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PREFACE

The Household Integrated Economic Survey - HIES was started in 1963 and has continued since 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 further improved. It was also split into two modules in order to obtain better quality of information independently from male and female respondents by male and female enumerators respectively. Subsequently the survey was renamed in 2004 as Pakistan Social and Living Standards Measurement (PSLM) Survey in which two surveys were conducted on alternate years i.e PSLM(District Level) Survey and PSLM/ HIES (National/ Provincial level) Survey and the same module of the HIES remain intact. The last round of HIES was conducted in 2013-14.

This year Survey was conducted under Change of Base of National Accounts (CBNA), by integrating Family Budget Survey (FBS) which is used for computation of weights for Price Index and Household Integrated Economic Survey (HIES) which covers in detail the Income & Consumption of the household. Accordingly this report mainly focus on the HIES part and prepared on the same pattern as it was used for the previous rounds of HIES. The data will also be used for developing a series of socio-economic indicators e.g. literacy rates, primary enrolment rates, use and Access of Information and communication technology (ICT), proportion of households with access to water, and sanitation; household consumption expenditure and income from various sources.

I would like to congratulate Mr Ayazuddin, Deputy Director General PBS and the whole PSLM team, Sample Design Section, Data Processing Centre and Field staffs who has worked with full dedication for successful completion of this gigantic task.

Comments, feedback and suggestions from reader of this report will be welcomed for further improvement of this report.

(ASIF BAJWA)
Chief Statistician

Government of Pakistan
Statistics Division
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Islamabad
Dec, 2016

ACKNOWLEDGEMENTS

This is the seventh report of Household Integrated Economic Survey (HIES) which is being conducted through PSLM/HIES surveys under PSLM project since 2004-05. It provides information at National/ Provincial level with urban/ rural breakdown. This report contains the data collected from 24,238 household based on 1605 urban & rural Primary sampling units (PSUs). The period of field enumeration of HIES as part of HIICS 2015-16 was from September 2015 to June 2016.

The completion of the report would have not been possible without the enormous hard work and devotion of PSLM management team at headquarters, Data Processing Centre, PSLM Field teams and Sample Design Section of the Pakistan Bureau of Statistics (PBS). This report is a matter of great pride for the whole of Pakistan Bureau of Statistics.

Considering the requirements of the policy makers, planners, researchers and other data users, efforts have been made to improve the report. It is hoped that the data users will find this report useful and timely. Any further comments and suggestions for future improvement will be highly appreciated.

(Ayazuddin)
Deputy Director General

Government of Pakistan
Statistics Division
Pakistan Bureau of Statistics
Islamabad
Dec, 2016

List of Officers Involved In HIICS Survey 2015-16

The HIES report is produced by the efforts of the following officers/officials of Pakistan Bureau of Statistics listed under the specific tasks:

PLANNING, EXECUTION OF SURVEY AND FINALIZATION OF REPORT: -

- | | |
|----------------------------|-------------------------|
| ▪ Mr. Ayazuddin | Deputy Director General |
| ▪ Ms. Rabia Awan | Director |
| ▪ Mr. Saqib Sultan Khawar | Statistical Officer |
| ▪ Ms. Hina Kanwal | Statistical Officer |
| ▪ Ms. Kaneez Amna | Statistical Officer |
| ▪ Ms. Sana Habib Chaudhary | Statistical Officer |

MANAGEMENT TEAM:-

- | | |
|----------------------|-----------------------|
| ▪ Ms. Kulsoom Fatima | Statistical Assistant |
| ▪ Mr. Khalid Rafique | Statistical Assistant |
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DATA PROCESSING:-

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|-----------------------------|-------------------------|
| ▪ Mr. Khalid Hussain Bhatti | Deputy Director General |
| ▪ Mr. Arif Akhtar | Chief System Analyst |
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| ▪ Mr. Tahir Mahmood | Data Processing Officer |

SAMPLE DESIGN: -

- | | |
|-----------------------|---------------------|
| ▪ Mr. Muhammad Waseem | Statistical Officer |
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FIELD OPERATIONS: -

- | | |
|----------------------------|----------|
| ▪ Mr. Munawar Ali Ghanghro | Director |
|----------------------------|----------|

CHAPTER 1

1.1 Introduction

This report presents household Income and consumption expenditure data for the year 2015-16. The format of the report is almost the same as of the earlier Household Integrated Economic Surveys (HIES) conducted during the years 2004-05, 2005-06, 2007-08, 2010-11, 2011-12 and 2013-14. In this report all the variables have also been disaggregated 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. After that, twenty five major tables are presented. The methodology for computation of consumption quintiles is explained in Appendix-A.

