

Importance of Harmonized Household Income and Expenditure surveys: with an emphasis on CPI

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Abstract

Availability and accessibility of Harmonized Household Income and Expenditure Surveys (HHIES) is essential in order to conduct pertinent cross-national and cross-temporal comparative research. Leading to evidence based research that promotes transparency and accountability. A dynamic activity such as the Open Access Micro Data Initiative (OAMDI) launched in April 2013 by the Economic Research Forum (ERF) provide researchers with several types of data out of which are HHIES. This paper aims at describing all stages of the ERF data harmonization process from collection through documentation and dissemination. It starts by introducing what is meant by data harmonization from the ERF's perspective, how data harmonization standards used by ERF were developed, and which practices were adopted for harmonizing household surveys data. It also tackles how some technical issues are treated during harmonization, such as missing cases, outliers, and variables' universe. Procedures of data cleaning used to prepare micro data for harmonization are also presented in this paper. In its last section, the paper introduces a very promising approach of collaboration between statistical agencies and research institutions, where harmonized data is to be collected rather than being produced through harmonizing the data collection instruments. The paper further examines major uses of such data such as measuring headline inflation. The accuracy and reliability of measuring consumer price index (CPI) rely on the way the outlet sample is selected, housing pricing, and the biases resulting from the substitution, quality adjustment and introduction of new goods. Where several potential shortcomings are pointed out.

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