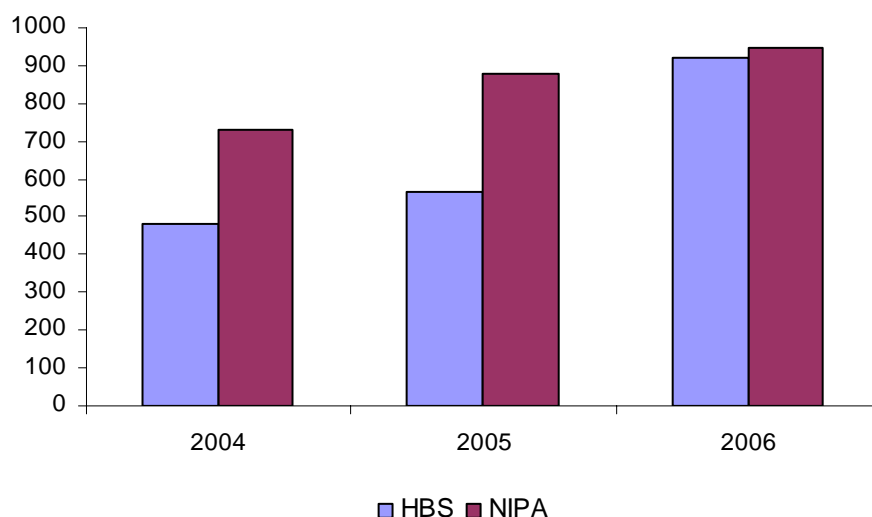


## 4.2 National Income and Product Accounts

The indicators regarding the population consumption can be validated with the final consumption calculated within the National Accounts. According to the data presented in figure 5, the consumption of the population calculated based on HBS reflects the same evolution as the final consumption calculated by the National Accounts, but it is obvious that before 2006 the value of this indicator was under-estimated.

**Figure 5. Population final consumption**

Lei/per month/per person



## 4.3 Pensions and recipients of social transfers

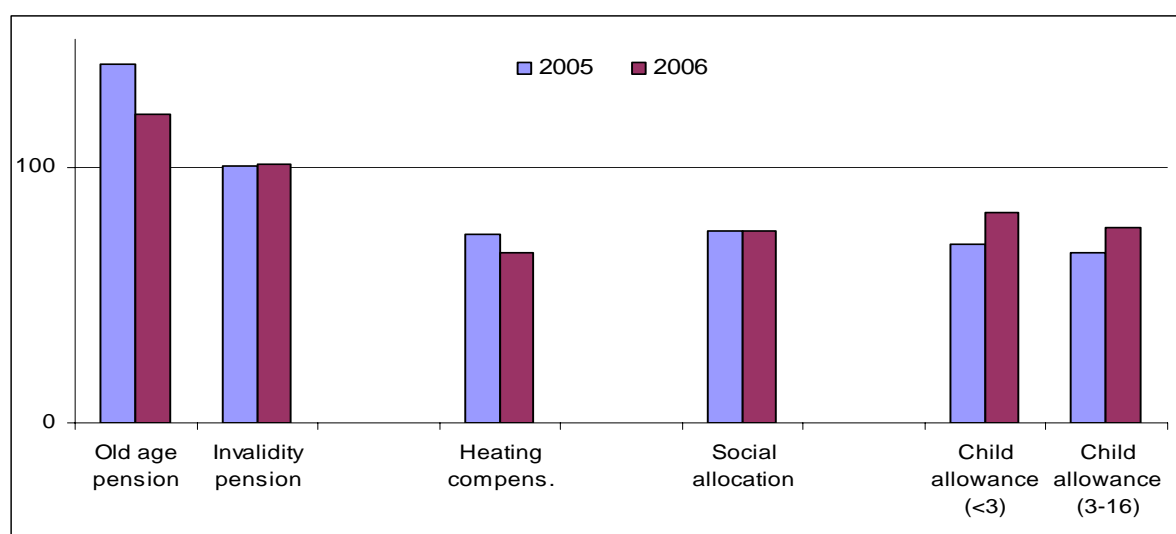
As the results of HBS are also used to estimate the impact of social services on the level of population welfare, another important external source for survey data validation are administrative data from the National Social Insurance House (NSIH) and also data coming from other ministries.

