HOUSEHOLD INTEGRATED ECONOMIC SURVEY (HIES)

2011-12

**Government of Pakistan
Statistics Division
Pakistan Bureau of Statistics
Islamabad**

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Table of Contents

LIST OF TABLES

TABLE No.	CONTENTS	PAGE No.

TABLE No.	CONTENTS	PAGE No.

PREFACE

The Household Integrated Economic Survey - HIES was started in 1963 and continued to be carried out with some breaks. In 1990 the questionnaire was revised in order to address the requirements of new system of National Accounts. The surveys were conducted during 1990, 1992-93, 1993-94 and 1996-97 using the revised questionnaire. The HIES was merged with PIHS in 1998-99, 2001-02 and questionnaire was improved to address the requirements of new system of National Accounts. Further it was split into two modules in order to obtain better quality of information independently from male and female respondents by male and female enumerators respectively. The last round of HIES was conducted in 2010-11 as a subsample of District level Survey.

Field activities of the current round of HIES Survey were started in September 2011 to study both social as well as economic indicators related to the households. This report provides important data on household income, consumption expenditure and consumption pattern at national and provincial level with urban/rural breakdown. The consumption quintiles have been used which are important and more realistic tool of data analysis. I would like to congratulate Mr Ayazuddin, Deputy Director General PBS and the whole PSLM team for the successful completion of the task.

Comments and suggestions for further improvement of this report will be most welcome.

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ACRONYMS

HIES	Household Integrated Economic Survey
PSLM	Pakistan Social and Living Standards Measurement Survey
PIHS	Pakistan Integrated Household Survey
KPK	Khyber Pakhtunkhwa
CPI	Consumer Price Index
UN	United Nations
PBS	Pakistan Bureau of Statistics
SNA	System of National Accounts
E.Bs	Enumeration Blocks
PSUs	Primary Sampling Units
SSUs	Secondary Sampling Units
PPS	Probability Proportional to Size
MOS	Measure of Size
COICOP	Classification of Individual Consumption by Purpose
GOP	Government of Pakistan

CHAPTER 1

1.1   Introduction

This report presents household Income and consumption expenditure data for the year 2011-12. The format of the report is almost the same as of the Household Integrated Economic Survey (HIES) which was conducted during the years 2001-02, 2004-05, 2005-06, 2007-08 and 2010-11. In this report all the variables have been presented by consumption quintiles. In chapter-2 the main findings of the report are summarised. Chapter 3 explains the concepts and definitions used in the report and in chapter 4; the sample design adopted for the survey is outlined. After that, twenty five major tables are presented. The methodology for computation of consumption quintiles is explained in Appendix-A. After that twenty five major tables are presented.

1.2   Developments in HIES

The HIES has been conducted, with some breaks, since 1963.However, in 1990 the HIES questionnaire was revised in order to address the requirements of a new system of national accounts. The four surveys of 1990-91, 1992-93, 1993-94 and 1996-97 were conducted using the revised questionnaire. In 1998-99, the HIES data collection methods and the questionnaire were revised to reflect the integration of HIES with the Pakistan Integrated Household Survey (PIHS). After this the HIES was conducted as an Integrated Survey with PIHS in 1998-99 and 2001-02.Subsequently the survey was renamed in 2004 as Pakistan Social and Living Standards Measurement (PSLM) Survey and the same module of the HIES remain intact. PSLM, (District Level) Survey and PSLM/ HIES (National/ Provincial level) Survey are conducted on alternating years. Before this Survey four rounds of HIES were conducted during 2004-05, 2005-06, 2007-08 and 2010-11.

The current round of the HIES has been conducted covering 15807 households. It provides important information on household income, savings, liabilities, and consumption expenditure and consumption patterns at national and provincial level with urban/rural breakdown. It also includes the requisite data on consumption for the Planning & Development Division for estimation of poverty.

1.3 Data Collection Methods

The income and consumption data of the HIES Survey is being collected by adopting team approach comprising of both male and female enumerators. In each field team female enumerators interviewed the female household members while male enumerators interviewed the male respondents.

1.4 Questionnaire Design

The household income and consumption part of PSLM questionnaire is the same which has been used for the previous rounds since 2001-02 however, some minor improvements have been made for the reference year.

The main structure of the PSLM/ HIES questionnaire used for the survey 2011-12 is as under:-

STRUCTURE OF PSLM/HIES QUESTIONNAIRES FOR THE YEAR 2011-12

SECTION A: SURVEY INFORMATION

SECTION 1: PART-A: HOUSEHOLD INFORMATION

       PART-B: EMPLOYMENT & INCOME

SECTION 2: EDUCATION

SECTION 3: PART-A: DIARRHOEA

       PART-B: IMMUNISATION

       PART-C: MALARIA & TUBERCULOSIS

SECTION 4: PART-A: PREGENCY HISTORY

       PART-B: MATERNITY HISTORY

       PART-C FAMILY PLANNING

       PART-D: PRE & POST NATAL CARE

       PART-E: WOMEN IN DECESION MAKING

SECTION 5: HOUSING

<u>CONSUMPTION MODULE</u>

SECTION 6: HOUSEHOLD CONSUMPTION EXPENDITURE

SECTION 7: SELECTED DURABLE CONSUMPTION ITEMS OWNED/SOLD BY THE HOUSEHOLD (DURING LAST ONE YEAR)

SECTION 8: TRANSFERS RECEIVED AND PAID OUT (DURING LAST ONE YEAR)

SECTION 9: PART- A: BUILDINGS AND LAND OWNED BY MEMBERS OF THIS HOUSEHOLD.....
       PART- B: FINANCIAL ASSETS AND LIABILITIES, LOANS AND CREDIT

SECTION 10: PART A: AGRICULTURAL SHEET
       PART B: LIVESTOCK,POULTRY,FISH,FORESTRY,HONEY BEE

SECTION 11 :NON-AGRICULTURAL ESTABLISHMENT

SECTION 12: BALANCE SHEET FOR INCOME AND EXPENDITURE

CHAPTER 2

2.1   Main Findings

This chapter presents the key results of the 2011-12 data in comparison with the HIES data (2007-08 and 2010-11). Specific sections examine changes in average household size; the percentage of employed people and their employment status, main sources of income; consumption patterns; the level of savings; and the consumption of the major food items. In this chapter results are given in a summarised form. Key findings are presented on the change in the patterns of the people's welfare (e.g. the impact on the poor and the rich).

A more detailed disaggregation is provided in the main tables of this report and the key distributions are examined across five standardised per capita consumption expenditure quintiles. Each quintile contains 20 % of the total population. For example, the first quintile contains lowest 20 % of the total population and in the second quintile the next better off 20 % of the total population, similarly for the third and fourth quintiles, whereas and the fifth quintile contains the richest 20 % of the total population. The quintile approach provides a better distributional and welfare analysis for the reasons that each quintile contain 20 % of the population with respect to their welfare standard.

Due to prevailing situation at the time of survey in Balochistan 57 areas have been dropped from the overall sample of PSLM 2011-12 and weights have been adjusted accordingly, therefore results of Balochistan may read with caution.

2.2   Household size

The national average household size is 6.41 members, which is slightly greater than the average household size 6.38 members observed for the year 2010-11. (See table-2.2 A).

TABLE 2.2.A   AVERAGE HOUSEHOLD SIZE, 2007-08, 2010-11 AND 2011-12

AREA	Average Household Size		
	2007-08	2010-11	2011-12
Total	6.58	6.38	6.41
Urban	6.31	6.19	6.22
Rural	6.72	6.49	6.51

See table-1 in the main body of this report for further desegregation.

The average household size is desegregated by quintiles. The average household size shows decreasing trend from 1st quintile to the 5th quintile. It gives understanding that the

richest households have a comparatively smaller family size than the poorest households. (See table 2.2.B).

TABLE 2.2.B   AVERAGE HOUSEHOLD SIZE BY QUINTILES AND REGION, 2011-12

AREA	Quintiles					
	1st	2nd	3rd	4th	5th	Total
Pakistan	8.16	7.40	6.77	5.96	4.84	6.41
Urban	8.37	7.78	7.29	6.28	5.08	6.22
Rural	8.13	7.29	6.55	5.77	4.54	6.51

See table-1 in the main body of this report for further desegregation.

