

**THE FEDERAL DEMOCRATIC
REPUBLIC OF ETHIOPIA**

CENTRAL STATISTICAL AUTHORITY

**REPORT ON
THE 1999/2000 HOUSEHOLD INCOME,
CONSUMPTION AND EXPENDITURE
SURVEY**

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CHAPTER I

BACKGROUND TO THE SURVEY

1.1 INTRODUCTION

This is a report on the 1999/2000 Household Income, Consumption and Expenditure Survey, (HICES), conducted on a sample basis throughout the country. In this report, the principal results of the survey and major tabular reports are presented at country, rural, and urban levels. In addition, summary tables of basic characteristics (i.e., distribution of households by domestic expenditure group, average value of expenditure by major expenditure items, average calories intake per person per day by major food and drink groups and percentage distribution of receipts by source for regions, rural and urban areas as well as for selected urban centers are presented.

The need for comprehensive economic statistics has been recently growing rapidly in most developing countries in view of the use of such statistics in formulating socio-economic development plans in general, and to assess the socio-economic situation at the micro level, in particular. Thus, reliable and timely economic statistics data at the household level such as the ones obtained from Household Income, Consumption and Expenditure Survey, on a regular basis are the major sources of these data. This survey provide valuable data, especially for assessment of the impact of policies on the conditions and levels of living of households.

The format of this volume is arranged in such a way as to facilitate easy comparability at country (total), rural and urban levels. Total may indicate country or regional levels. To achieve this, tabular reports signifying the same title are designated by the same table number but subscripted by the letters "a", "b" and "c" for total, rural and urban level reports, respectively. For instance, the tabular report "Distribution of Households and Household Members by Age, Sex and Household Size" is designated by the same table number, i.e., Table 1, thus "1a" is for country, "1b" for rural and "1c" for urban level reports. Similarly, the tabular report "Distribution of Households and Household Members by "Age, Sex and Household size" is designated by the same table

number, i.e., Table 1.1, thus "1.1a" for Regional total "1.1b " for Regional rural and "1.1c" for Regional urban. However, in some cases tables are further subscripted by letter "u"; i.e. "u" is for selected urban centers.

It should be pointed out that the major results presented here are descriptive, and it is in the belief of the Authority that the results of this survey could serve, among other things, as a valuable tool for designing socio-economic policy measures at micro level and to undertake further research on economic situation of the country. However, the data presented in this report could be, enriched by further investigation and by undertaking in depth analysis.

1.2 OBJECTIVES OF THE HOUSEHOLD INCOME, CONSUMPTION AND EXPENDITURE SURVEY

It is a well known fact that surveys of Household Income, Consumption and Expenditure usually have the major goal of providing basic data needed for the purpose of designing Socio-economic policy as well as other related issues that might arise at the micro level. The major objectives of the Survey are to:

- a. provide data on the levels, distribution and pattern of household income, consumption and expenditure that will be used for analysis of changes in the levels of living standards of households over time in various socio-economic groups and geographical areas.
- b. obtain information for the formulation of socio-economic plans and policies.
- c. furnish series of data for assessing the impact of existing or proposed socio-economic programs on household living conditions.
- d. provide data for compiling household accounts in the system of national accounts, especially in the estimation of private consumption expenditure.
- e. obtain weights and other useful information for the construction of consumer price indices at various levels.