Using these data it is possible to compare estimates on the number of receivers of pensions/benefits and the average level of such transfers.

The discrepancies in numbers of beneficiaries are presented in figure 6. If we have a value of 100 the estimates from both sources of information are similar, whereas values below 100 or above 100 show respectively an under-estimation and over-estimation of data from HBS comparing to data from the NSIH.

In 2006 estimates of number of beneficiaries of both pensions and child allowances are closer to those provided by administrative data than in 2005. However, the number of pensioners is still over-estimated and this can be explained through the fact that the category of population aged 65 years and over is likely to be over-represented in the survey.

**Figure 6. HBS estimated number of beneficiaries as a share of NSIH number of beneficiaries, 2005 and 2006**



When comparing the average value of the social payments reported in HBS with the data from the National House for Social Insurance, we found that values are very close. Some of the differences could be caused by the different reporting period and the different calculation methods (in the survey we have the average value per year, but in the administrative sources we have the data reported at the end of the year).

**Table 6. Average size of the main social payments, lei**

	NSIH	HBS 2006
Old age pension	441	458
Disability pension	375	381
Child allowances till 1,5/3 years old	132	133
Child allowances till ,5/3 – 16 years old	50	50
Social allocations for the participants to the war	104	121
Nominative compensations for gas	10	10
Nominative compensations for electricity	16	16
Nominative compensations for heating	104	121

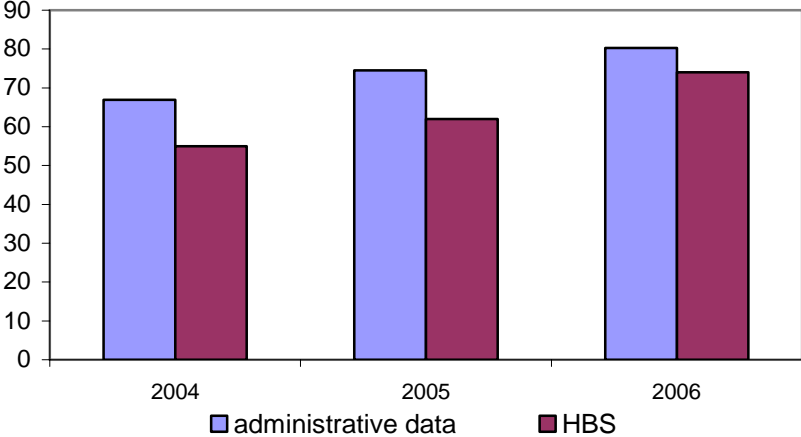
#### **4.4 Share of households with telephone**

The percentage of households with telephone can be compared with data from the Ministry of Transportation and Communication. According to the HBS data, this indicator in 2004 was at the same level as the level from the population census, but during the last 3 years it has increased and



the same trend is found in administrative data. An explanation for the existent discrepancy between the administrative data and HBS could be the fact that the administrative data cover the information regarding the telephone sets at home and there are cases when households can actually have more than one single set.

**Figure 7. Percentage of households with telephone**



## 5. Data Comparability

Using a new sample frame, improving the sample design, not allowing households' replacement, changing the questionnaire design, and creating a new network of interviewers are all factors that contributed to data quality improvement. However, at the same time, these changes also meant that the indicators obtained from the 2006 survey are not comparable with the ones of previous years.

It was indeed found that the data for 2006 are significantly different from that of 2005. Indicators have changed, but this fact does not actually reflect real changes at the level of indicators, since changes are the result of the improvements which were undertaken within the sampling and partially in questionnaire design.

