

Econometric and Statistical Modelling of Incomes and Expenditures of Georgian Households by Small Areas: Situation Analysis, Methods and Possibilities

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Abstract

The paper discusses the design of the main source of information on households incomes and expenditures of Georgia - "Households Incomes and Expenditures Survey", the degree of representativeness of statistical data and the values of relative marginal error of statistical indicators in small areas. The survey is selective, the data is collected monthly, aggregated data are disseminated annually and the indicators are representative of private households in Georgia at the country and administrative region level, and it is are characterized by substantial relative marginal error ranging from 4% to 65% at the municipal level. The appendix represents the confidence intervals of the households incomes and expenditures calculated per household and the relative marginal errors of the indicators by municipalities.

The article represents the well-known methods of small area estimations (1. Fay-Heriot's and 2. Elbers, Elbers-Lenjou's models), information about the available statistical databases, and recommendations on the issue of empirical realization of the mentioned theoretical models. The article includes a view of how the estimation quality of statistical indicators can be improved by small territorial areas and the necessary assumptions for the possibility of its practical implementation.

Keywords: Small area estimation; Incomes and Expenditures of Georgian Households; Relative Marginal Errors.