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 were conducted on alternating years. Before this Survey, six rounds of HIES were conducted during 2004-05, 2005-06, 2007-08, 2010-11, 2011-12 and 2013-14.

The current round of the HIES covers 24,238 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.

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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

Questionnaire for this survey was especially designed by merging Household Integrated Economic Survey (HIES) and Family Budget Survey (FBS). The main aim of Family Budget survey is to derive weights for Rebasing of Price Statistics. Last time Rebasing was carried out in the year 2007-08. Family Budget Survey collects information on consumption of items of predetermined basket of goods and services for deriving weights for Price Statistics. Previously FBS survey was only conducted in urban areas but this time it is planned to include rural areas in the scope of FBS to derive separate weights for urban & rural areas. Like FBS, HIES survey also collects information on Consumption of items according to Classification of Individual Consumption of Purpose (COICOP) along with Income and other social indicators by covering both urban and rural areas of all four provinces. Therefore it was decided to integrate both surveys this year to collect data by team approach; to avoid duplication of efforts and also enhance data quality. It is pertinent to mention here that this is a special survey only planned for 2015-16 to meet requirements of Rebasing and will also provide all the information which is essentially required for HIES survey. However information on Health, Population welfare will not be collected through this survey. In future the PSLM/HIES activities are likely to be continued as per previous practice. However this report consists of only HIES part of the questionnaire and report is prepared on the same pattern as it was for the previous rounds for comparability purpose. The component of food taken away from home and readymade food taken at home is especially added to capture the changing pattern in this regard.

The data collected is also used for developing a series of socio-economic indicators e.g., literacy rates; primary enrolment rates; proportion of households with

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access to water and sanitation; household consumption expenditure and income from various sources.

The main structure of the HIICS questionnaire used for the survey 2015-16 is as under:-

STRUCTURE OF HIICS QUESTIONNAIRES FOR THE YEAR 2015-16

SECTION A: SURVEY INFORMATION(MALE AND FEMALE BOTH)
SECTION 1: PART-A: HOUSEHOLD INFORMATION(MALE AND FEMALE BOTH)
PART-B: EMPLOYMENT & INCOME(MALE AND FEMALE BOTH)
SECTION 2: EDUCATION (MALE AND FEMALE BOTH)
SECTION 3 HOUSING (FEMALE ONLY)
CONSUMPTION MODULE
SECTION 4: HOUSEHOLD CONSUMPTION EXPENDITURE (MALE AND FEMALE BOTH)
SECTION 5: TRANSFERS RECEIVED AND PAID OUT (DURING LAST ONE YEAR) (MALE ONLY)
SECTION 6: PART- A: BUILDINGS AND LAND OWNED BY MEMBERS OF THIS HOUSEHOLD (MALE ONLY)
PART- B: FINANCIAL ASSETS AND LIABILITIES, LOANS AND CREDIT (MALE ONLY)
SECTION 7: PART A: AGRICULTURAL SHEET (MALE ONLY)
PART B: LIVESTOCK,POULTRY,FISH,FORESTRY,HONEY BEE (MALE ONLY)
SECTION 8 :NON-AGRICULTURAL ESTABLISHMENT (MALE ONLY)
SECTION 9: BALANCE SHEET FOR INCOME AND EXPENDITURE (MALE ONLY)
SECTION ICT: INFORMATION AND COMMUNICATION TECHONOLOGY (MALE AND FEMALE BOTH)

NOTE: In national\ provincial survey two types of questionnaires were administered, one for male and the other was filled from female respondents.