A further analysis reveals that differences exist in household size between rural and urban areas and among provinces. The differences of household size between rural and urban areas are statistically significant similarly, among provinces. Punjab has the lowest household size. (See table 2.2.C).

TABLE 2.2.C   AVERAGE HOUSEHOLD SIZE, BY PROVINCES AND REGION

AREA	2010-11	2011-12
Total	**6.38**	**6.41**
Urban	6.19	6.22
Rural	6.49	6.51
Punjab	6.16	6.08
Sindh	6.39	6.55
KPK	7.17	7.22
Balochistan	7.08	8.53

See table- 1 in the main body of this report for further desegregation.

2.3   Employed persons and other income earners

In this sub-section, the distribution of income earners across the total population is presented which has been disaggregated by employment status.

Table 2.3 shows that comparing the results of HIES 2011-12 with the HIES 2010-11, the average number of earners per household have been increased both in urban(1.77) and rural areas(2.01) which shows that the number of earners in rural areas are higher than in urban areas. The number of earners is further desegregated by provinces. Comparison of the two surveys shows that average number of earners has risen in Sindh

Out of total earners 43.03% are head & 56.97% are other than head. (Ref.Table 6)

i.e. from 1.86 in 2010-11 to 2.10 in 2011-12, whereas the number of earners for KPK and Punjab increased slightly.

TABLE 2.3   AVERAGE NUMBERS OF EARNERS PER HOUSEHOLD BY PROVINCE AND REGION

AREA	2010-11	2011-12
Total	**1.84**	**1.93**
Urban	1.75	1.77
Rural	1.89	2.01
Punjab	1.90	1.91
Sindh	1.86	2.10
KPK	1.59	1.63
Balochistan	1.65	2.19

See table -6 in the main body of this report for further desegregation.

2.4.   Income earners by employment status

In table 2.4 the household earners are disaggregated by employment status. It has been observed that the percentage of employers has increased i.e. from 0.59 % in HIES 2010-11 to 0.89 % in 2011-12. There has been slight increase in percentage of self-employed person from 24.34% in 2010-11 to 25.03% in 2011-12, a fact which is also reflected in its urban and rural disaggregation.(see table 2.4)

> The percentage of unpaid family helper among the 1.93 earner per household is 19.36%. (Ref Table 5)

TABLE 2.4   PERCENTAGE DISTRIBUTIONS OF EARNERS BY EMPLOYMENT STATUS

EMPLOYMENT STATUS	2010-11			2011-12		
	Urban	Rural	Total	Urban	Rural	Total
Employer	1.25	0.28	0.59	1.95	0.39	0.89
Self-employed	17.65	27.60	24.34	18.30	28.15	25.03
Unpaid family helper	7.28	25.53	19.57	8.44	24.42	19.36
Employee	70.27	45.12	53.34	67.95	45.77	52.81
Not economically active	3.55	1.48	2.16	3.35	1.26	1.92

See table -6 in the main body of this report for further desegregation.

2.5   Consumption, income and savings

In table 2.5.A, the pattern of consumption expenditure of households is explained among urban and rural areas and also by quintiles. It shows that the level of consumption expenditure in urban areas is higher as compared to rural areas. Further analysis by quintiles reveals that average consumption expenditure of the richest quintile in rural areas is more than two times higher than the lowest income quintile. However the gap in the first and the fifth quintiles is wider in urban areas as compared to rural areas. Consumption expenditures have increased by 16 % in 2011-12 as compared to 2010-11.

> Consumption expenditure is used as a proxy to assess people's welfare, which shows that average monthly household consumption has increased by 16% in 2011-12 as compared to 2010-11

TABLE: 2.5.A   AVERAGE MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY QUINTILES & REGION

QUINTILES	AVERAGE MONTHLY CONSUMPTION EXPENDITURE PER HOUSEHOLD					
	2010-11			2011-12		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1st	12102	11379	11503	13778	13019	13123
2nd	15182	13994	14268	17413	16137	16412
3rd	16803	16427	16537	20421	18255	18901
4 th	20422	18211	19014	23084	20939	21741
5 th	33509	25554	29902	40509	27343	34774
PAKISTAN	**23959**	**16919**	**19336**	**28996**	**18887**	**22379**

See table -15 in the main body of this report for further desegregation.

In table 2.5.B, the analysis of the average household income by quintiles and by urban and rural breakdown indicates that the pattern of average household income is very similar to its consumption pattern. Among total households, households of the highest income level are having the average income more than three times as compared to lowest income level of households in urban areas and rural areas, which are having almost the same income level.
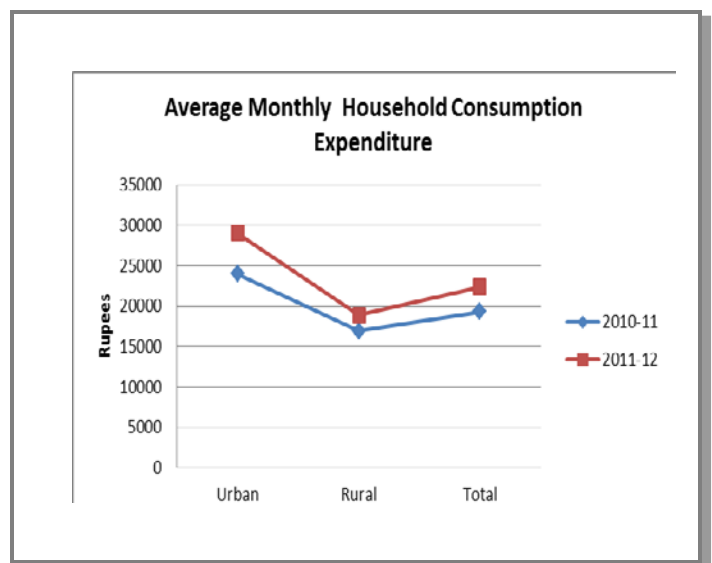
TABLE: 2.5.B   AVERAGE MONTHLY HOUSEHOLD INCOME BY QUINTILES   AND AREAS

| QUINTILES | AVERAGE MONTHLY INCOME PER HOUSEHOLD (RS.) | | | | | |
| | 2010-11 | | | 2011-12 | | |
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1st	11970	11265	11386	13845	13221	13307
2nd	16482	13613	14274	17674	16578	16815
3rd	17383	16618	16841	21307	19342	19928
4th	22996	19922	20784	26755	23204	24531
5th	40876	33933	37728	51484	33978	43859
TOTAL	**27664**	**18713**	**21785**	**34780**	**20877**	**25679**