1.3 NOTES

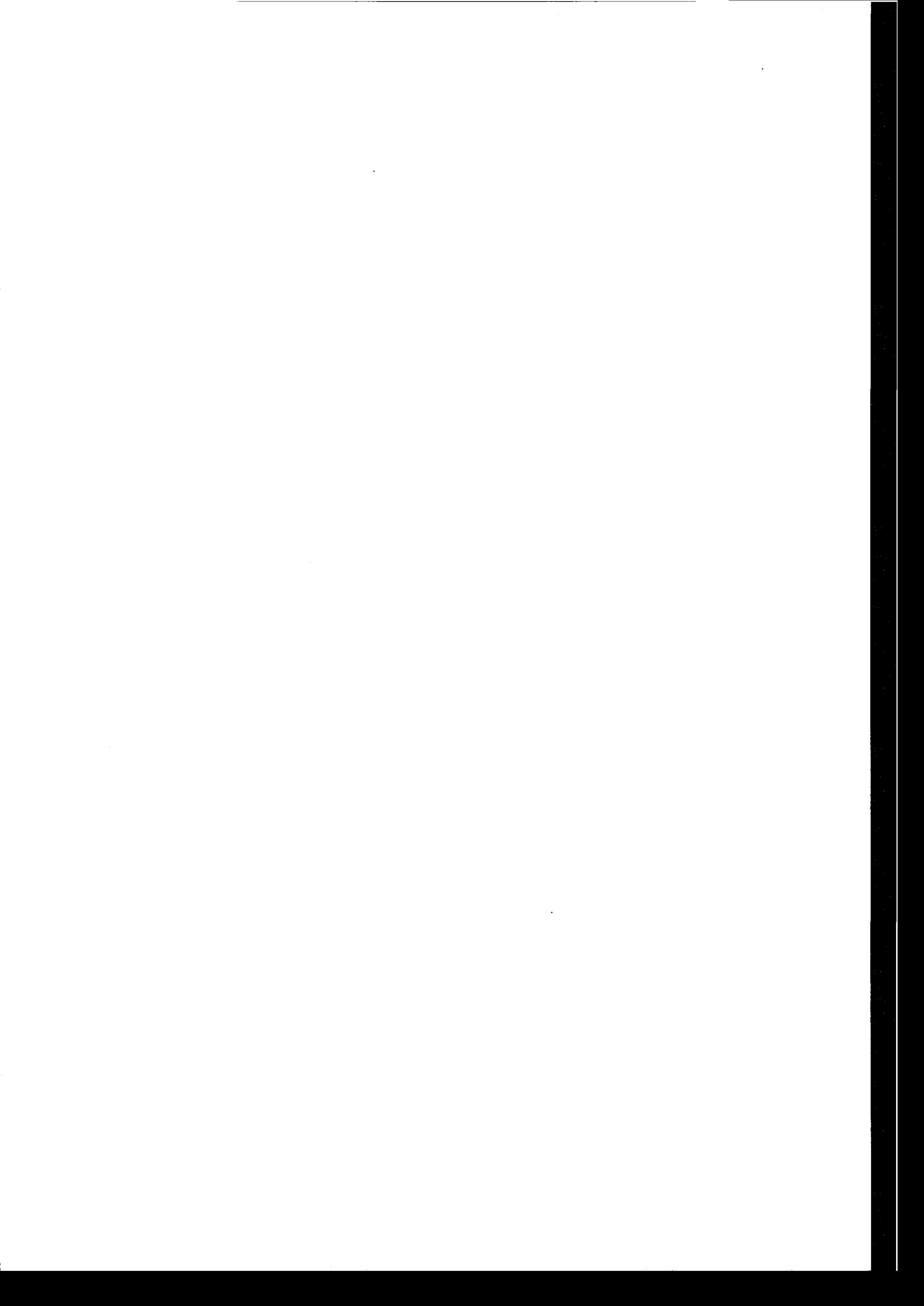
The Authority would like to advise users to use the text as well as the statistical tables by considering the following notes.

a/ Symbols used

-	Not available or negligible
%	percent
HH	Household
PHH	Per Household
PP	Per Person
M	Male
F	Female
M+F	Both sexes
Gm	Gram
CC	Cubic centimeter
Agri.	Agricultural
Non. Agri	Non-Agricultural
SNNPR	Southern Nations, Nationalities and Peoples Region.

b/ Condition of Figures

- Figures may not add up to totals because of rounding.
- Figures may differ slightly from table to table due to processing.



CHAPTER II

SURVEY METHODOLOGY

2.1 SCOPE AND COVERAGE

The 1999/2000 Household Income, Consumption, and Expenditure Survey covered the population in sedentary areas of the country on a sample basis excluding the non-sedentary population in Afar and Somali Regional States. That is, the survey covered the population in sedentary areas of the nine Regional States and two administrative regions each of which is composed of rural and urban parts. On the other hand, residents of collective quarters, homeless persons and foreigners were not covered in the survey.

A total of 1,264 Enumeration Areas, EAs (722 in rural and 542 in urban areas) were selected to be covered in each round of the survey in all regions. The survey succeeded to cover all selected EAs in the rural and urban areas in both rounds. In each round the survey was conducted on the basis of 12 rural and 16 urban households systematically selected in each EA for the survey from a fresh list of households prepared at the beginning of the first round of the survey period.

With regard to ultimate sampling units, it was planned to cover a total of 17,336 households (8,664 in rural and 8,672 in urban areas) all over the country. The response rate was about 100 percent (99.95 percent or 8660 households in rural and 100 percent or 8,672 households in urban areas). Only four of the selected rural households in Afar Region refused to cooperate in giving responses to the questions asked in the survey (see summary table II.1).