For instance, if we compare the average size of the household - according to the results from 2006, this indicator is equal to 3,0 persons, but in 2005 it was 2,7 persons; nevertheless, based on this difference we cannot conclude that household size in Moldova has increased. Changes in the average size of the household are explained by sampling improvements, and the fact that now the survey covers better than before all households' categories.

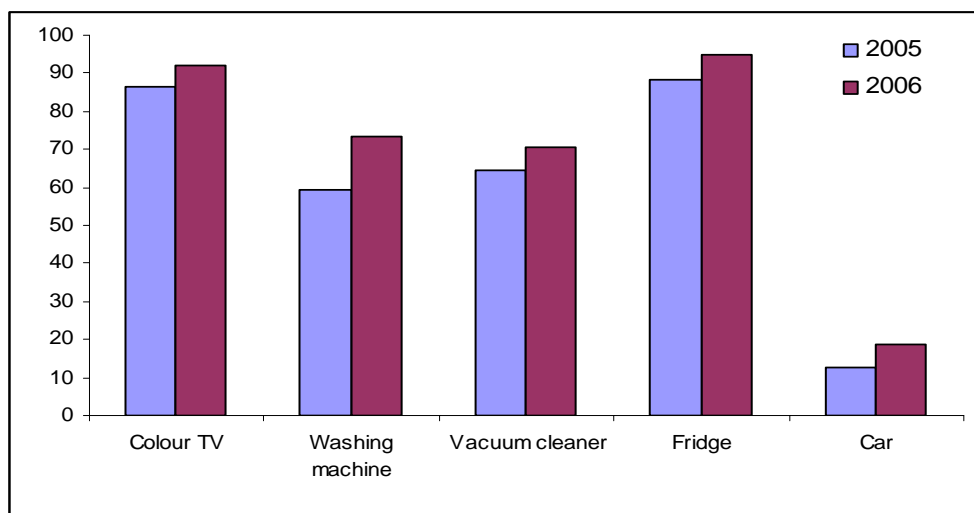
Even when analyzing the indicators for which the questionnaire was not changed, we obtain radically different results. Moreover, also in the case of indicators for which the interviewers' skills have very low probability to have an impact on the collected information, we obtained not comparable estimates. At the same time, the final indicators of the survey from 2006 are more consistent with other sources of information.

We now look at the differences in estimates between the 2005 and 2006 HBS for: ownership of durable goods, dwelling characteristics, and self-reported minimum necessary income.

### **Ownership of durable goods**

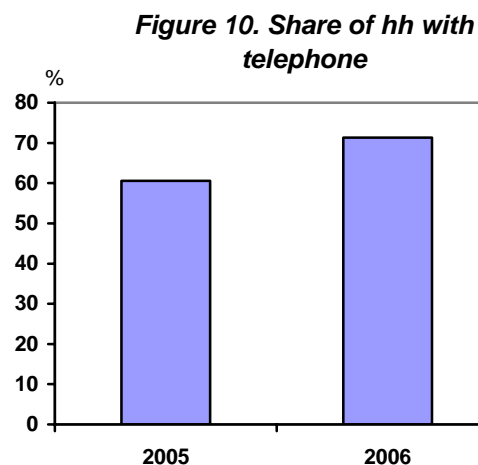
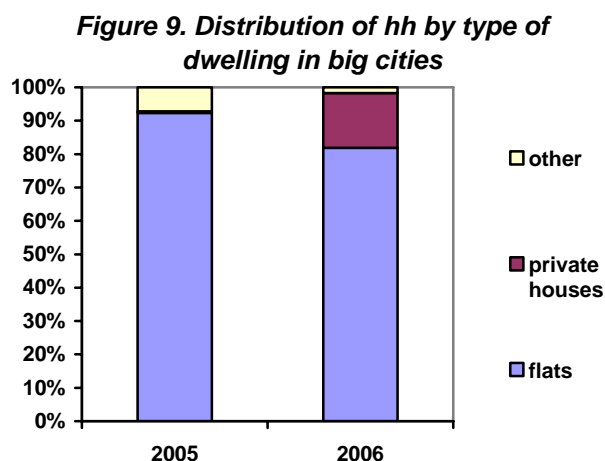
Figure 8 shows the percentage of households who own certain durable goods. For instance, in 2006 the percentage of households with TV was 90,4% as compared to 84,0% in 2005. Such difference does not mean that households with TV increased by 6,4 percentage points, since at least some of the difference is explained by the fact that the new survey covered more households with children and other types of households with better living standards as compared to the old sample.