See table -11 in the main body of this report for further desegregation

Average Monthly Household Income

Average Monthly Household Income & Consumption Expenditure
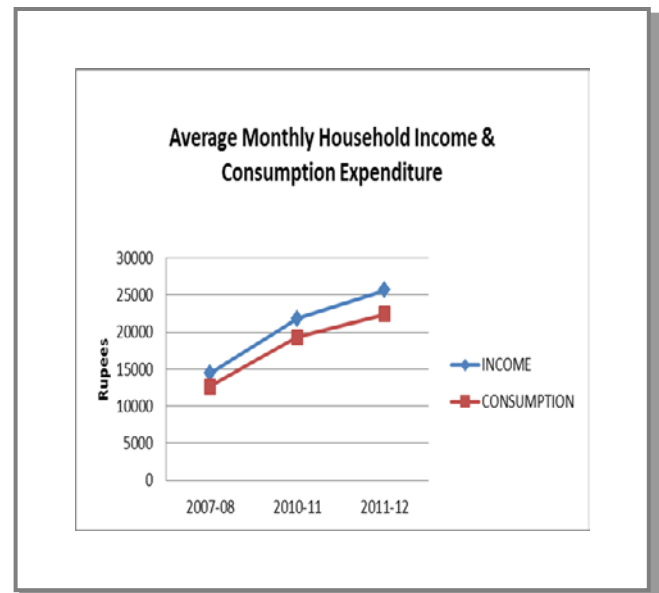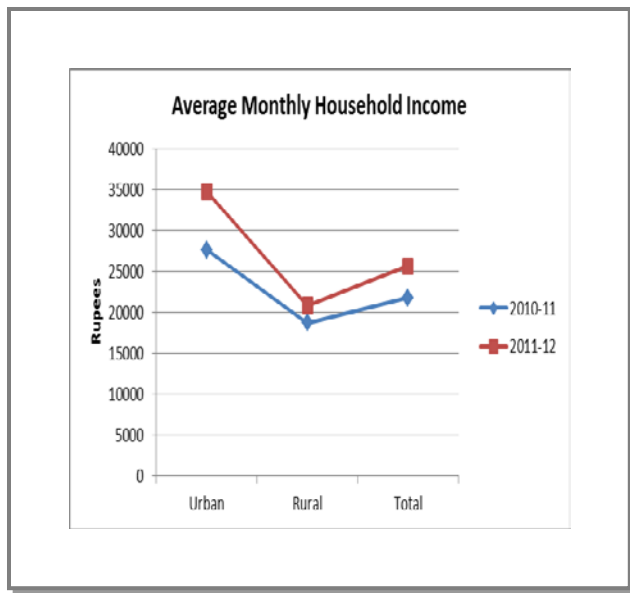
Table 2.5.C reveals the per capita consumption expenditure in urban/ rural areas and by quintiles. The average individual expenditures for the richest quintile in urban areas are four and a half times more than the poorest quintile.

On similar lines for rural areas we observe that it is more than three and a half times the poorest quintile. There is not much difference between the average per capita expenditure for poorest quintile in rural and urban areas whereas it is higher in urban areas than the rural areas for richest quintile.

Quintile wise comparisons clearly specify that distribution of income is wider in urban

**TABLE 2.5.C   PER CAPITA MONTHLY CONSUMPTION EXPENDITURE BY QUINTILES AND
REGION 2011-12(RUPEES)**

QUINTILES	2010-11			2011-12		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1ST	1441	1426	1428	1645	1601	1608
2ND	1985	1966	1970	2239	2213	2219
3RD	2469	2468	2468	2801	2790	2793
4TH	3217	3195	3203	3678	3628	3648
5TH	6679	5312	6073	7973	6033	7182
TOTAL	**3872**	**2608**	**3029**	**4663**	**2900**	**3490**

See table -22 in the main body of this report for further desegregation.

2.6   Income sources

While analysing household income and consumption expenditure we need to consider different sources of income of both rich and poor. In table 2.6 the percentage of the income earned from different sources in 2011-12 has been compared with the data of 2010-11.

In general, the trend of major income sources towards the total household income has shown a changing pattern in some of the sources over the period from 2010-11 to 2011-12. If the income sources are analysed, it is observed that wages and salaries have always played significant role towards the total household income, in fact it contributes 38.44% in total income. However, in rural areas there is a slight decline in agricultural activity (crop) from 20.17% in 2010-11 to 19.07% in 2011-12.

The second major source of income remained the non agricultural activities i.e. business and services sectors, which has increased significantly from 15.17% in 2010-11 to 18.30% in 2011-12. The third major source of income both in urban and rural areas is owner occupied dwellings from where the imputed income is derived. This source has a considerably high contribution in urban areas with 12.73% whereas in rural areas its contribution is 6.07%.

The percentage share of income from foreign remittances has decreased in 2011-12 as compared to the period 2010-11. The data reveals that it has decreased both in urban and rural areas. In contrast to this there is an increase in the percentage share of income from gift and assistance; it increased from 2.41% in 2010-11 to 2.65% in 2011-12.

TABLE 2.6   **PERCENTAGES OF MONTHLY HOUSEHOLD INCOME SHARE BY SOURCE AND REGION**

INCOME SOURCES	2010-11			2011-12		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Wage and salaries	50.18	31.59	39.69	46.83	31.06	38.44
Crop Production	1.55	20.17	12.05	1.92	19.07	11.05
Livestock	1.18	12.74	7.70	1.00	13.26	7.53
Other non-agri. Activities	21.65	10.16	15.17	25.44	12.03	18.30
Property(Owner Occupied Houses Excluded)	2.89	3.29	3.12	2.98	3.43	3.22
Owner Occupied Houses	13.81	3.71	9.81	12.73	6.07	9.19
Social Insurance Benefits Including Pension	2.21	1.51	1.81	2.31	1.58	1.92
Gift and Assistance	1.63	3.00	2.41	1.43	3.73	2.65
Foreign Remittances	2.91	6.02	4.67	3.55	4.00	3.79
Domestic Remittances	1.63	4.35	3.17	1.80	5.43	3.73
Other Sources	0.35	0.44	0.40	0.02	0.34	0.19

See table -11 in the main body of this report for further   desegregation
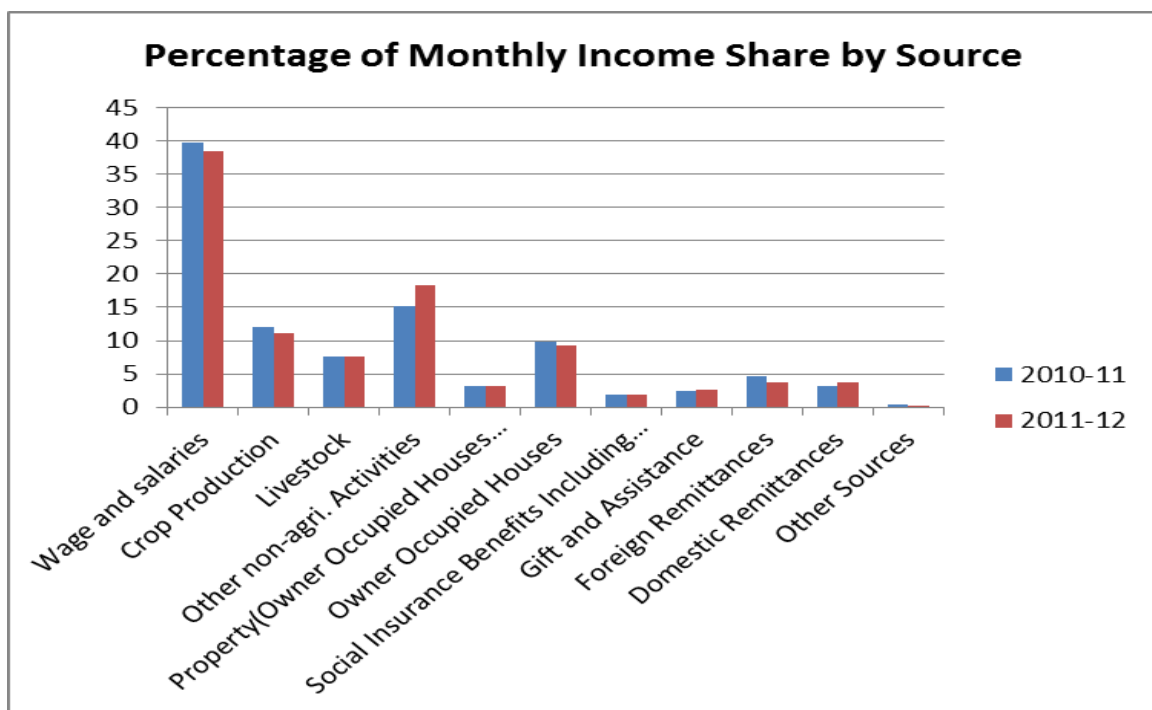
2.7   Consumption pattern

The consumption expenditure pattern for different commodity groups shows consistent trend from 2010-11 to 2011-12. While the share of food expenditure is relatively high as compared to all other commodity groups at Pakistan level, it has decreased from 48.91 % in 2010-11 to 45.01 % in 2011-12.

Further analysis reveals that the consumption expenditure in housing has shown a decreasing trend as compare to 2010-11 while consumption expenditures on apparel, textile, and footwear, education, transport and communication, recreation, entertainment fuel & lighting , and other miscellaneous have shown a slightly increasing trend as compared to 2010-11. (See Table 2.7).

