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Introduction

The UNICEF Multiple Indicator Cluster Survey (MICS) programme supports the collection of household survey data on the situation of children and women. MICS are multi-topic surveys that cover areas such as child health, education, gender and reproductive health, rights and protection. Conspicuously absent from MICS is information on income and/or consumption.

The inclusion of a monetary measure within MICS is therefore potentially extremely advantageous. First, it would make it possible to quantify a household’s current level of monetary welfare or poverty by providing a measure of consumption levels and poverty rates; it would be an absolute rather than a relative measure of welfare in contrast to the wealth index - where a household’s wealth is measured relative to other households in the sample rather than to a set standard. Second, it would make it possible to investigate more precisely distributional issues including the relationship between monetary poverty and deprivations; third, it would allow for comparing monetary welfare and its relationship to deprivations across countries and over time. Finally, and most importantly, if it is true that MICS surveys often remain under-utilized in research due to the lack of a monetary measure, its inclusion could significantly increase MICS usage for policy analysis and research purposes.

However, information on income, consumption and expenditure are complex and time-consuming to collect and MICS is already a long household survey. It is therefore important that the module does not represent a substantial burden by significantly expanding the length of the questionnaire and, at the same time, it does not jeopardize the existing MICS survey design.

The Bangladesh experiment

Taking these two constraints into account and building on existing literature, two short consumption modules were developed by the UNICEF Office of Research – Innocenti in collaboration with the Global MICS Team (UNICEF Statistics and Monitoring Section). The two different short consumption modules were then piloted in Bogra and Sirajganj (Bangladesh, Rajshahi division) in May-June 2012 as part of the Global MICS5 Pilot.

During the field experiment two different short consumption modules were administered as part of the household questionnaire to a subset of households: 1) the ‘itemized’ consumption module; and 2) the ‘categorized’ consumption module.

The Office of Research study aimed at validating this exercise and assessing the accuracy and reliability of the consumption estimates obtained. The use of a benchmark consumption module is essential in order to assess how well the two short options fare; the analysis therefore consists of a systematic comparison of both short modules with a benchmark. The attempt is made to isolate and test the impact of the length (degree of commodity) of the consumption questionnaire on the quality of consumption and poverty estimates as well as distributional measures obtained.
Results

Results are promising. Once we control for differences in sample characteristics, the short consumption modules line up well with the benchmark obtained from the HIES. Total consumption and associated poverty rates tend not to differ statistically from the benchmark. Total household consumption is around 9-10% higher for the categorized module and 8-11% higher for the itemized module.

In addition the ranking of households based on total consumption is consistent with that obtained in HIES. In the benchmark sample around 37% of households are categorized in the same quintile according to the consumption and the wealth index; this percentage is relatively low but not uncommon in the literature as the wealth index and consumption capture different concepts. The categorized and the itemized module have similar, although slightly lower, percentages (at 30% and 29% respectively). Percentages are higher when households that fall within +/- 1 quintile are considered.

Households correctly classified based on consumption and wealth index

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<tr>
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<th>In the same quintile</th>
<th>Within +/- 1 quintile</th>
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<tbody>
<tr>
<td>Benchmark – (HIES)</td>
<td>37%</td>
<td>78%</td>
</tr>
<tr>
<td>Short consumption module (1) – (“categorized”)</td>
<td>30%</td>
<td>72%</td>
</tr>
<tr>
<td>Short consumption module (2) – (“itemized”)</td>
<td>29%</td>
<td>60%</td>
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However, the module cannot be used to analyze individual consumption groups (e.g. food, non-foods, etc.) or consumption patterns. Indeed, individual components of consumption do not align well with the benchmark suggesting that such instruments are better at tracking overall consumption rather than its sub-components, which seems plausible given that these are shortened modules.

Discussion

We conclude that it is feasible to include a shortened consumption module in MICS (Multiple Indicator Cluster Surveys). The Bangladesh experience suggests that this module can give accurate predictions of aggregate consumption and poverty, allowing for the analysis of monetary and non-monetary dimensions of welfare together. However the module cannot be used to analyze individual consumption groups (e.g. food, non-foods, etc.) or consumption patterns.

Pursuing the inclusion of a consumption module within MICS opens up the possibility, first, of measuring absolute monetary welfare, and compiling poverty statistics and poverty profiles to improve understanding of monetary and non-monetary poverty; second, of improving the investigation of distributional issues including the relationship between monetary poverty and deprivations; third, of comparing monetary welfare and its relationship to deprivations across countries and over time; and finally, of increasing MICS usage for policy analysis and research purposes.