2.2 CONTENT OF SURVEY QUESTIONNAIRE

In this survey, data were collected using three basic schedules: these include schedule on basic population characteristics that constituted population size, age, sex, marital status and education; schedule on household consumption expenditure, that is, consumption of food, drinks and tobacco; and schedule on household expenditure on

various consumption and non-consumption items such as, expenditure on clothing and footwear; household goods and services; house rent, energy and water; transport and communication; entertainment and education; personal care and effects and household non-consumption expenditure items. Furthermore, information was collected on household income and receipts. The data collection exercise took into account the two major seasons of the country, i.e., the slack season, and the peak (harvest) season. For details on the content of the survey refer to survey questionnaire in Appendix IV.

2.3 CONCEPTS AND DEFINITIONS

- i. Urban Center : is in principle defined as a locality with 2000 or more inhabitants. However, for practical purposes an urban center includes the following regardless of the number of inhabitants.
 - a) All administrative capitals (Regional capitals, Zonal capitals and Wereda capitals)
 - b) Localities with UDAs not included in (a)
 - c) All localities which are not included either in (a) or (b) above having a population of 1000 or more persons, and whose inhabitants are primarily engaged in non-agricultural activities.
- ii. Urban Dweller's Association, UDA, (Kebele): is the lowest administrative unit in an urban center with its own jurisdiction. It is an association of urban dwellers (commonly known as Kebele) formed by the inhabitants, and usually constitutes a part of the urban center.
- iii. Rural Kebele (Farmer Association Area): is the lowest administrative unit in a settled rural area with its own jurisdiction. It is an association of rural dwellers formed by the inhabitants of a given area whose members are engaged either in agricultural and /or non-agricultural activities.
- iv. Enumeration Area (EA): is a unit of land delineated for the purpose of enumerating housing units and population without omission and duplication. An

EA in rural areas usually consists of 150 - 200 households, and on the other hand an EA in urban centers constitutes 150-200 housing units. An enumeration area should be related to a UDA or an FA in one of the following ways.

- a) An EA may be equal to an FA if the number of the households in the FA is less than or equal to 150 - 200, in rural areas and equal to a UDA in urban areas if the number of housing units in the UDA is 150 - 200.
 - b) An EA may be a part of an FA or a UDA and should not cross an FA boundary in rural areas and a UDA boundary in urban centers.
- v. Collective Quarter:- A collective quarter is a premise (a housing unit, a building or a compound) in which a number of unrelated persons reside together, and share common facilities. Examples of collective quarters are monasteries, prisons, boarding schools, hostels, home for aged, children's homes, work camps, military barracks, etc. It is important to note that in the premises of some collective quarters, there may be private households.
 - vi. Household: Constitutes of a person or group of persons, irrespective of whether related or not who normally live together in the same housing unit or group of housing units and who have common cooking arrangements.
 - vii. Head of Household: A head of a household is a person who economically supports or manages the household or for reasons of age or respect, is considered as head by the household or declares himself as such or by members of the household is called head of the household. The head of the household could be a male or a female.
 - viii. Member of Household: Person constituting a household is called member of the household. The following are considered as members of a household:-
 - a) All persons who lived and ate with the household for at least six months including those who were not within the household at the time of the survey and were expected to be absent from the household for less than six months.

- b) All guests and visitors who ate and stayed with the household for six months and more.
- c) House maids, guards, baby-sitters, etc. who lived and ate with the household even for less than six months.

ix. Household Size : Is the total number of members of a household.

x. Domestic Expenditure : is defined as total expenditure incurred by the household or any of its members and includes expenditure on consumption as well as non-consumption items.

The following items are included in the household consumption expenditure : Food; Beverages; Cigarettes and tobacco; Clothing and footwear; Housing, water, electricity, gas and other fuels; Furnishings, household equipment and operation; Health; Education; Transport and communication; Entertainment, religious and cultural services; Personal care and effects; Miscellaneous goods and services.

xi. Payments: In household consumption expenditure surveys payments are defined as all expenditure listed under domestic expenditure plus other expenditures such as remittance paid, bank deposit, interest paid, insurance premia, loans given out, repayment of loans made, pension and other contributions, donations, fines and related legal expenses, income tax, money spent on the purchase of lottery tickets, gambling expenses, "ekub" payment, "edir" contributions, and other payments. In short payment includes all household consumption expenditures and non-consumption expenditures.

xii. Income: Refers to domestic consumption of own crops and own livestock and livestock products, domestic consumption of goods and services purchased for resale or produced or processed in the household enterprise other than agriculture, wages and salaries, allowance, overtime, bonus, pension, commission, discounts (i.e. concessions obtained), imputed rent of free housing (i.e. subsidized amount only), imputed rent of owner occupied housing, other

employee's benefit, interest received, profit and dividend received, remittance (regularly receive), value of items obtained free (i.e. firewood, water, etc.), rent of personal possessions, alimony (regularly received) and other types of income.

xiii. Receipts:- Refers to income plus 'Ekub' and 'Edir', gifts, loans, repayments of loans, insurance (maturity payments received on life insurance and lump-sum compensation for injury), legal damages (excluding alimony), lottery prizes, inheritance received, withdrawal from saving and sale of household durable goods and personal effects.

xiv. Enterprise:- Is an undertaking where goods and services are produced for sale. An agricultural enterprise producing for household consumption only is covered by this definition. Those engaged in buying and selling activities are also included.

