

**Title:** *Improving Inequality and Poverty Estimates in the Moldovan Household Budget Survey*

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This paper describes how the problem of survey non-response was addressed in the Moldovan Household Budget Survey (HBS) to correct for biases on poverty and inequality.

Non-response rate in the HBS is about 12%, but it is much higher in cities (35%) than in rural areas (3%) and it is a common finding that non-compliance is usually selective. Therefore, the practice of substitution and simple geographical re-weighting correction can generate biases on key estimates of this survey. To investigate such issues, this paper studies the reasons for nonresponse as well as the main characteristics of non-respondents. Moreover, it explores a number of techniques to correct for non-response biases and assess the sensitivity of their impact. These techniques use information from “the response to basic questions”, interviewers’ external observation, geographical characteristics as well as unique auxiliary information available for all addresses in Moldova: electricity consumption.

This dataset (kindly provided by the electricity companies operating in Moldova) is used to analyse differences in the distribution of electricity consumption in the population and in the sample, and to study the probability of non-response in different population sub-groups. Using such information the paper is able to assess the distortion determined by the practice of substitution and geographical re-weighting on various welfare estimates and proposes different methods to correct for non-response.