TABLE 2.7 PERCENTAGE OF MONTHLY CONSUMPTION EXPENDITURE BY COMMODITY GROUPS

COMMODITY GROUPS	2010-11			2011-12		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Food, beverage & tobacco	41.08	54.71	48.91	38.15	50.58	45.01
Apparel, textile & foot-wear	4.66	5.45	5.11	5.11	6.19	5.71
Transport t & communication	6.69	5.51	6.01	6.97	6.16	6.53
Cleaning ,laundry & Personal appearance	3.55	3.83	3.71	3.67	3.72	3.70
Recreation & entertainment	0.77	0.19	0.44	0.84	0.24	0.51
Education	4.82	2.51	3.49	6.58	3.37	4.81
Housing	21.04	8.67	13.93	19.68	7.91	13.18
Fuel & lighting	7.06	8.01	7.60	6.89	8.74	7.91
Miscellaneous	10.32	11.13	10.78	12.09	13.09	12.64

See table -15 in the main body of this report for further desegregation.

Percentage of Monthly Consumption Expenditure by Commodity Groups
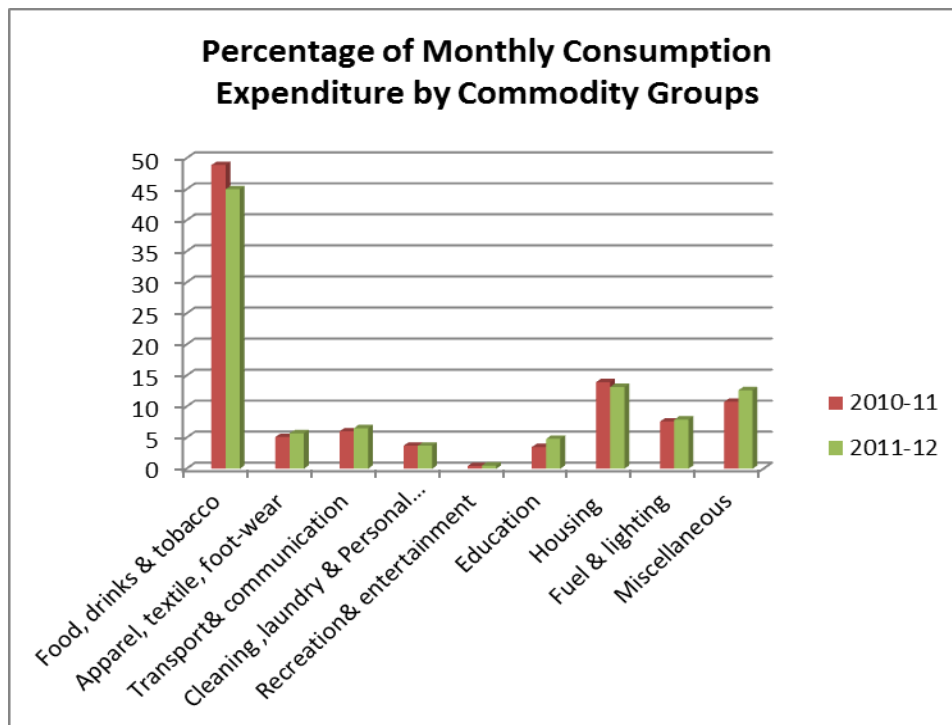
Table 2.7(A) is representing monthly consumption expenditure according to Classification of Individual Consumption by Purpose (COICOP). This classification is now in line with Pakistan's Consumer Price Index (CPI) as well as the latest UN International Classification.

TABLE 2.7(A) PERCENTAGE OF MONTHLY CONSUMPTION EXPENDITURE BY COMMODITY GROUPS

COMMODITY GROUP	2010-11			2011-12		
	Urban	Rural	Total	Urban	Rural	Total
Food, drinks & tobacco	**41.08**	**54.71**	**48.91**	**38.15**	**50.58**	**45.01**
Food & Nonalcoholic Beverages	38.98	52.44	46.71	35.71	48.21	42.62
Alcoholic beverages &Tobacco	0.79	1.26	1.06	0.81	1.32	1.09
Restaurant & Hotels	1.32	1.01	1.14	1.61	1.05	1.30
Clothing& Footwear	**4.66**	**5.45**	**5.11**	**5.11**	**6.19**	**5.71**
Housing (rent & other costs)	**28.10**	**16.68**	**21.54**	**26.52**	**16.65**	**21.09**
Housing	21.04	8.67	13.98	19.63	7.91	13.18
Water, Electricity ,Gas& other fuels	7.06	8.01	7.60	6.89	8.74	7.91
Furnishing & Household equipment Maintenance	**7.03**	**7.48**	**7.29**	**8.35**	**8.95**	**8.82**
Transport& communication	8.87	7.13	7.87	9.30	8.01	8.58
Transport	6.69	5.51	6.01	6.97	6.16	6.52
Communication	2.18	1.62	1.86	2.33	1.85	2.06
Recreation & Culture	**0.83**	**0.23**	**0.48**	**0.88**	**0.27**	**0.54**
Education	**4.82**	**2.51**	**3.49**	**6.58**	**3.36**	**4.80**
Miscellaneous Goods & Services	**2.44**	**2.65**	**2.56**	**2.50**	**2.44**	**2.47**
Health	**2.18**	**3.19**	**2.76**	**2.54**	**3.55**	**3.10**

2.8. Monthly household consumption expenditure on major food items

Table 2.8.A shows the percentage share of expenditure on major food items. Out of the total food expenditure 17 food items contributed 81.41%. These items contribute 84.62% in rural areas and 76.22 % in urban areas. A comparison of the same 17 food items with the year 2010-11 reveals that the overall expenditure level has gone down slightly in both urban and rural areas. For food items the major share of consumption expenditure is incurred on wheat, milk, vegetable ghee, vegetables and sugar which almost share 56 % out of 81.41%.

TABLE 2.8.A   PERCENTAGE OF MONTHLY EXPENDITURE ON 17 MAJOR FOOD ITEMS, 2010-11

FOOD ITEMS	2010-11			2011-12		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Wheat & wheat flour	12.82	16.25	15.02	11.22	15.51	13.85
Rice & rice flour	3.56	3.74	3.67	3.84	4.12	4.01
Pulses ,split & Whole	2.53	2.60	2.57	2.29	2.36	2.33
Vegetable ghee	5.75	8.59	7.58	5.73	9.53	8.09
Tea(Black & Green)	2.06	2.17	2.13	2.32	2.45	2.40
Milk, fresh & boiled	19.33	19.47	19.42	19.19	21.44	20.59
Butter	0.32	1.22	0.90	0.35	0.88	0.68
Mutton	2.29	1.12	1.54	2.96	1.71	2.19
Beef	3.80	3.10	3.35	4.05	3.23	3.54
Chicken	4.48	3.32	3.74	4.86	3.34	3.92
Fish	0.62	0.44	0.51	0.92	0.47	0.64
Fruits(Fresh & dried)	4.30	3.01	3.47	3.88	2.62	3.10
Vegetables	8.10	8.91	8.62	7.99	8.96	8.59
Salt	0.16	0.16	0.15	0.15	0.17	0.16
Spices	2.63	2.20	2.35	2.11	1.73	1.87
Sugar mill/desi	5.91	7.74	7.09	4.27	5.76	5.20
Gur & shakker	0.13	0.57	0.41	0.09	0.34	0.25
Total	**78.80**	**84.61**	**82.52**	**76.22**	**84.62**	**81.41**

See table -16 in the main body of this report for further desegregation.

