

# FREE VIRTUAL | Data in Macro COURSE | Development

## Lecture 4: Microdata for Macro Economists: An Introduction to the Living Standards Measurement Study Friday 12 April 2024

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**Presentation Slides** 

<u>Video</u>

### Q: Is it possible to merge the LSMS with the Enterprise Surveys? The ES doesn't provide GPS coordinates, but the firms there are geo-referenced.

A: Because there is geo-referencing, it is possible to link these with GIS software, in the sense that you know the relevant locations. But the LSMS are cluster-based surveys that cover specific locations, which may or may not overlap directly with the locations where firms are. So you will not in general observe the communities immediately adjacent to the firms in the Enterprise Surveys.

## Q: By any chance, do you collect also data on the perception on climate change and/or eco-anxiety?

A: I may be wrong on this, but I'm not aware that this is addressed in the standard LSMS modules. You might want to look as an alternative at data sources like Afrobarometer. The representativeness of these surveys is not so clear, but they cover attitudes across many dimensions.

#### Q: Which countries currently collect or plan to collect intra-household consumption data?

A: I am not sure. In general this is a hard issue. There are probably not too many goods where a surveyor could attribute them solely to one particularly member of a household. You could ask him about this perhaps?

A: From Ivette (on the LSMS team): "We are actually collecting consumption at the individual level in Bangladesh, we are testing different methods to understand better how consumption varies within the household."

## Q: Is there availability of data in SLMS concerning Multidimensional poverty and production efficiency?

A:The LSMS data do not specifically measure multidimensional poverty (e.g., as in the OPHI MPI), but many of the data elements required for MPI measurement are covered in the surveys.

Production efficiency is a more complicated question! It's hard to define and hard to measure. But there are good data for measuring production efficiency in agriculture. Non-farm enterprises are harder!!

Q:Hi, my questions related to the Ethiopian Socioeconomic Survey (ESS) and the Living Standards Measurement Study—Integrated Surveys on Agriculture (LSMS-ISA) dataset are:

#### 1. Measuring Multidimensional Social Mobility:

To what extent can the Ethiopian Socioeconomic Survey (ESS) be used to measure multidimensional social mobility in Ethiopia?

What key dimensions and indicators can be derived from the ESS data to construct a comprehensive multidimensional social mobility index?

Based on the ESS data, how do the patterns and determinants of multidimensional social mobility vary across different regions, socioeconomic groups, and periods in Ethiopia?

#### 2. Data Gaps in Conflict-Affected Areas:

What are the main challenges and limitations in capturing accurate and representative data in conflict-affected areas, such as the Tigray region, within the LSMS-ISA framework?

How can researchers address the potential data gaps and biases when conducting studies on socioeconomic conditions and welfare in conflict-affected areas using the LSMS-ISA dataset?

What alternative data collection methods and approaches can be employed to supplement or validate the LSMS-ISA data in the context of the Tigray Genocide and other conflict situations in Ethiopia?

#### 3. Linking LSMS-ISA to Macroeconomic Studies:

How can the LSMS-ISA data be integrated with macroeconomic indicators and models to provide a more comprehensive understanding of the linkages between household-level socioeconomic conditions and broader economic trends in Ethiopia?

To what extent can the LSMS-ISA data be used to evaluate the distributional impacts of macroeconomic policies and shocks on different socioeconomic groups and regions in Ethiopia?

What are the potential synergies and challenges in combining micro-level LSMS-ISA data with macro-level data sources, such as national accounts and administrative records, for conducting integrated economic analyses in the Ethiopian context?

A:You can find the questionnaire (and data!) of the ESS Wave 5, depending on how you define your indicators you can explore the feasibility of your research question.

https://microdata.worldbank.org/index.php/catalog/6161"

A: About the distributional impacts of macroeconomic policies, that is a big question and requires a model or identification strategy. For starters it would be good for you to get very familiar with the various outcomes that are measured in the Ethiopia LSMS. About linking to macro data, yes, the best approach is to aggregate to regional levels. If time we could ask Talip about this at the end.

A: The LSMS coverage is of households, and as such it is not entirely appropriate for measuring GDP or similar measures of output. For instance, it does not include production taking place outside the context of family-operated farms and firms. The

sampling frames may also miss the extreme right tail of the income distribution, unless there is an effort to oversample there. So there are some challenges, for sure. But in general, the LSMS data provide excellent reality checks on aggregate national accounts and other data.

Q: Was the LSMS data was used to study structural transformation from employment perspective - changes in sectoral employment or if there are limitations to it in this context?

A: This is very much something that has been done. For broad national coverage, labor force surveys and census data are richer, but the LSMS data are useful for linking the employment changes to household and individual outcomes -- e.g., seeing how sectoral changes in employment are related to children's education or health outcomes." You can take a look from a recent paper about this https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0278188

Q: On the phone survey, are the same units interviewed in every round?

A:The LSMS high-frequency phone surveys are panel surveys, so we target the same sample of households each round (but as in any panel survey we suffer of attrition as well)

Q: I saw in one of the slides that LSMS ends in 2024. LSMS has been very helpful for those of us who can't fund our own surveys. Is any prospect of another survey similar to LSMS post 2024.

A:The LSMS-ISA formally ends in 2024, but the LSMS initiative (and many of the panels) will continue in a slightly different form. So the data effort will continue, for sure!

A:The LSMS-ISA was focused on 8 African countries, but we are planning to expand the geographical reach and add new countries to have more panel surveys!

Q: I would be very appreciative if he could give further explanations regarding using the ESS after devastating conflicts, such as the Tigray Genocide War in North Ethiopia. Thank you.

A: Regarding the conflicts in Tigray in the last years, it was impossible to cover the area, so the fifth wave of the panel survey did not include Tigray.

The fifth wave of the Ethiopia Socioeconomic Panel Survey (ESPS 2021/22) has been implemented by the Ethiopian Statistical Service with technical support from the Living Standards Measurement Study (LSMS), World Bank. ESPS-5 covers all regions of the country except Tigray. Therefore, the survey is nationally representative and provides national and regional estimates for rural and urban areas except for Tigray.

More information here: https://microdata.worldbank.org/index.php/catalog/6161"

Q: South Africa's last Time Use survey was conducted in 2010 and Statistics South Africa has said they are struggling to collect new TUS data due to funding. Does the LSMS have recent TUS for South Africa or does it only have data for African countries that have managed to collect this data over time?

A:I can't answer this question for South Africa, but I will just put in a plug for Charles Gottlieb's lecture on time use data, which will be the last session in this data course, towards the end of June.

#### Q: What would you suggest to mind such gaps in recent study regarding Tigray?

A:For conflict areas, I would say that data integration with geospatial variables can be helpful. Now there are so many geospatial variables options!

#### Q: Are there available panel data with time-use information?

A:Great question. Do stay tuned for Charles Gottlieb's lecture in June in this same data series!!

A:The LSMS data are a bit light touch on time use, but to the extent that they cover time use, the panel structure will allow you to see changes over time in time use.By saying that they are ""light touch", not all of the studies use detailed time diaries or add up time use to 24 hours.

A:Even though not all surveys include a time use module, some of them do, so it can be helpful to check them out!

#### Q: Do the panels have data on credit applications and actual debt of the households?

A:Some of the waves have data on credit applications and debt of the households