

Components of the Income Aggregate: “Living Standards Survey, Tajikistan 2003”¹

Prepared for the Rural Income Generating Activities (RIGA) Project²

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Food and Agriculture Organization

December, 2008

This document provides the survey-specific details associated with the income aggregate construction. For more information about the RIGA project, please refer to <http://www.fao.org/es/esa/riga>. For additional detail regarding the overall RIGA income aggregate construction approach, please refer to Carletto, et al (2007), “Rural Income Generating Activities Study: Methodological note on the construction of income aggregates,” found on the RIGA website.

The Tajikistan Living Standards Survey was administered nationally during 2003 as a follow up to the first TLSS of 1999, although the 2003 survey is not a panel to the earlier survey. A two-stage stratified random probably sample procedure was used to select the sample frame which was drawn from the 2000 Population Census. Certain areas were over-sampled, specifically, Dushanbe, the rural Gorno-Badakhshan Administrative Oblast (GBAO), as well as the urban GBAO. A total of 4,156 households were interviewed in the 2003 TLSS.

The data are representative at the regional level and over urban/rural areas. The distinction between urban and rural in the raw data is identified by the variable URBRUR, which is then renamed for URBAN in for the RIGA analysis. This distinction is based on definitions established by Goscomstat, the State Statistical Committee of the Tajik Republic. The household weighting factor in the original data is WGT_NAT; this is renamed to WEIGHT in the constructed data files.

All money amounts are in the local currency, Tajik Sonomi. In 2003, the official exchange rate was 3.06 Sonomi = 1.0 USD.³ The income aggregates are calculated at the household level and all aggregates are annualized.

¹ The information provided in this document relies substantially upon the Nepal Living Standards Survey – Statistical Report Volume I and Volume II, published by the National Bureau of Statistics.

² The RIGA Project is a collaboration between FAO, the World Bank and American University in Washington, D.C. Original data can be obtained from the World Bank’s Living Standards Measurement Study by visiting the LSMS website at: <http://www.worldbank.org/lsms>.

³ Exchange rate used comes from the World Bank World Development Indicators database.

The various household-level modules of the TLSS survey can be linked using the unique household identifier variable: HHID. This variable is renamed to HH in the final income aggregate file to provide for consistency across countries within the RIGA project.

Regarding income from different sources, revenues and costs were disaggregated when such information was available. The disaggregated sources for each income component are summarized in output variables column of Table 1. The net variables and the data files included in the final total income aggregate (Income.dta) are in **bold**. **Unless otherwise noted, all variables included in the aggregate income variable are net of costs.**

Comments

- In all sections, the raw data undergoes a transformation (it is annualized, aggregated, taken from person – household level, etc) before a check for outliers takes place.
- The reference period for crop sales and expenditures is the previous 12 months. The total crop income variable is constructed netting crop sales of input expenditures, and accounting for own consumption of household production, reported in the expenditure module.
- The reference period for the consumption of own produce (from the food expenditure section of the questionnaire, corresponding to *Cropincome2*) is based on the previous 7 days.
- The classification of wage employment activities into industries and skilled/unskilled categories follow the United Nations International Standard Classification of Occupations (ISCO) 88 codes. Given these standards, the employment sectors include: (1) Agriculture, Livestock, Hunting and Fishing, (2) Mining, (3) Manufacturing, (4) Electricity and Utilities, (5) Construction, (6) Commerce, (7) Transportation, Storage and Communications, (8) Finance, Insurance and Real Estate, (9) Services and (10) Other Industries. The job categories are divided into skilled, unskilled and other. In the Wage employment section, the reference period is previous 14 days for the main and secondary jobs as well as the previous 12 months for additional jobs. Earnings from wage employment include all in-cash and in-kind benefits in cash received from the employer.
- For the Livestock and Other income sections, the reference period is the previous 12 months.
- For the Rentagric section, the reference period is the previous 12 months. Rentagric calculates gross and net income from the rented and sharecropped agricultural land. Although both are calculated, the income aggregate only includes the gross estimate.
- For Transfers sections, the reference period for private transfers is the previous 12 months. For social transfers and pensions, the reference period is the previous month, and annualization of these transfers takes place using the information given by the respondent on the coverage of the transfers received in the previous month. Both net and gross total transfers are calculated, but only gross transfers are considered in the final income aggregate.
- The Self Employment section accounted for income from non-farm enterprises owned by the household. The reference period is the previous 14 days. The net income is annualized based on the number of days in the previous 14 days and months during the previous 12 months the enterprise was in operation. Net income is also weighted by the share of profits from the enterprise kept by the household. The classification of non-farm enterprise activities into industries categories also follows the ISCO-88 codes. Given these standards, the non-farm enterprise sectors include: (1) Agriculture, Livestock, Hunting and Fishing, (2) Mining, (3) Manufacturing, (4) Electricity and Utilities, (5) Construction, (6) Commerce, (7)

Transportation, Storage and Communications, (8) Finance, Insurance and Real Estate, (9) Services and (10) Other Industries.

- For all sections, whenever information was available regarding the share of a business, enterprise, or any other income activity owned by the household, the income earned from that activity was weighted by the share owned by the household.