Introduction

1.5 Sample Design of HIICS Survey 2015-16

Objectives:

The data generated through HIICS Survey will be used to produce weights of CPI and to generate HIES report in overall context of poverty reduction strategy.

Universe:

The universe for Household Integrated Income and Consumption Survey (HIICS) 2015-16 consists of all urban and rural areas of the four provinces of Pakistan excluding FATA and military restricted areas. The population of excluded areas constitutes about 2% of the total population.

Sampling Frame:

Pakistan Bureau of Statistics (PBS) has developed its own area sampling frame for both Urban and Rural domains. Each city/town is divided into enumeration blocks. Each enumeration block is comprised of 200 to 250 households on the average with well-defined boundaries and maps. The list of enumeration blocks as updated from field on the prescribed formula by Quick Count technique for urban domain in 2013 and the updated list of villages/mouzas/dehs or its part (block), based on House Listing 2011 for conduct of Population Census are taken as sampling frame. Enumeration blocks are considered as Primary Sampling Units (PSUs) for urban and rural domains respectively.

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

NO. OF ENUMERATION BLOCKS AS PER SAMPLING FRAME (2015)

NUMBER OF BLOCKS		
PROVINCE	URBAN	RURAL
Punjab	23005	60426
Sindh	20791	17069
KP	2886	16335
Balochistan	1519	8159
Total	48201	101989

Note: The above enumeration blocks are as per 2015 sampling frame used for the survey.

Introduction

Sample Design:

A stratified two-stage sample design is adopted for the survey.

Stratification Plan:

The stratification plan for HIICS survey for urban and rural areas is as follows.

Urban Domain:

Large cities Karachi, Lahore, Gujranwala, Faisalabad, Rawalpindi, Multan, Sialkot, Sargodha, Bahawalpur, Hyderabad, Sukkur, Peshawar, Quetta and Islamabad are considered as large cities. Each of these cities constitutes a separate stratum, further sub-stratified according to low, middle and high income groups based on the information collected in respect of each enumeration block at the time of demarcation/ updating of urban area sampling frame.

Remaining Urban Areas:

In all the four provinces after excluding the population of large cities from the population of an administrative division, the remaining urban population is grouped together to form a stratum.

Rural Domain:

Each administrative district for three provinces namely Khyber Pakhtunkhwa (KP) Punjab, Sindh, and each administrative division for Balochistan is considered as an independent stratum.

Selection of Primary Sampling Units (PSUs):

Enumeration blocks in both urban and rural domains are taken as Primary Sampling Units (PSUs). Sample PSUs from each ultimate stratum/sub-stratum are selected with probability proportional to size (PPS) method of sampling scheme. In both Urban and Rural domains, the number of households in an enumeration block is considered as measure of size.

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Selection of Secondary Sampling Units (SSUs):

The listed households of sample PSUs are taken as Secondary Sampling Units (SSUs). A specified number of households i.e. 16 from both urban and rural sample PSU are selected with equal probability using systematic sampling technique with a random start.

Sample Size and its Allocation:

Keeping in view the objectives of the survey, the sample size for the four provinces has been fixed at 1668 sample blocks (PSU's) comprising 26688 households (SSU's), which is expected to produce reliable results at provincial level with urban and rural break down.

Details of Parameters for the Survey:

The sample size for the survey has been fixed by using average household consumption (in Rupees) as key indicator at 95% level of confidence, 5% margin of error (MOE) for three provinces namely, KP, Punjab and Balochistan while 4% MOE has been used for province Sindh.

The distribution plan of PSUs and SSUs by province and region is as under:

PROFILE OF THE HIICS SAMPLE 2015-16

PROVINCE	Fixed for Survey 2015-16			Covered During Survey 2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
PSUs:						
Punjab	482	215	697	482	215	697
Sindh	268	144	412	267	143	410
KP	224	123	347	224	122	346
Balochistan	141	71	212	114	38	152
Total	1115	553	1668	1087	518	1605
SSUs/Households						
Punjab	7712	3440	11152	7181	3327	10508
Sindh	4288	2304	6592	3912	2264	6176
KP	3584	1968	5552	3322	1887	5209
Balochistan	2256	1136	3392	1740	605	2345
Total	17840	8848	26688	16155	8083	24238

Note: - Out of 1668 PSUs, of all four provinces 63 PSUs (28 urban and 35 rural PSUs) were dropped due to bad law and order situation. Out of these 63 dropped PSUs 60 (27 urban and 33 rural PSUs) belong to Balochistan. 1442 Non- Contacted / Refusal households which are also excluded from the covered households.

