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BASIC INFORMATION DOCUMENT

MONTENEGRO

**HOUSEHOLD SURVEY¹
2004**

August 2004

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I. Introduction and Background

Over the past decade, Montenegro has been seeking to develop the framework for a market economy and more open society. The transition has been marked by internal and external political and economic shocks, leading to a deep and sharp decline in output, hyperinflation, a rise in official unemployment, and a growing informal sector (“gray” economy). In recent years, Montenegro has undertaken an ambitious program of wide-reaching economic reforms in an effort to promote growth and raise living standards. In the face of many challenges, Montenegro has made notable progress in creating conditions conducive to growth and development and poverty reduction.

In order to govern the reforms, Government of Montenegro developed and adopted Economic Reform Agenda, the first complete and comprehensive program of measures and activities in a period through the year of 2006.

Recognizing the need for rigorous planning for poverty reduction activities and monitoring, Government of Montenegro created a Poverty Reduction Strategy Paper (PRPS). In the process leading to its first PRSP (also known in Montenegro as Development and Poverty Reduction Strategy, DPRS), the Government of Montenegro reinforced its commitment to strengthening its own capacity to collect and analyze on a regular basis the information it needs to inform policy-making. One critical input into this strategy, the poverty profile of Montenegro for 2003, showed that some 12.2 percent of Montenegrin population are poor, with many others (almost one third of population) concentrated around the poverty threshold.

To date, the paucity of household-level socio-economic data has been a constraining factor in the design, implementation and evaluation of economic and social programs in Montenegro. Multi-purpose household surveys are one of the main sources of information to determine living conditions and measure the poverty situation of a country, and provide a valuable tool to assist policymakers in monitoring and targeting social programs.

The official Household Budget Survey (HBS) was inherited from the former Yugoslavia and is in undergoing considerable reforms in survey design (including questionnaire content, sampling, and dissemination/availability to analyst and researchers). The Population and Housing Census (PHC) conducted in November 2003 provide the country with a much needed updated sampling frame which is one of the building blocks for the new HBS. It is expected that new HBS will be launched in February 2005 with the first results available in mid 2006. Meanwhile, in the area of household data, both policy makers, domestic and international experts must rely on the are relying on civil sector and non-governmental research organizations to provide such data.

To this end, Institute for Strategic Studies and Prognoses (ISSP) in Montenegro has undertaken several household surveys in an effort to provide timely and relevant data that is useful for policy makers and analysts. While data constraints have limited the ability to evaluate poverty and living standards in recent years, new household surveys collected by ISSP in 2002, 2003 and 2004 allow baselines to be established in regards to the living standards of the Montenegrin population and against which we can monitor changes in the future. Furthermore, with these data on household living standards, analysis can evaluate the role of social policies in supporting the poor as well as the potential impact of major policy reforms.

The ISSP surveys drew attention, once again, to the need for accurately measuring household living conditions according to well accepted standards, and for monitoring these trends on a regular basis. These surveys have provided the country with an invaluable training ground towards the development of a permanent household survey system to support the government strategic planning in its fight against poverty.

This document describes the 2004 Household Survey (HHS) conducted by ISSP in May, 2004. This survey was undertaken by the Research Unit of ISSP, with technical assistance from the World Bank. Section II summarizes the content of the survey instruments used. Section III focuses on the details of the sample design and weights calculations. Section IV describes the pilot test and fieldwork procedures of the survey, as well as the training received by survey staff. Section V reviews data entry and data cleaning issues. Finally, Section VI contains a series of annotations that all those interested in using the data should read.

II. Survey Instrument

The 2004 Household Survey by ISSP consists of a detailed household questionnaire. The questionnaire is divided into several modules. These modules were aimed at matching as much as possible the specificity of Montenegro in terms of data needs, as driven by pressing policy questions. Their design (e.g. questions asked, their sequence, units and time-frames used) was adapted to fit the Montenegro reality. The questions covered in the 2004 survey were revised from the previous rounds with considerable input from policy-makers and analysts concerned with living standards measurement in Montenegro.