Further desegregation of expenditure on major food items by quintiles shows the consumption pattern among different consumption quintile according to their needs and preferences. Among the food items, the poorest spend 69.03% of the total food expenditure on wheat, milk, vegetable ghee, vegetables and sugar, while the richest spends 45.13%, on milk, wheat, vegetables, fruits, mutton, beef, sugar and chicken etc which shows that they have different preferences for consumption expenditures. (See Table 2.8.B).Per capita monthly consumption in quantity reveals that wheat is significantly less consumed in urban areas as compared to rural areas. (See Table 2.8. C)

TABLE 2.8.B   PERCENTAGE OF MONTHLY EXPENDITURE ON MAJOR FOOD ITEMS BY QUINTILES, 2011-12

FOOD ITEMS	QUINTILES					
	1st	2nd	3rd	4th	5th	TOTAL
Wheat &wheat flour	20.96	18.18	15.84	13.31	8.70	13.85
Rice & rice flour	4.23	4.47	4.30	4.04	3.55	4.01
Pulses, Split &Whole	2.50	2.55	2.58	2.44	1.96	2.33
Vegetable ghee	12.06	10.85	9.51	7.97	4.77	8.09
Tea(Black & Green)	2.83	2.67	2.56	2.46	2.01	2.40
Milk (fresh & boiled)	18.48	19.63	20.73	22.08	20.67	20.59
Butter	0.11	0.37	0.61	0.77	0.99	0.68
Mutton	0.46	0.89	1.30	2.04	3.95	2.19
Beef	2.02	2.90	3.50	4.17	3.96	3.54
Chicken	2.65	3.09	3.47	4.05	4.88	3.92
Fish	0.42	0.50	0.44	0.54	0.96	0.64
Fruits	1.63	1.83	2.40	2.83	4.73	3.10
Vegetables	10.36	9.82	9.22	8.51	7.13	8.59
Salt	0.20	0.19	0.17	0.16	0.14	0.16
Spices	1.66	1.81	1.94	1.96	1.87	1.87
Sugar mill/desi	7.17	6.24	5.67	5.08	3.86	5.20
Gur & shakker	0.36	0.32	0.33	0.23	0.14	0.25
Total	**88.09**	**86.3**	**86.13**	**82.63**	**74.26**	**81.41**

TABLE 2.8.C   PER CAPITA MONTHLY CONSUMPTION (QUANTITIES) OF MAJOR FOOD ITEMS, 2011-12

FOOD ITEMS	UNIT	2010-11			2011-12		
		Urban	Rural	Total	Urban	Rural	Total
Wheat &wheat flour	Kg	6.91	8.52	7.98	6.65	8.18	7.67
Rice &rice flour	Kg	0.96	1.02	1.00	0.98	0.96	0.97
Pulses	Kg	0.24	0.31	0.28	0.37	0.36	0.37
Vegetable ghee	Kg	0.60	0.80	0.74	0.59	0.81	0.74
Tea black & green	Grams	71.80	69.15	70.03	79.05	69.95	73.0
Milk (fresh & boiled)	Litre	6.28	6.65	6.53	6.05	6.52	6.36
Butter	Grams	12.56	42.61	32.61	15.69	29.49	24.87
Mutton	Kg	0.08	0.04	0.05	0.11	0.05	0.07
Beef	Kg	0.23	0.20	0.21	0.26	0.19	0.22
Chicken	Kg	0.34	1.57	0.26	0.40	0.23	0.29
Fish	Kg	0.06	0.04	0.05	0.08	0.04	0.05
Fruits	Kg	1.45	0.52	0.83	0.55	0.32	0.40
Vegetables	Kg	3.79	3.89	3.85	4.1	4.12	4.13
Salt	Kg	0.22	0.21	0.22	0.24	0.23	0.23
Sugar(desi & milled)	Kg	1.19	1.37	1.31	1.19	1.32	1.28
Gur & shakker	Kg	0.02	0.10	0.07	0.02	0.07	0.05

See table -23 in the main body of this report for further desegregation.

A further analysis of consumption patterns is presented in table 2.8.D, where household consumption expenditure on fuel and lighting is disaggregated into eight different components. It is observed that the major share of expenditure on fuel and lighting in urban areas is incurred on electricity and gas. In rural areas the main source of energy apart from electricity is firewood.

TABLE 2.8.D   HOUSEHOLD EXPENDITURE ON FUEL AND LIGHTING (PERCENTAGE)

FUEL ITEMS	2010-11			2011-12		
	Urban	Rural	Total	Urban	Rural	Total
Firewood	5.02	29.04	19.56	3.84	26.79	17.84
Kerosene Oil	0.12	1.64	1.04	0.06	0.87	0.55
Charcoal	0.00	0.01	0.01	0.00	0.02	0.01
Coal(hard,soft,peat)	0.01	0.05	0.04	0.02	0.09	0.06
Dung cakes	0.88	7.84	5.09	0.50	7.63	4.85
Gas(piped/cylinder)	19.72	6.77	11.89	19.86	8.45	12.90
Electricity	70.95	41.41	53.07	71.69	41.43	53.48
Others	3.30	13.23	9.31	4.01	14.32	10.30

See table -18 in the main body of this report for further desegregation.

Desegregation by quintiles shows that the richest households mostly use electricity and gas whereas the poor prefer low cost products such as firewood, dung cake and others (agricultural waste, candles, matches and electric items). (See Table 2.8.E)

TABLE 2.8.E   PERCENTAGES OF HOUSEHOLD EXPENDITURE ON FUEL & LIGHTING BY QUINTILES, 2011-12

FUEL AND LIGHTING	QUINTILES					
	1ST	2ND	3RD	4TH	5TH	TOTAL
Firewood	26.38	25.99	23.27	19.39	9.10	17.84
Kerosene Oil	1.78	0.95	0.60	0.35	0.18	0.55
Charcoal	0.00	0.03	0.03	0.00	0.00	0.01
Coal(hard,soft,peat)	0.04	0.06	0.14	0.07	0.03	0.06
Dung cakes	8.02	7.73	6.39	4.96	2.16	4.85
Gas(piped/cylinder)	4.83	7.49	9.98	13.20	18.24	12.90
Electricity	38.30	42.60	47.66	52.83	64.65	53.48
Others	20.66	15.14	11.92	9.2	5.64	10.30

Data is further disaggregated in Table-18 by items and by provincial and urban/rural breakdown.

CHAPTER 3

Concepts and definitions

In this chapter the major concepts and definitions used in the report are outlined, and divided into four main parts. The first part consists of definitions of the household and its members, the second part covers concepts and definitions of employment status, income, financial and assets transactions, the third part covers consumption expenditure, and the fourth education**.**

3.1   Definition of household and household members

Household: A household may either be a single person household or a multi-person household. A single person household is one where the individual makes provision for his/her own food and other essentials of living, without combining it with any other person and without any usual place of residence elsewhere.

A multi-person household is a group of two or more persons who make some common provision for food or other essentials of living and who are without usual place of residence elsewhere. The persons constituting the group may pool their incomes and have a common budget to a greater or lesser extent; they may be related or unrelated or a combination of both. The general criterion to be used in identifying the members of a multi-person household relates to whether they live and eat together and have no usual place of residence elsewhere.

Head of the household: If a person lives alone, that person is considered as the head of the household. If a group of persons live and eat together as defined above, the head of the household is that person who is considered as the head by the household members. In practice, when husband, wife, married and unmarried children form a single household, the husband is generally reported as the "head". When parents, brothers and sisters comprise a household, either a parent or the eldest brother or sister is generally reported as the head by the household. When a household consists of several unrelated persons either the respondent or the eldest household member is selected as the "head". In special dwelling units the resident person in-charge (e.g. manager) may be reported as the "head".

Household members: Household members are all such persons or group of persons in a household who normally live and eat together and consider the living quarter/space occupied by them as their usual place of residence. Such persons may be related or unrelated to each other. All such persons who normally live and eat in the household and are present at the time of enumeration and those who are temporarily absent for reasons such as, visiting, travelling in connection with business, attending schools/ colleges/ universities/ polytechnics/ other educational institutions, admitted in hospitals, outside tours etc., are treated as household members. Visitors, purely temporary

boarders and lodgers, transients, servants and guests, etc. who consider their usual place of residence to be elsewhere but are found staying with the household included in the sample are not household members.