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PROVINCE WISE DETAIL OF DROPPED SAMPLE AREAS (PSUS) AND SAMPLE HOUSEHOLDS (SSUS) ARE SHOWN AS UNDER:-

Province/Area	Sample Enumeration Blocks (PSUs)			Sample Households (SSUs)		
	Urban	Rural	Total	Urban	Rural	Total
Punjab	-	-	-	-	-	-
Sindh	1	1	2	16	16	32
KP	-	1	1	-	16	16
Balochistan	27	33	60	432	528	960
Total	28	35	63	448	560	1008

PROFILE OF THE HIES NATIONAL / PROVINCIAL LEVEL SURVEY 2010-11, 2011-12 AND 2013-14 USED FOR ANALYSIS

PROVINCE	2010-11 HIES			2011-12 HIES			2013-14 HIES		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
PSUs:									
Punjab	256	256	512	260	252	512	282	287	569
Sindh	152	144	296	164	144	308	123	241	364
KP	88	120	208	108	127	235	115	144	259
Balochistan	68	96	164	53	50	103	36	79	115
Total	564	616	1180	585	573	1158	556	751	1307
HOUSEHOLDS:									
Punjab	2935	4019	6954	2949	3957	6906	3150	4447	7597
Sindh	1802	2296	4098	1898	2301	4199	1374	3837	5211
KP	1041	1913	2954	1267	2009	3276	1301	2221	3522
Balochistan	811	1524	2335	629	797	1426	409	1250	1659
Total	6589	9752	16341	6743	9064	15807	6234	11755	17989

1.6 Objectives and Scope of Analysis

The HIES is a large, complex household survey that collects information on a number of different socio-economic dimensions. The tabulations presented here comprise the tables at National/ Provincial level with urban and rural breakdown and detailed analytical comparison is carried out with the last round of HIES 2013-14. Majority of the tables presented are based on consumption quintiles. The methodology of computing quintiles based on consumption is explained in Appendix-A.

Introduction

1.7 Data Quality and Reliability Measures

Data quality in HIICS Survey is ensured through a built-in system of checking of enumeration work by the supervisors in the field. Teams at the headquarters, supervisors and field staff at Regional/ Field offices thoroughly review and edit the questionnaire to check the inconsistency or omissions. In case it requires further clarification or it is not properly filled, the household is again revisited to maintain high quality of data. The entire data entry and data cleaning was carried at the PBS headquarter Islamabad. The data entry programme prepared at the Data processing centre had a number of built in consistency checks, that alert the data entry operators of inconsistencies, allowing the operators to immediately correct data entry mistakes.

CHAPTER 2 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.

2.1 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".

Main Findings

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.

2.2 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, and farm or service establishment during the last year. Modules of LFS and HIES are not comparable as main objective of LFS is to capture Employment, Unemployment and Labour Force, while in HIES the main objective is to capture Income by employment status and occupational groups. Reference period for reporting is also different (Preceding week in LFS and Last one month in HIES).

Main Findings

Employment Status: Employed persons are divided in the following categories: employer, paid employee, self-employed and own account worker, contributing family worker, 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 (Contributing family worker). 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 contributing family workers only.

Contributing Family Worker (Unpaid Family Worker) 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;

Main Findings

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 (PSCO) 2010 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 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,

Main Findings

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-

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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, Contributing-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. In employment section constitute recurrent cash payments from various types of employment schemes. If assistance from Government/Private in the form of Zakat and other cash transfers, for which data is collected in section Transfers Received and Paid are reported under “Gift and Assistance” group in table 3.6 of write up and table 11 of main table body.

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.

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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.

2.3 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".

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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,

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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 is 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.

2.4 Education

Literacy Literate is ability of a person to read and write a simple letter with understanding in any language. .