The questionnaire was divided in eight sections based on the topics covered, and was administered to households in one visit. Table 1 provides a detailed description of the content of the modules of the household questionnaire. Copies of the questionnaire can be obtained by e-mail from ISSP office at the address issp@cg.yu.

Table 1 - Contents of the 2004 ISSP Household Questionnaire

File name	Broad description of the information collected		Respondent
Section 1			
s0.dta	Cover page	Metadata: household ID code, location information (municipality, settlement, address, phone number, head of the household), enumerator code, date of interview, and data entry operator code. Sample information: Sample weights and booster sample identification.	Compiled by the survey staff
s1.dta	Housing, utilities and durable goods	Dwelling: type, construction, age, conditions, size, ownership, (potential or actual) rent, availability of services (toilets etc.); Utilities: access, quality and cost of water, central heating, electricity and other energy and fuel sources, and telephone. Durable goods: ownership and age of household durable goods (TV, refrigerator, car, etc.)	Most knowledgeable person

Section 2			
s2.dta	Household roster, education and migration	<p><i>Household roster:</i> names of all household members, age, gender, relationship to head of household, marital status and identification of spouses;</p> <p><i>Education:</i> school attendance; level and grades completed, highest diploma obtained, reasons for not attending-enrolling.</p> <p><i>Migration:</i> information on whether each household member is originally from the municipality, whether they have moved to and from the municipality.</p>	<p>Head of the household or, if not available, “principal respondent”</p> <p>Mother or guardian for children of age 3-5</p> <p>All household member age 6 or over; parent or guardian for children under 15</p>
Section 3			
s3.dta	Health	<p><i>General health status:</i> occurrence of chronic and sudden illness, disability status, self-reported health assessment.</p> <p><i>Access:</i> access to health services as needed.</p> <p><i>General satisfaction:</i> opinion of current health care service and awareness of on-going reforms</p>	<p>All members 15 and older answer individually; parent or guardian answers for children under 15</p>
Section 4A			
s4.dta	Employment and main job	<p><i>Characteristics of employment status:</i> current employment status; reasons for not working;</p> <p><i>Employment in last 7 days:</i> occupation(s), place where the job is performed, status on the job, working hours in that week.</p> <p><i>Main job:</i> type of the company, wage registration status, net income amount and other job-related allowances, wage registration and taxes paid.</p>	<p>All members age 15 and older or most knowledgeable persons</p>
Section 4B			
s4.dta	Secondary job	<p><i>Secondary job:</i> place where the job is performed, status on that job, working hours in the week. type of the company, wage registration status, net income amount and other job-related allowances, wage registration and taxes paid.</p>	<p>All members age 15 and older having secondary job or most knowledgeable persons</p>
Section 4C			
s4.dta	People not working	<p>Efforts to find job if unemployed; for how long the person is looking for a job</p>	<p>All members age 15 and older not working or most knowledgeable person</p>
Section 5			
s5.dta	Social assistance in cash	<p>Pension income, type of the pension; income from student scholarship and humanitarian help; unemployment benefits from Employment Fund</p>	<p>All members or most knowledgeable person</p>
Section 6			
s6.dta	Other	<p>Family material support; child allowances;</p>	<p>Household head or most</p>

	household income sources	legal obligation to support someone; other social programmers; transfers in cash; transfers in kind; other income; selling assets;	knowledgeable person
Section 7			
s7f.dta s7nf_1.dta S7nf_2.dta	Food and non-food consumption	<i>Part I Food consumption:</i> quantity and euro amounts spent for more than 90 articles in last 7 days. <i>Part II Non-food item expenditures:</i> monthly expenditures (personal/hygiene items, utilities, transport expenditures and other household monthly expenditures); quarterly expenditures (clothes and footwear, health care and other quarterly purchases); annual expenditures (education, insurance, other annual expenditures) <i>Subjective well-being:</i> subjective assessment of the household financial situation in absolute and relative terms;	Most knowledgeable person
Section 8			
s8.dta	Additional questions	<i>Agriculture:</i> ownership of agriculture land, cultivation of land, income from agriculture. <i>Environment:</i> general perception of environment quality, fuel wood consumption, non-wood forest products (mushrooms, berries, medical plants), fishing, garbage disposal, flood damage.	Household head or most knowledgeable person

