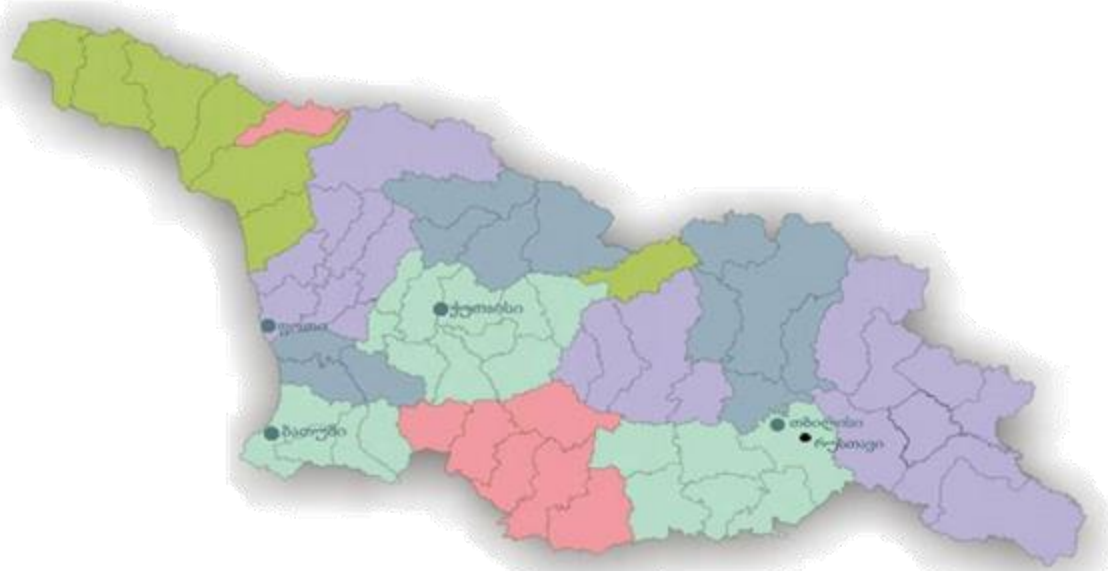# EDGE PILOT SURVEY ON MEASURING ASSET OWNERSHIP AND ENTREPRENEURSHIP FROM A GENDER PERSPECTIVE

VALUE OF ASSETS
Experience of Georgia

Georgia

Manila, December 11, 2017

Data collection

Assets for which data on value was collected:

- o Principal dwelling – Value or Construction value
- o Agricultural Land - Value
- o Large Agricultural Equipment - Value
- o Enterprise – Turnover and Total income
- o Other Real Estate – Value
- o Financial assets
  - ▪ Value
  - ▪ Lending and/or borrowing – remaining amount of money to be paid or received

Challenges of Data Collection

Difficulties in collecting data of asset values were related to:

- Objective reasons: lack of knowledge on the value of assets, such as valuation dwellings (especially in rural areas), land, large ag. equipment;

- Subjective reasons: reluctance to report ownership of financial assets and provide an exact value of financial assets

Scarcity of alternative sources on asset values of dwellings and land in the country due to small number of market transactions and quality of actually reported prices

Expectations of these challenges were present before the survey and were manifested during the pre-testing of questionnaires

Questionnaire Design and Training

To address the issue of asset valuation all possible methods of valuing an asset were retained in the questionnaire: e.g. questions about local market prices and construction cost of dwellings and land;

As incidence of ownership of small agricultural equipment could produce a negative reaction of respondents, these questions were removed from the pilot

The list of financial assets was brought into national context

There was some discussion on possible use of indirect questions about financial assets (such as use of intervals rather than exact amounts), although the original questions were retained to ensure cross-country comparability

During training particular attention was paid to different valuation methods (e.g. construction cost) and to sensitivity of financial asset data

Analysis of Results and Data Quality

Despite preparatory activities the frequency of reported data turned out low

Particularly this was related to the value of financial assets and liabilities and Incidence of valuables

Respondents struggled to estimate the value of dwellings and land reporting inexistence of markets (rural areas), lack of knowledge in relation to construction cost.

One of the reasons for ignorance about dwelling and land values was the fact that respondents were largely owners of houses and land for a long period of time (houses constructed during Soviet times, land traditionally bequeathed), thus being unaware of current developments

Analysis of Results and Data Quality (cont.)

Questions about financial assets and valuables caused discontent among respondents who preferred to deny having any types of saving accounts, particularly when asked about the amount available

No less sensitive turned out the data on valuables, as the most reported valuable asset turned out to be a (wedding) ring

Overall, the missing values for dwelling and land asset valuation amounted to about 65-70%, while the number of reported financial assets and valuables was negligible

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Summary: Challenges and Possible Solutions

As seen above, despite efforts to ensure data collection on asset valuation the challenges proved too strong to be solved

In the Georgian context it seems reasonable to:
- Try alternative methods of estimating values of dwelling and land based on characteristics of these assets

- As the incidence of financial assets is essentially underestimated, the gender-based indicator for availability of financial assets in the banking system could be derived from the official sources (banking supervision).

- The disadvantage of the above approach is the impossibility to link the household to other social and economic characteristics. One possible solution could be to use intervals for the value of financial assets

Thank you