2.4 PILOT SURVEY

The survey, which has been conducted in rural and urban areas simultaneously, was one of the huge undertakings launched by the Central Statistical Authority (CSA). Thus, it was felt from its very inception that a pilot study should be conducted in order to test the survey instruments, the reaction of respondents and the different technical, administrative and logistics requirements of the main survey.

To this end, a pilot study has been conducted in Addis Ababa and in some rural enumeration areas of Oromia for a period of two weeks (15 March 1999 to 30 March 1999). A total of seven enumeration areas, four in Addis Ababa and three in the mentioned rural areas were covered by the pilot study. Some 50 rural and urban households were interviewed in this exercise. In general, this exercise enabled the Authority to make some important improvements to the final survey documents and to assess and allocate the necessary technical as well as administrative and logistics support needed for the survey.

2.5 SAMPLE DESIGN

The 1999/2000 Household Income, Consumption, and Expenditure Survey covered both the urban and the sedentary rural parts of the country. The survey has not covered six zones in Somalia Region and two zones in Afar Region that are inhabited mainly by nomadic population. For the purpose of the survey, the country was divided into three categories. That is, the rural parts of the country and the urban areas that were divided into two broad categories taking into account sizes of their population.

Category I: Rural parts of nine Regional States and two administrative regions were grouped in this category each of which were the survey domains (reporting levels). These regions are Tigrai, Afar, Amhara, Oromia, Somalia, Benishangul-Gumuz, SNNP, Gambela, Harari, Addis Ababa and Dire Dawa.

Category II: All Regional capitals and five major urban centers of the country were grouped in this category. Each of the urban centers in this category was the survey domain (reporting level) for which separate survey results for major survey characteristics were reported.

Category III: Urban centers in the country other than the urban centers in category II were grouped in this category and formed a single reporting level.

Other than the reporting levels defined in category II and category III one additional domain, namely total urban (country level) can be constructed by combining the basic domains defined in the two categories. All in all 35 basic rural and urban domains (reporting levels) were defined for the survey. In addition to the above urban and rural domains, survey results are to be reported at regional and country levels by aggregating the survey results for the corresponding urban and rural areas.

Definition of the survey domains was based on both technical and resource considerations. More specifically, sample size for the domains were determined to enable provision of major indicators with reasonable precision subject to the resources that were available for the survey.

2.6 SELECTION SCHEME AND SAMPLE SIZE IN EACH CATEGORY

- a) Category I: A stratified two-stage sample design was used to select the sample in which the primary sampling units (PSUs) were EAs. Sample enumeration areas (EAs) from each domain were selected using systematic sampling that is probability proportional to size; size being number of households obtained from the 1994 population and housing census. A total of 722 EAs were selected from the rural parts of the country. Within each sample EA a fresh list of households was prepared at the beginning of the survey's field work and for the administration of the survey questionnaire 12 households per sample EA for rural areas were systematically selected.
- b) Category II: In this category also, a stratified two-stage sample design was used to select the sample. Here a strata constitutes all the "Regional State Capitals" and the five "Major Urban Centers" in the country and are grouped as a strata in this category. The primary sampling units (PSUs) are the EA's in the Regional State Capitals and the five Major Urban Centers and excludes the special EAs (non-conventional households). Sample enumeration areas (EAs) from each strata were selected using systematic sampling probability proportional to size, size being number of households obtained from the 1994 population and housing census. A total of 373 EAs were selected from this domain of study. Within each sample EAs a fresh list of households was prepared at the beginning of the survey's field work and for the administration of the questionnaire 16 households per sample EA were systematically selected.
- c) Category III: Three-stage stratified sample design was adopted to select the sample from domains in category III. The PSUs were other urban centers selected using systematic sampling that is probability proportional to size; size being number of households obtained from the 1994 population and housing census. The secondary sampling units (SSUs) were EAs which were selected using systematic sampling that is probability proportional to size; size being number of households obtained from the 1994 population and housing census.