Household membership in this survey is defined as being away from the household for less than six months. Deceased individuals, lodgers, hired workers and servants are never considered household members. Guests who stay with the household for six months and over, infants of less than six months, new arrivals (such as newly weds) are considered household members. The household head was counted as a household member even if he or she had been away less than 12 months, rather than the 6 month limit for anyone else absent.

III. Sample Design and Data Collection

Sampling and Weights

The 2004 Household Survey consists of a sample of about 1,000 households interviewed in all municipalities. Of these, 600 households are considered to be the Core Sample. In addition there are two booster samples (200 households each). The sample frame is described below.

The Republic of Montenegro is divided geographically into 3 regions and into 21 municipalities which are, in turn, divided into settlements. Since the last census in Montenegro was undertaken in November 2003, the data were not fully available to be utilized for all stages of sample design. The preliminary results from the Census were used to compute the population share of each of the 21 municipalities in the total population. In turn,

these population shares were used to identify the target number of households for the Core sample.

In order to create a sample listing of households for each municipality and given the limited availability of the current Census data, the ISSP team had to look beyond the Census data. The research team identified two possible sources for developing the sample frame. The first is the Voting Registration list. The second source is the Mass Voucher Privatization (MVP) listing of all people compiled in order to distribute vouchers among the population of citizens over 18 years in the summer of 2001. Both lists exclude IDPs (which includes the Roma population in its definition). At the time when sampling was done, the MVP list was newer than the voting registration list. ISSP concluded that these two lists were fairly comparable. In addition, list of the households paying the bill to the Electricity Company was available as well, but with double entries included due to the almost 60,000 of weekend houses registered in Montenegro.

The MVP list was used to randomly list Core sample households such that the sample proportion in each municipality was equal to the overall population proportions. Households were interviewed based on this random sampling list for the municipality, with no clustering design in the sample within municipality, thereby reducing survey design effects which increase standard errors. The exception for this procedure was for Roma and displaced persons. The sample of Roma and displaced households in the Core sample were listed based on additional data sources (Roma NGOs and UNHCR list of displaced persons) since they are missing from the MVP. Roma and displaced persons in the Core sample listing are from Podgorica only since the largest share of these populations live in the central part of Montenegro (68% of Roma and 36% of displaced persons).

Of the Core sample of 600 households, 93% (559) are resident households, 3% (18) are Roma and 4% (23) are displaced households.

In addition to the Core sample, the 2004 Household Survey sample included two booster samples. A booster sample of 200 households was created in 3 municipalities defined as areas with certain ecological problems: Pljevlja (70), Mojkovac (60), and Zeta Valley (70). In order to have enough vulnerable and poor families for analytical purposes, the second booster sample of another 200 households was created from the listing of Family Material Support (FMS) program.

Because of the booster samples, the HHS 2004 sample is not self-weighted. In order to obtain correct estimates the data need to be weighted. Different weights were assigned to the households in each of the 21 regions and based on FMS status (receiving assistance from FMS or not). Each household is assigned one of the 42 weights.