Absent household members such as migrant workers in the Middle East, are not considered to be part of the household and their income (as far as made available to the household) is included as remittances received. As these persons are not present, consumption expenditures also do not include expenses on their account.

Family members include husband, wife/wives, unmarried sons and daughters and other direct dependents such as parents, unmarried sisters, brothers, separated/divorced sisters and daughters. Other related persons, servants, boarders and lodgers who have no other place of residence elsewhere and who live and eat within the household with or without payment are considered members of the household, but not members of the family.

3.2   Employment status, income, financial and other transactions

Employed persons. A person is considered employed if he/she worked for at least one hour during the month preceding the interview or, even if the person did not work in the last month, he/she had a job or ran an enterprise such as shop, business, farm or service establishment during the last year.

Employment status.   Employed persons are divided in the following categories: employer, paid employee, self-employed and own account worker, unpaid family helper, and agricultural labourers (owner cultivator, share-cropper, and contract cultivator). An employer is a person who owns an enterprise and works himself as well as employs individuals for pay to help him/ her in his/her enterprise but may have others working for him/ her without pay. An employee is a person who works for others in exchange for wages and a salary that is paid in cash or in kind. A self-employed or own account worker is a person who, though owning an enterprise, does not employ any person for pay, to help him/ her in his/ her enterprise but may have others working for him/her without pay, such as family helpers. The self-employed are divided into two categories:

- Those who run their own business or enterprise themselves without the help of any other person.

- Those own account workers who run their own business or enterprise with the help of unpaid family helpers only.

Unpaid family helper is a member of the family who works for the family enterprise without being paid. Although they are not paid, their efforts result in an increase in the household income; therefore they are considered employed persons.

Earners are all those persons aged 10 years and above who provide the household with material return, in cash or in kind. Earners are divided into two categories, economically active and not economically active. All employed persons are included amongst the economically active. Pensioners and those who receive incomes from renting buildings and land (i.e. landlords) are classed as not economically active.

Industry divisions represent the activities of the firm, office, establishment or department in which a person is employed or the kind of business in which he/she works. Pakistan Standard Industrial Classification (PSIC) 2010 is currently used to define Industry divisions. They are divided into: agriculture/fishing; mining and quarrying; manufacturing; electricity/gas and water; construction; trade/hotels and restaurants; transport and storage; finance and real estate; community services; and other activities not defined.

Major occupation groups describe the nature of work usually undertaken by an individual. Where a person performs more than one occupation during the year the main occupation is recorded. Pakistan Standard Classification of Occupations 1994 is currently used to define Occupational groups .Main occupational groups are: legislators/senior officials and managers; professionals; technicians and associate professionals; clerks; service workers/shop and market sales workers; skilled agriculture and fishery workers; craft and related trade workers; plant and machine operators and assemblers; elementary occupations; and armed forces.

Household income is the sum of monetary income and income "in kind". Household income consists of receipts, which, as a rule, are of a recurring nature and are received regularly by the household or by an individual household members usually at annual or more frequent intervals. Household income is derived from the following main sources: employees' salaries, wages and other related receipts from employers; operating surplus from non-agricultural and non-financial sector enterprises employing less than 10 persons; operating surplus from agriculture; withdrawal of entrepreneurial income for proprietors engaging ten or more persons in the industry divisions mentioned above; and income from personal investment (rent, interest and dividends) and royalties. For the purposes of household surveys it is convenient to include as income, bonuses and gratuities, pensions, social security benefits, tuition fees, other subsidiary sources, receipts from zakat, usher, scholarships, and other periodical receipts like domestic and foreign remittances, alimony, inheritance or trust funds.

Household income in cash includes all money receipts such as wages, salaries, rent from land and property, income from self-employment, gifts, and assistance.

Household income "in kind" includes wage payments in kind through goods and services transferred free of charge by an enterprise (including farm products) to an

employee and to the household of the owner or part owner of the enterprise; it also includes the value of home production that is consumed within the household (e.g. agricultural products, livestock products etc.). Where an employee buys from his employer, for his household consumption, goods and services at concessionary/subsidised prices and thus obtains a significant advantage, the value of these concessions/subsidies is also taken into account as income "in kind". Remittances in kind, gifts and assistance, zakat and other transfers in kind are considered income "in kind". The estimated net rental value of owner occupied housing is in principle also treated as income "in kind" and, as is the estimated gross rental value to the occupier of rent-free housing, whether obtained as wages "in kind" or otherwise.

Imputed income is the estimated value at current market prices of the goods and services received by the household for which no cash payment is made. Imputed income includes the estimated value of home produced goods consumed by the household, rent from owner occupied and rent free dwellings, gifts and assistance received in kind and wages and salaries paid in kind free of cost by the employers. For example for wheat received in kind, the enumerator will report the market value of wheat received under the column wages & salaries

Disposable income is defined in the System of National Accounts (SNA) as the income from all sources after netting for all current transfers (which include taxes) received and paid. It is equivalent to final consumption plus savings. In exceptional circumstances disposable income may be negative: current expenditure in those cases has to be met from the net disposal of assets.

Operating surplus for establishments run by households has generally been calculated from the special agricultural and non-agricultural modules in the questionnaire. The alternative is to use respondent's own self-reported estimate of operating surplus, however, this estimate is liable to reporting errors.

A detailed worksheet was filled for household members who were engaged in agricultural activities either through cultivation of land or keeping livestock and/or inland fishery. With regards to those household members engaged in the agricultural sector, no restriction is set on the number of persons engaged in the unit. Furthermore, for all household members who were engaged as owner-proprietor of a business in the non-agricultural and non-financial sectors with less than 10 employees, a detailed worksheet for economic activity was completed. The number of persons engaged in the unit is calculated as the sum of all own-account workers, unpaid-family workers and employees. All units whether registered or unregistered, using power or not, are included if the unit engages less than 10 persons.

Wages and salaries are the earning of employees in cash or in kind from one or more jobs.

Income from farming (self-employed) is the operating surplus derived from crop farming, including rent from land and agricultural equipment.

Income from livestock (self-employed) is the operating surplus derived from livestock products.

Income from other activities (self-employed) is the operating surplus derived from commercial and industrial activities, including rent from building and machinery.

Property income consists of interest and dividends from savings/deposits and receipts from rent of land and buildings, if these amounts are not reported in the worksheets for the agricultural or non- agricultural establishments. In fact, rental income from buildings, plants, or machinery reported in the worksheets is included in the operating surplus.

Social benefits includes pension and social security benefits, such as sickness benefit, unemployment benefit, family and maternity benefit, invalidity benefit, etc. They all constitute recurrent cash payments from various types of employment schemes.

Net sales of property are calculated as sales minus purchases of land, buildings (including major improvements), livestock, machinery and equipment. The value of major improvements and renovations is deducted from sales along with purchases.

Net sales of other assets includes sales minus purchases of stocks, shares and other securities; withdrawal from deposits minus savings added to deposits; sales minus purchases of gold, silver and precious metals (including jewellery), and the sale of durable items. Also cash transfers for dowry and inheritance have been considered as asset movements and added to the net sale of assets (cash expenses minus values received). Finally, from this aggregate those amounts that households reported as losses of cash were deducted.

Net borrowing consists of two parts, the value of loans obtained minus the loans repaid (including interest/profit) and the difference between the values of loan given out minus repayments on such loan received. Net borrowing is net loans obtained minus net loans given out.

Net capital transfers receipts consists of property received as gift, inheritance, etc., minus property given away, lost or destroyed.

Net change in cash balances is the net change of cash kept in hand or in current accounts with the banks. This variable is derived as a residual. It is calculated as net savings (household income minus expenditures) minus receipts other than income, that

is, income from liquidation of assets, net capital transfers received and increases in borrowing.

3.3   Consumption expenditure

Household expenditure: household consumption expenditure refers to all money expenditure by the household and individual members on goods intended for consumption and expenses on services. Also included is the value of goods and services received "in kind" or "own produced" which are consumed by the household.

Paid for and unpaid for: For household income and expenditure purposes, household consumption expenditure is classified into two main categories: "paid" and "unpaid" expenditure. The expenditure on consumption items is reported under columns, "paid and consumed" and "unpaid and consumed".