The programs that calculate each household's income aggregate component are summarized in Table 1. Table 2 summarizes the results from the created income aggregate.

Table 1

Tajikistan 2003			
Total HH Obs:		4148	
Total Rural HH Obs:		2629	
do file	input dta files	output dta files	output variables
Sample.do	interview.dta new_expend pop_point_1.dta	Sample.dta	
prices.dta	module11f.dta module11c.dta module9.dta Sample.dta	price_psu.dta price_reg.dta price_urb.dta price_kg.dta price_psum9.dta price_reg m9.dta price_urb m9.dta price_kg m9.dta	pricedata1 pricedata2 pricedata3 pricedata4 pricedata5 pricedata6 pricedata7 pricedata8
Foodown.do	module9.dta price_psu.dta price_reg.dta price_urb.dta price_kg.dta price_psum9.dta price_reg m9.dta price_urb m9.dta price_kg m9.dta Sample.dta	Foodown.dta Food.dta	foodpurchimp foodnonpurchimp foodowncropimp foodownlivestockimp
Rentagric.do	module11a2.dta module11a3.dta	agrentexp.dta agrentinc.dta	farmrntexpimp farmrntincimp

	Sample.dta	Rentagric.dta Rentagricnet.dta	farmrntincimp farmrntimp
Cropincome.do	module11d.dta module11c.dta Foodown.dta	cropexp.dta cropinc.dta Cropincome.dta	cropexpimp cropsoldimp cropincome2imp
Employment.do	module5.dta Sample.dta	employ1.dta employ2.dta Employment.dta	wgeimp wgeimp wgeimp1_1 wgeimp2_1 wgeimp3_1 wgeimp4_1 wgeimp5_1 wgeimp6_1 wgeimp7_1 wgeimp8_1 wgeimp9_1 wgeimp10_1 wgeimp1_2 wgeimp2_2 wgeimp3_2 wgeimp4_2 wgeimp5_2 wgeimp6_2 wgeimp7_2 wgeimp8_2 wgeimp9_2 wgeimp10_2 wgeimp1_3 wgeimp2_3 wgeimp3_3 wgeimp4_3 wgeimp5_3

			wgeimp6_3 wgeimp7_3 wgeimp8_3 wgeimp9_3 wgeimp10_3
Livestock.do	module11e.dta Sample.dta module11f.dta Foodown.dta	livstinc.dta livstbypr.dta Livestock.dta	livstsoldimp livstexpimp livstbyprsoldimp livstincimp
Selfemp.do	module12a_c.dta module12d_e.dta Sample.dta	selfempinc.dta selfempexp.dta Selfemp.dta	hhrevimp hhexpimp selfimp2 selfimp3 selfimp6 selfimp7 selfimp9
Otherincome.do	module13.dta Sample.dta	otherinc.dta nonfarmrnt.dta Otherincome.dta	otherincimp nonfarmrntimp otherincimp nonfarmrntimp
Transfers.do	module7_a.dta module7_b.dta module7_c.dta transfpriv.dta	transfprivinc.dta transfprivexp.dta transfpriv.dta pensions.dta socialtransfers.dta Transfers.dta	transfprivincimp d_cash12imp ikprivtransincimp) d_sent12imp ikprivtransexpimp transfprivexpimp transprivincimp, pensionsimp socialtransferimp privtrans

pensions.dta
socialtransfers.dta

pubtransimp
transfersgrossimp
transferstotimp

Table 2

<i>Tajikistan 2003</i>	2,629 Rural HH Observations	Rural, Weighted, Somoni					Rural, Weighted, USD		
<i>Variable</i>		<i># Participants</i>	<i>Participation Rate</i>	<i>Returns to Participation- Participant HHs</i>	<i>Returns to Participation- All HHs</i>	<i>Share of Total Income- All HHs (Mean of Shares)</i>	<i>Share of Total Income- All HHs (Share of Means)</i>	<i>Returns to Participation- Participant HHs</i>	<i>All HHs</i>
agr_wge	Wage Employment- Agriculture	1,188	49.41%	312	154	16.88%	14.22%	102	50
nonagr_wge	Wage Employment- Nonfarm	796	29.26%	427	125	11.54%	11.52%	140	41
crop2	Crop Production	2,249	88.50%	488	432	37.33%	39.85%	160	141
livestock	Livestock Production	1,829	68.89%	337	232	17.40%	21.38%	110	76
selfemp	Non-ag Self Employment	68	2.85%	636	18	1.11%	1.67%	208	6
transfer	Total Transfers	1,639	58.03%	203	118	15.47%	10.88%	66	39
other	Other Income Sources	23	0.94%	550	5	0.28%	0.48%	180	2
totincome2	Total Household Income	2,606	99.03%	1,095	1,085	100.00%	100.00%	358	354

Percent Rural (Weighted)	65.77%
Somoni/USD 2003	3.06

Notes:

1. Source data: 2003 Living Standards Survey
2. Exchange rate source: World Development Indicators
3. Crop2 own consumption is calculated from the Food expenditure module of the household questionnaire using imputed prices from the agricultural production module as well as from the food expenditure module.
4. All values reported are annual and net of costs (with the exception of income from transfers and land rent, which are gross receipts).