The weights are presented in Annex Table 1 and are constructed as follows:

N = number of households in population (191,047)

S = number of households in survey sample (989²)

i = indexes municipality (1-21)

j = indexes FMS status of household at the time of the survey (FMS v. non-FMS) ³

² Due to the problems in identifying households in Zabljak that receive FMS (where details of the household addresses of two households were missing), and poor data quality identified during the supervision process (9 questionnaires), there are 989 households in the sample in total, instead of planned 1000.

$$\text{weight} = (N_{ij} / N) * [1 / (S_{ij}/S)]$$

where this weight is equivalent to:

proportion of the population from municipality *i* and of FMS status *j*

÷

proportion of the survey sample from municipality *i* and of FMS status *j*

There are two weight variables defined in the dataset (*s0.dta*). Using the variable “*weight*” produces household survey statistics. On other hand, for many indicators, the data user will want a population statistics, which is produced by using “*pop_weight*” (=weight*hhsize). In addition to these two weights, the data include additional weight which is simply: household weights multiplied by 168.4 (which is equal the number of individuals in Montenegro divided by the number of individuals in the survey). “*fwthh*” produces the same statistic as “*pop_weight*” but calculates the estimated number of individuals in Montenegro rather than the survey sample size.

Data Collection

Upon developing the target number of households to be interviewed, interviewers were then dispersed to their respective municipality to interview households. Subsequent to receiving the actual listing of MVP registrants, within each municipality, a random set of individuals whose households should be interviewed was pulled from the listing using a computer program. This random list was then assigned to interviewers in each municipality. In addition to the list of target sample households, interviewers were given a random list of replacement households in the event of non-response (due to refusal, poor address information, or migration of the household).

The data is collected in face-to-face interviews by a core set of interviewers, about 36, who are in most cases from the municipality in which they work. Given that ISSP retain a large share of interviewers, the majority of interviewers now have considerable experience in fielding the questionnaire. For approaching Roma community, Roma interviewers were hired. The field work lasted about 2-3 weeks starting from May 4 till May 22, 2004.

³ FMS status refers to the FMS status of the household based on information collected in the Household Survey. This includes the 200 households of the booster sample drawn from the Ministry of Labor and Social Welfare listing of FMS recipients. In addition, 24 households in the sample of 800 (random 600 plus 200 environment booster) were recipients of FMS. Therefore, there are 224 total FMS households in the sample of 989.

IV. Pilot Testing, Training, Organization, and Fieldwork Procedures

Pilot Test

The questionnaire was field tested in mid April 2004 in Podgorica, Bijelo Polje and Kotor by the core ISSP team and the local teams. The pilot testing covered all sections. The pilot was done by three teams, one per region. The north team tested the agricultural/environment module, the south team the employment module, and the team in central part the labor and health module including remaining parts (food and non-food consumption, and household roster).. The questionnaire was then updated following the results of the testing.

Training

The interviewer training began on April 15 and finished on April 18, and it took place in Podgorica, capital of Montenegro. Training was organized with three days of classroom training and one day of hands-on fieldwork practice. Both the classroom training and the fieldwork practice served also as pilot tests for the questionnaires that were revised as the training proceeded.

Approximately 40 people took part in the training. The training also covered logistics, and the plans for the fieldwork, including lists of the households, and instructions on visiting households. The supervisors received an additional 30 minute specific training session each day, plus an extra day of training shortly before the beginning of the survey work in the field on May 4.

Fieldwork

Teams of interviewers have been created per municipality. Each team had one supervisor and, generally, three to eight interviewers. The supervisors were all chosen from permanent ISSP staff, and almost all had experience in supervising surveys on the field.

The monitoring of the entire fieldwork process was ensured by the core team in Podgorica, maintaining constant contact with the supervisors by telephone, tracking the progress and keeping apprised of any problems, and traveling to the field as necessary.

The fact that ISSP has good reputation in Montenegro and has been engaged in data collection on households in last 3 years, in addition to the staff of well-trained interviewers, resulted in low rate of refusal. Less than 5% of approached households refused to participate in this exercise.

V. Data Entry and Data Cleaning

Data Entry Program

Data entry (DE) program was developed to facilitate the data entry process. The data entry program was developed using Microsoft Access software⁴. Technical support of the World

⁴ The data entry program was developed by Sasun Tsurianian (World Bank consultant, ECSPE) who also produced the sample weights.