Paid and Consumed: For the purpose of household income and expenditure, the category of "paid and consumed" refers to i) all cash payments or ii) purchases on credit or iii) under barter (exchange) arrangements with other goods and services by the household to obtain goods and services which were consumed during the reference period.

Unpaid and Consumed: Unpaid and consumed expenditure refers to the imputed market value of goods and services consumed by the household or individual members which were received as "income in kind" by the household or individual members. The unpaid and consumed expenditure is classified into three sub-categories:

- Wages and salaries in kind consumed

- Own produced and consumed

- Receipts from assistance, gifts, dowry, inheritances and other sources

"Wages and salaries in kind consumed" category includes wages and salaries paid "in kind" like food, clothing and housing provided free of charge by the employer, either at the work place or consumption out of the workplace. In addition to the income "in kind" received by the employees, this category includes similar other facilities. Therefore, other consumption items like free telephone, car and domestic servants are to be included if applicable. The valuation of these consumed items should be based on current local market value.

"Own produced and consumed" category refers to the items and value of items produced for commercial or non-commercial purposes by the household/ non-financial unincorporated enterprise and utilised in its own consumption such as food grains produced and used by farm households, shoes made and used by shoe makers, net rental value of owner occupied housing, small amounts of vegetables produced, knitting

wearing apparel, etc. during the reference period. The commodities consumed do not necessarily have to be produced during the reference period.

"Receipts from assistance, gifts, dowry, inheritances and other sources" category relates to commodities consumed during the reference period obtained by means of assistance, gifts (nazrana etc.) and other sources like remittances in kind from relatives, dowry in kind, presents from relatives, etc. Again they should be valued at current local market prices.

Indirect taxes are included in household consumption expenditures, such as sales taxes and payments made for (consumption) of goods and services. Payments made for commercial expenditures are excluded e.g. expenditure on diesel to operate vans for commercial purposes are not included.

Durable Goods: Durable goods include those items with a life expectancy of one year or more such as furniture, fixtures, clocks, wrist watches, television, radio, cutlery, kitchen utensils, etc.

Non-Durable Goods: Non-durable goods include those items with a life expectancy of less than one year such as food, clothing, fuel and lighting, footwear, medicines, etc.

Accommodation expenses include the amount paid for renting accommodation, the rental value of rent-free accommodation and the estimated rent of owner-occupied dwellings at current market prices. Housing expenditures also includes expenses incurred on repairs, re-decoration and minor improvements of the dwellings, insurance, water and conservancy charges and other housing expenses.

Per capita consumption is calculated by dividing the total consumption of the households by the number of household members.

Taxes are not classified as household consumption, but in a separate expenditure category. Taxes, fines and fees included within the expenditure categories of the household are: house and property tax; license fees for TV/VCR, fire arms and driving licenses; registration and renewal fees for car, motorcycle and scooter; fines, choolah tax, birth and marriage taxes, pet keeping taxes, etc.

3.4   Education

Literacy is defined as the percentage of literate population aged 10 years and above over the total population aged 10 years and above. Literate people are those who are able to read a newspaper with understanding, to write a simple letter and perform simple sums.

No formal education describes the situation where an individual never attended school.

CHAPTER 4

SAMPLE DESIGN

4.1   Objectives:

The data generated though PSLM Survey will be used to assist the government in formulating the poverty reduction strategy in the overall context of MDGs. The indicators will be developed at National/Provincial level in the following sectors.

1.   Education

2.   Health

3.   Water Supply & Sanitation.

4.   Population Welfare

5.   Income & Expenditure

4.2   Universe:

The universe of this survey consists of all urban and rural areas of all four provinces. Military restricted and protected areas have been excluded from the scope of the survey.

4.3   Sampling Frame:

Urban area:

PBS has developed its own urban area frame. All urban areas comprising cities/ towns have been divided into small compact areas known as enumeration blocks (E.Bs) identifiable through map. Each enumeration block comprises about 200-250 households and categorized into low, middle and high-income group, keeping in view the socio economic status of the majority of households. Urban area sampling frame consists of 26698 enumeration blocks has been updated in 2003.

Rural area:

With regard to the rural areas, the lists of villages/mouzas/dehs according to Population Census, 1998 have been used as sampling frame. In this frame, each village/mouza/deh is identifiable by its Name, Had Bast Number, Cadastral map etc. This frame is comprised of 50590 villages/mouzas.

The numbers of enumeration blocks in urban and mouzas/dehs/villages in rural areas of the country are as under:

NO. OF ENUMERATION BLOCKS AND VILLAGES AS PER SAMPLING FRAME

Province	Number of E. Blocks	Number of Villages
Punjab	14,549	25,875
Sindh	9,025	5,871
KPK	1,913	7,337
Balochistan	613	6,557
A.J.K	210	1,654
Northern Area	64	566
FATA		2,596
Islamabad	324	132
Total	**26,698**	**50,588**

4.4   Stratification Plan

Urban Areas:

Large sized cities having population five laces and above have been treated as independent stratum. Each of these cities has further been sub-stratified into low, middle and high income groups. The remaining cities/towns within each defunct administrative division have been grouped together to constitute an independent stratum.

Rural Areas:

The entire rural domain of a district for Punjab, Sindh and KPK provinces has been considered as independent stratum, whereas in Balochistan province defunct administrative division has been treated as stratum.

4.5   Sample Size and its Allocation:

A sample size of 1217 PSUs (17056 households) was selected from all four provinces of Pakistan.

To determine optimum sample size for this survey, analytical studies based on the results of Pakistan Demographic Survey, Labour Force and Pakistan Integrated Households Sample Survey were undertaken. Keeping in view the variability that exists within the population for the characteristics for which estimates are to be prepared, as well as population distribution, reliability of estimates and field resources available a sample of size 17,056 households distributed over 1217 PSUs (604 urban

and 613 rural) has been considered sufficient to produce reliable estimates in respect of all provinces. Out of these 1217 PSUs, 59 PSUs (19 urban and 40 rural PSUs) were dropped and the remaining 1158 PSUs (585 urban and 573 rural) comprising 15807 households were covered. The distribution plan of PSUs and SSUs by province and region is as under:

PROFILE OF THE PSLM SAMPLE 2011-12

PROVINCE	2011-12 PSLM		
	URBAN	RURAL	TOTAL
PSUs:			
Punjab	260	252	**512**
Sindh	108	128	**236**
KPK	164	145	**309**
Balochistan	72	88	**160**
Overall	604	613	**1217**
SSUs/Households			
Punjab	3120	4032	**7152**
Sindh	1296	2048	**3344**
KPK	1968	2320	**4288**
Balochistan	864	1408	**2272**
Overall	**7248**	**9808**	**17056**

PROFILE OF THE   PSLM NATIONAL / PROVINCIAL LEVEL SURVEY 2007-08, 2010-11 AND 2011-12 USED FOR ANALYSIS

PROVINCE	2007-08 PSLM			2010-11 PSLM			2011-12 PSLM		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
PSUs:									
Punjab	240	244	484	256	256	512	260	252	512
Sindh	140	131	271	152	144	296	164	144	308
KPK	88	118	206	88	120	208	108	127	235
Balochistan	64	88	152	68	96	164	53	50	103
Overall	**532**	**581**	**1113**	**564**	**616**	**1180**	**585**	**573**	**1158**
HOUSEHOLDS:									
Punjab	2768	3868	6636	2935	4019	6954	2949	3957	6906
Sindh	1672	2093	3765	1802	2296	4098	1898	2301	4199
KPK	1049	1888	2937	1041	1913	2954	1267	2009	3276
Balochistan	766	1408	2174	811	1524	2335	629	797	1426
Overall	**6255**	**9257**	**15512**	**6589**	**9752**	**16341**	**6743**	**9064**	**15807**

4.6   Sample Design:

A two-stage stratified sample design has been adopted for this survey.