No Formal Education describes the situation where an individual never attended school.

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CHAPTER 3

3.1 Main Findings

This chapter presents the key results of the 2015-16 data in comparison with the HIES data 2013-14. 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 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, 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 60 areas have been dropped from the overall sample of HIES 2015-16 and weights have been adjusted accordingly, therefore results of Balochistan may read with caution.

3.2 Household Size

The national average household size is 6.31 members in year 2015-16, which is slightly lesser than the average household size 6.35 members observed for the year 2013-14. See Table-3.2 A

TABLE 3.2.A AVERAGE HOUSEHOLD SIZE, 2013-14 AND 2015-16

AREA	Average Household Size	
	2013-14	2015-16
Total	6.35	6.31
Urban	6.09	6.03
Rural	6.49	6.47

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

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The average household size is disaggregated 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. In urban areas the household size is greater than rural areas in all quintiles which shows that people in urban areas are living together to save expenses. See Table 3.2.B

TABLE 3.2.B AVERAGE HOUSEHOLD SIZE BY QUINTILES AND REGION, 2015-16

AREA	Quintiles					Total
	1 st	2 nd	3 rd	4 th	5 th	
Total	8.06	7.21	6.57	5.84	4.84	6.31
Urban	8.29	7.57	6.95	6.14	4.92	6.03
Rural	8.02	7.10	6.41	5.65	4.72	6.47

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

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. Punjab and Balochistan shows a slight decline in household size i.e. from 6.14 and 7.90 in 2013-14 to 6.04 and 7.84 in 2015-16 respectively. On the other side household size of Sindh and KP have slightly increased i.e. 6.13 and 7.20 in 2013-14 to 6.22 and 7.34 in 2015-16 respectively. See table 3.2.C

TABLE 3.2.C AVERAGE HOUSEHOLD SIZE, BY PROVINCES AND REGION

AREA	2013-14	2015-16
Total	6.35	6.31
Urban	6.09	6.03
Rural	6.49	6.47
Punjab	6.14	6.04
Sindh	6.13	6.22
KP	7.20	7.34
Balochistan	7.90	7.84

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

3.3 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 3.3 shows the average numbers of earner per household have slightly decreased in urban areas from 1.78 in 2013-14 to 1.75 in 2015-16, while the numbers of earners in rural areas remains

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same. The number of earners is further disaggregated by provinces. Comparison of the two surveys shows that average number of earners have significantly increase in KP i.e. from 2.04 in 2013-14 to 2.18 in 2015-16 whereas it has declined in Punjab and Sindh.

TABLE 3.3 AVERAGE NUMBERS OF EARNERS PER HOUSEHOLD BY PROVINCE AND REGION

AREA	2013-14	2015-16
Total	1.94	1.93
Urban	1.78	1.75
Rural	2.04	2.04
Punjab	1.66	1.59
Sindh	1.96	1.89
KP	2.04	2.18
Balochistan	1.99	2.01

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

3.4. Income Earners by Employment Status

In table 3.4 the household earners are disaggregated by employment status. It has been observed that the percentage of employer's remains stagnant at 0.9 % in HIES 2013-14 and 2015-16. Significant decrease has been observed in percentage of self- employed persons i.e. from 26.62% in 2013-14 to 23.74% in 2015-16 and increase has been observed in employee from 53.51% in 2013-14 to 53.85% in 2015-16. Contributing family worker has increased from 17.21% in 2013-14 from 19.50% in 2015-16.