Bank was provided in order to develop ISSP capacities in this area. Among the useful features of the DE program which allowed for prompt and accurate entry were:

- a) The data entry form page was identical with the questionnaire page, which facilitates data entry.
- b) Range checks for most variables where appropriate.
- c) Skip rules. The cursor of data entry jumps to the necessary box depending on the entered value of the previous variable.

Training for the data entry operators ran from May 25 to May 30, 2004.

Data Cleaning

In addition to built-in consistency checks in the DE program and those performed on the preliminary versions of the dataset as it was building up, and additional round of in-depth checks on the household questionnaire was performed in early July in Podgorica.

Wherever possible data entry errors or inconsistencies in the dataset were spotted, the original questionnaire was retrieved and the information contained therein checked. However, in the event that the information on the questionnaire is contradictory, it is left this way in the electronic data and it is up to individual analysts to decide how to handle the situation.

VI. Notes on Dataset Structure and Use

The dataset is available both in STATA and in SPSS. It is best understood if used alongside with the questionnaire. The dataset includes short labels describing the variables, while the questionnaire includes the questions in full as they were asked of the respondent. Furthermore, the questionnaire includes details of most of the coding, and clarifies how filter questions and skip patterns were used in the survey.

Furthermore, it is worth stressing that the weights provided in the dataset *must* always be used in the analysis in order to obtain results that are valid at the national, rural/urban, or regional (coastal, central, north) level.

The variable names are formed by a combination of letters and numbers that follows the order of the questions in the questionnaire. The first part of the name refers to the module, while the second part follows the sequence of the questions within each module. So for instance variable “*s4bq16_a*” refers to section **4b**, question **16a**. All the variables have variable and value labels defined, which simplifies the use of database in statistical packages such as STATA and SPSS.

Where appropriate “user missing” values have been defined in order to facilitate the further analysis and use the statistical procedures like “means” or “frequencies” without worrying that the statistics will be affected by special values like 999 - don't know.

The data files from the household-level modules in the questionnaire can be linked by using the identifying variable for each household (“*hhid*”, labeled ‘household ID Code’). Likewise, in order to merge individual-level sections, such a person’s health information with her labor information, the user should use the combination of variables to uniquely identify individuals (“*hhid*” and “*memid*”).

Annex Table 1 - Weights for households

	Municipality	Population*		Survey Sample		Sample weights	
		FMS	non FMS	FMS	non FMS	FMS	non FMS
1	Andrijevica	279	5418	4	20	0.4143	1.6090
2	Bar	735	38953	18	141	0.2425	1.6408
3	Berane	2696	32216	50	130	0.3203	1.4719
4	Bijelo Polje	3485	46482	74	157	0.2797	1.7584
5	Budva	215	15456	10	62	0.1277	1.4806
6	Cetinje	1112	17388	26	91	0.2540	1.1349
7	Danilovgrad	906	15470	23	62	0.2340	1.4820
8	Herceg Novi	990	31998	10	129	0.5880	1.4732
9	Kolasin	449	9485	18	43	0.1482	1.3101
10	Kotor	429	22221	11	71	0.2316	1.8589
11	Mojkovac**	605	9410	104	198	0.0346	0.2823
12	Niksic	4416	70858	114	252	0.2301	1.6701
13	Plav	1273	12452	14	73	0.5401	1.0131
14	Pljevlja**	1064	34687	26	315	0.2431	0.6540
15	Pluzine	279	3991	8	18	0.2071	1.3169
16	Podgorica**	8008	160804	222	853	0.2142	1.1197
17	Rozaje	1868	20691	48	80	0.2311	1.5361
18	Savnik	185	2753	4	21	0.2747	0.7786
19	Tivat	369	13112	19	35	0.1153	2.2251
20	Ulcinj	602	19724	22	72	0.1625	1.6271
21	Zabljak^	146	4060	4	17	0.2168	1.4185
Total		617,740		3,669			

* Preliminary results of the Census 2003 in combination with data of FMS program. ** includes environment booster sample. ^ there were no FMS households in Zabljak sample