**Figure 8. Ownership of durable goods**



## Dwelling characteristics

Another example regarding the limited comparability of the 2006 data with those of previous years come from the distribution of households by type of dwelling – and this is especially interesting for the two large cities (Chisinau and Balti municipalities). Such estimates are reported in figure 9. According to the 2006 data about 17% of households live in individual houses, while in 2005 the proportion of this type of households counted only for 0,5%. Such remarkable difference is explained by the use of the updated sample frame for these localities, which covers all the districts of the two cities, whereas the old sample only selected certain districts.



Just like in the case of ownership of durable goods, the change in the percentage of households with telephone is not all an actual increase. According to the data of the Ministry of Informational Technologies, the number of land phone stations in 2006 increased by 7%, while according to HBS results this indicator should have increased by 12%.

## Self-reported necessary minimum income

Further evidence that sampling plays the main role in the different results between 2006 and 2005 comes from some analysis of the 'minimum income question'. Both previous HBS and the 2006 HBS are asking households to determine the monthly income necessary to meet their minimal needs. The wording of this question did not change, therefore this indicator should be comparable if there are no differences in the sampling of the surveys<sup>3</sup>.

Table 7 reports the average values by different areas of the country for 2004, 2005 and 2006, and their reading considering the theoretical explanation between MIQ confirm that the increase in the level of income and consumption observed in 2006 is consistent with these answers. Indeed, whereas between 2005 and 2004 the increase is only of 20% and therefore approximately in line with inflation, the increase in 2006 is much higher, suggesting that we are indeed on average observing better off people. However, as theory would suggest the increase observed is not as high as the actual increase in consumption and income because of the non-linear relationship between MIQ and welfare.

<sup>3</sup> There are specific theories on the relationship between the answer to such question and the welfare level of the household: MIQ does increase in the same direction of the welfare indicator, but the increase is non-linear and declining forming a bending curve.

**Table 7. Average answer to minimum income question by area (nominal values by household), 2004-2006**

	2004	2005	2006	ratio	
				2005/2004	2006/2005
Cities	413	514	800	1.24	1.56
Towns	309	358	681	1.16	1.90
Villages	278	333	485	1.20	1.46
Total	312	376	592	1.20	1.57

## 6. Conclusions

The results obtained from the 2006 HBS better reflect the socio-economic situation of households in Moldova and allow reserachers to undertake a more accurate comparative analysis of different categories of the population.

Using a new sample frame, improving the sample design, not allowing households' replacement, changing the questionnaire design, and creating a new network of interviewers are all factors that contributed to data quality improvement. However, at the same time, these changes also meant that the indicators obtained from the 2006 survey are not comparable with the ones of previous years.

The higher quality of data means a better understanding of poverty characteristics and possible causes of poverty. In turn, such data do provide a better basis for informing the decision makers and monitoring the policies' impact on the living conditions of the population. Although it is impossible to ensure data comparability with previous years, we must consider that the old sample was becoming less and less representative and thus less informative.

Finally, it is important to mention that in order to avoid similar problems a part of localities from the sample currently used will be changed every year (about 20%), thus avoiding any problem of households' exhaustion. At the same time, the sampling frame will not be updated only when data from the new population census will become available (in about 10 years), but also based on information coming from energy providers, and ad-hoc household listing of new sampling areas.

# Annex A

## *Anexa 1. HBS coverage of Moldova*

1997- 2005

2006