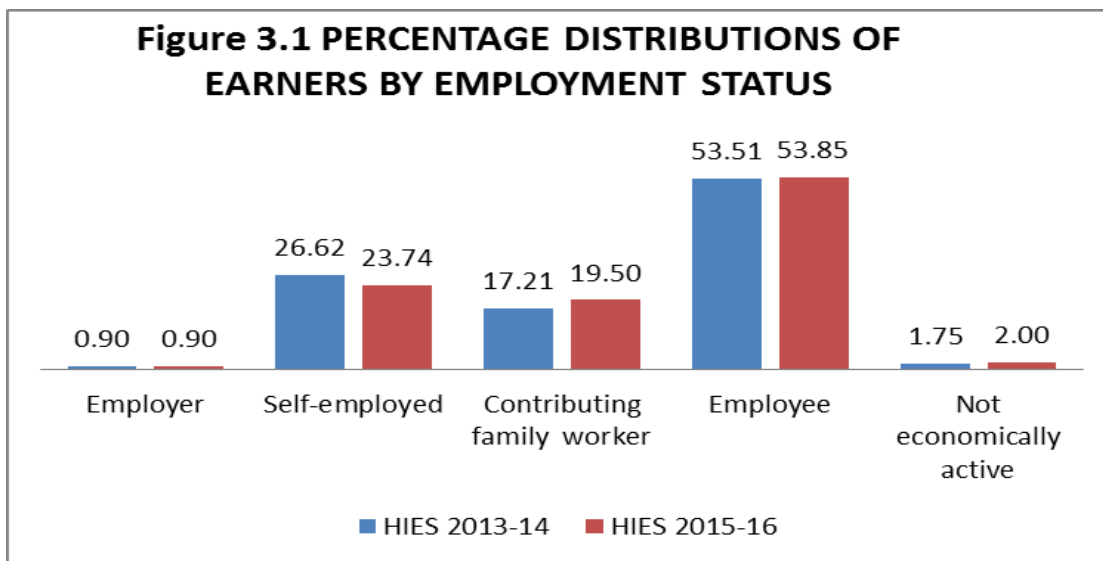
The percentage of contributing family worker among the 1.93 earner per household is 19.50%.

TABLE 3.4 PERCENTAGE DISTRIBUTIONS OF EARNERS BY EMPLOYMENT STATUS

EMPLOYMENT STATUS	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Employer	1.67	0.52	0.90	2.01	0.36	0.90
Self-employed	18.59	30.65	26.62	17.72	26.72	23.74
Contributing Family Worker	7.74	21.96	17.21	7.78	25.30	19.50
Employee	69.32	45.58	53.51	69.08	46.32	53.85
Not Economically Active	2.67	1.28	1.75	3.41	1.30	2.00

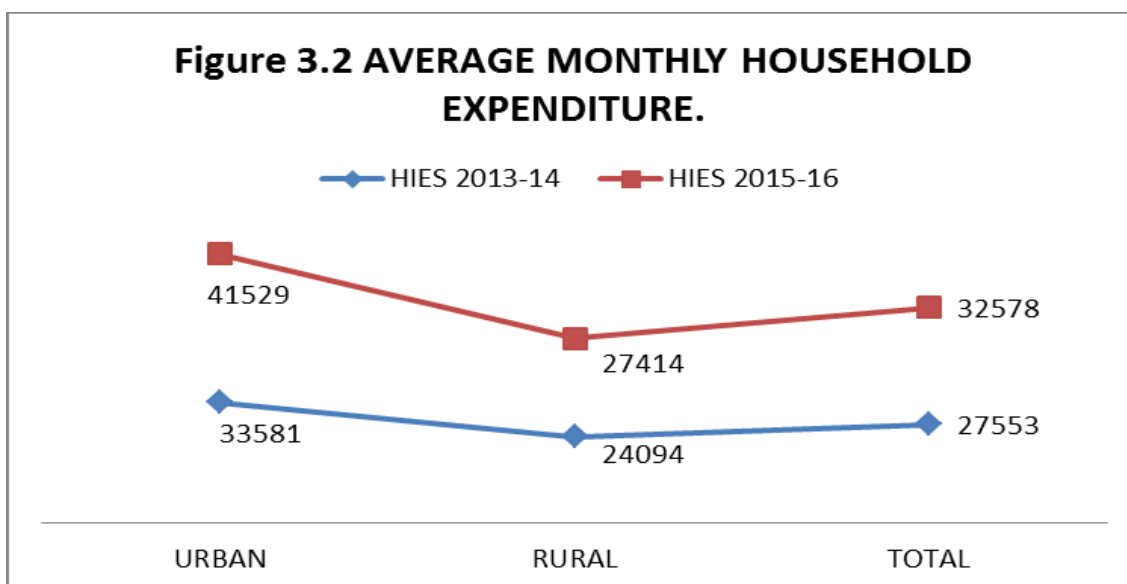
See Table 6 in the main body of report for further disaggregation

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3.5 Consumption, Income and Savings

In table 3.5.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 much higher as compared to rural areas. 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 18% in 2015-16 as compared to 2013-14.