Selection of primary sampling Units (PSUs):

Enumeration blocks in the urban domain and mouzas/dehs/villages in rural domain have been taken as PSUs. In urban domain sample PSUs from each stratum have been selected by PPS method of sampling scheme; using households in each block as MOS. Similarly in rural areas, the population of each village has been taken as MOS for the selection of sample villages using again the PPS method.

Selection of Secondary Sampling Units (SSUs):

Households within PSU have been considered as SSUs. 16 and 12 households have been selected from each sample village and enumeration block respectively by systematic sampling scheme with a random start.

4.7   Household and Survey Questionnaire

At both individual and household level, the PSLM Survey collects information on a wide range of topics using an integrated questionnaire. The questionnaire comprises a number of different sections, each of which looks at a particular aspect of household behaviour or welfare. Data collected under Round VII includes education, diarrhoea, immunisation, reproductive health, pregnancy history, maternity history, family planning, pre and post-natal care and access to basic services.

> A PSLM /HIES questionnaire consisting of a series of questions to collect information on specific indicators, for this purpose information from respondents is gathered.

4.8   Objectives and Scope of Analysis

This is the seventh round report of the PSLM's series of surveys to be conducted between 2004-2015. The PSLM is a large, complex household survey that collects information on a number of different sections. The tabulations presented here comprise the tables at National/ Provincial level and detailed analytical comparison has been carried with previous rounds of PSLM. Some of the tables have been presented based on consumption quintiles. The methodology of computing quintiles based on consumption is

> A sample design is a plan regarding the size, selection, collection & preparation of the final results based on the sample study.

explained in Appendix-A.

4.9   Data Quality and Reliability Measures

Data quality in PSLM Survey has been ensured through a built in system of checking of field work by the supervisors in the field as well as teams from the headquarters. Regional/ Field offices ensured the data quality through preliminary editing at their office level. The entire data entry was carried at the PBS headquarter Islamabad and the data entry programme used had a number of in built consistency checks.

Appendix A: Consumption quintiles

Consumption quintiles are used to distinguish the population according to their welfare: poorest households are grouped together into the 1st quintile, those with higher consumption into the 2nd quintile, and so on. Five quintiles rank the population from the poorest 20% to the richest 20%. The main aim of quintile is to analyse how social and economic indicators change in relation to people's welfare. For instance, the government wants to know whether poorer households have access to basic services (immunization, schools, safe water etc.) or whether there are significant differences between the poor and the rich. Furthermore, policy makers are interested to know how consumption patterns and income sources of poorer households are different from those of richer households. Estimates by quintiles describe distributional differences, thus representing an important tool of analysis.

Quintiles are calculated for the four provinces together (Punjab, Sindh, KPK and Balochistan) so that the first quintile contains in it households from all provinces with the same welfare. However, if one province is relatively richer than others its population will not be evenly distributed in each quintile, but mostly concentrated in the higher quintiles. In fact, only at the overall level each quintile contains 20% of the population, but in urban areas, where people usually are richer, upper quintiles contain higher population percentages, and the opposite is true in rural areas (see table 2 and 3).

Consumption expenditure is used as a proxy to assess people's welfare. Expenditure is calculated at the household level but it is adjusted by household size (see table 4) and its composition. This adjustment is necessary to assess a proper ranking of households. Reasons can become clear with some examples. Imagine two households both with a monthly consumption expenditure of Rs. 3000. However, it would be wrong to say that both households enjoy the same welfare without considering their household size and composition. For instance, one household may be composed of one single individual whereas the other of five people. The table 1 given below shows the range of per capita consumption expenditure for consumption quintiles.

TABLE 1:-   RANGES OF PER CAPITA CONSUMPTION EXPENDITURE FOR CONSUMPTION
                   QUINTILES

Quintiles	1st	2ND	3RD	4TH	5TH
Ranges of Per Capita Consumption Expenditure	Upto Rs.1552	Rs. 1553 To Rs. 2486	Rs. 2487 To Rs. 3148	Rs. 3149 To Rs4998	Rs. 4999 And above

The table 2, 3 & 4 summarise some important information about the households, population and household size by quintiles:-

TABLE 2:- **DISTRIBUTION OF NUMBER OF HOUSEHOLDS BY PROVINCE, REGION AND QUINTILES**

REGION AND PROVINCE	1ST QUINTILE	2nd QUINTILE	3rd QUINTILE	4th QUINTILE	5th QUINTILE	OVERALL
URBAN AREAS	512	850	1197	1514	2670	**6743**
Punjab	212	314	432	622	1369	2949
Sindh	127	222	340	464	745	1898
KPK	121	191	277	282	396	1267
Balochistan	52	123	148	146	160	629
RURAL AREAS	1943	1980	1903	1769	1469	**9064**
Punjab	739	735	768	866	849	3957
Sindh	616	600	500	350	235	2301
KPK	399	429	435	432	314	2009
Balochistan	189	216	200	121	71	797
OVERALL	2455	2830	3100	3283	4139	**15807**
Punjab	951	1049	1200	1488	2218	6906
Sindh	743	822	840	814	980	4199
KPK	520	620	712	714	710	3276
Balochistan	241	339	348	267	231	1426

TABLE 3:- **PERCENTAGE OF POPULATION BY PROVINCE, REGION AND QUINTILES**

REGION AND PROVINCE	1ST QUINTILE	2nd QUINTILE	3rd QUINTILE	4th QUINTILE	5th QUINTILE	OVERALL
URBAN AREAS	8.42	13.54	19.16	23.51	35.37	**100**
Punjab	8.95	13.14	17.39	21.93	38.59	100
Sindh	6.67	12.65	20.55	26.61	33.53	100
KPK	11.75	16.93	23.97	21.17	26.17	100
Balochistan	10.94	22.83	23.80	22.14	20.29	100
RURAL AREAS	25.83	23.24	20.42	18.24	12.27	**100**
Punjab	23.53	21.54	20.05	20.15	14.72	100
Sindh	33.58	27.49	19.24	12.74	6.94	100
KPK	24.35	23.28	22.24	18.89	11.24	100
Balochistan	29.74	27.66	22.89	13.47	6.23	100
OVERALL	**20.00**	**19.99**	**20.00**	**20.01**	**20.01**	**100**
Punjab	15.12	16.45	18.09	21.82	28.52	100
Sindh	20.48	20.27	19.88	19.49	19.88	100
KPK	22.20	22.20	22.54	19.28	13.79	100
Balochistan	25.09	26.47	23.11	15.62	9.71	100

TABLE 4:-   AVERAGE HOUSEHOLD SIZE BY PROVINCE, REGION AND QUINTILES

REGION AND PROVINCE	1ST QUINTILE	2nd QUINTILE	3rd QUINTILE	4th QUINTILE	5th QUINTILE	OVERALL
URBAN AREAS	8.37	7.78	7.29	6.28	5.08	**6.22**
Punjab	7.88	7.25	7.02	6.13	5.16	6.07
Sindh	9.04	8.46	7.45	6.33	4.87	6.22
KPK	9.10	8.06	7.78	6.75	5.29	6.87
Balochistan	10.57	9.73	8.59	7.49	6.02	8.01
RURAL AREAS	8.13	7.29	6.55	5.77	4.54	**6.51**
Punjab	7.55	6.91	6.26	5.61	4.35	6.09
Sindh	8.28	7.25	6.36	5.72	4.95	6.90
KPK	9.59	8.31	7.28	6.13	5.03	7.29
Balochistan	10.38	8.88	8.55	7.69	5.87	8.72
OVERALL	8.16	7.40	6.77	5.96	4.84	**6.41**
Punjab	7.60	6.98	6.46	5.78	4.76	6.08
Sindh	8.39	7.58	6.87	6.11	4.89	6.55
KPK	9.55	8.28	7.36	6.24	5.11	7.22
Balochistan	10.40	9.05	8.56	7.62	5.94	8.53

Data quality

After data collection, all questionnaires were analyzed at the headquarters of the Pakistan Bureau of Statistics in Islamabad. In order to reduce measurement errors, data entry programs used included a number of in built consistency checks, which alerted the data entry operators of inconsistencies, allowing the operators to immediately correct data entry mistakes.