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TABLE: 3.5.A AVERAGE MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY QUINTILES & REGION

QUINTILES	AVERAGE MONTHLY CONSUMPTION EXPENDITURE PER HOUSEHOLD					
	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1 st	17500	15889	16142	19542	18321	18496
2 nd	20616	19769	19975	24255	22465	22874
3 rd	25070	23111	23718	28326	25988	26705
4 th	28215	26153	26987	33100	30150	31337
5 th	46290	37699	42645	58584	44189	52907
TOTAL	33581	24094	27553	41529	27414	32578

See table -15 & 16 in the main body of this report for further disaggregation.

Table 3.5.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 much similar to its Consumption pattern. Among total households, households of the richest quintile are having the average income more than three times as compared to lowest quintile of households in urban areas and rural areas.

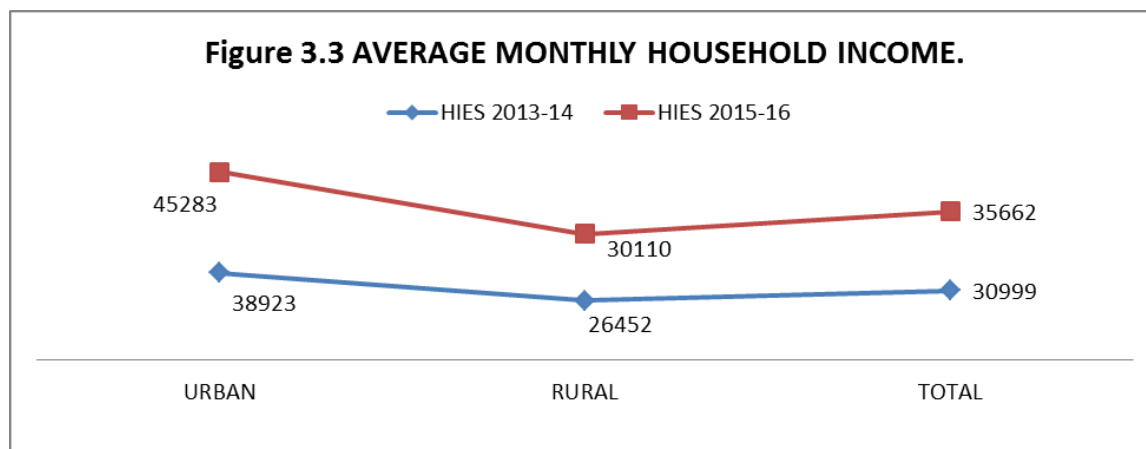


TABLE: 3.5.B AVERAGE MONTHLY HOUSEHOLD INCOME BY QUINTILES AND AREAS

QUINTILES	AVERAGE MONTHLY HOUSEHOLD INCOME (RS.)					
	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1 st	17414	16428	16583	20441	19625	19742
2 nd	21744	20015	20436	25292	23392	23826
3 rd	26228	23273	24188	28940	27613	28020
4 th	29225	29275	29255	34407	33170	33668
5 th	57850	46424	53001	65950	52008	60451
TOTAL	38923	26452	30999	45283	30110	35662

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

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Table 3.5.C reveals the per capita consumption expenditure in urban/ rural areas and by quintiles. The average individual expenditures for the richest quintile in urban and rural areas are more than four times than 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.

TABLE 3.5.C PER CAPITA MONTHLY CONSUMPTION EXPENDITURE BY QUINTILES AND REGION

QUINTILES	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1 ST	2021	1962	1972	2357	2284	2295
2 ND	2764	2769	2768	3203	3165	3174
3 RD	3538	3522	3527	4074	4058	4063
4 TH	4612	4592	4601	5394	5340	5363
5 TH	9371	7917	8768	11920	9364	10937
TOTAL	5493	3700	4327	6888	4239	5166

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

3.6 Income Sources

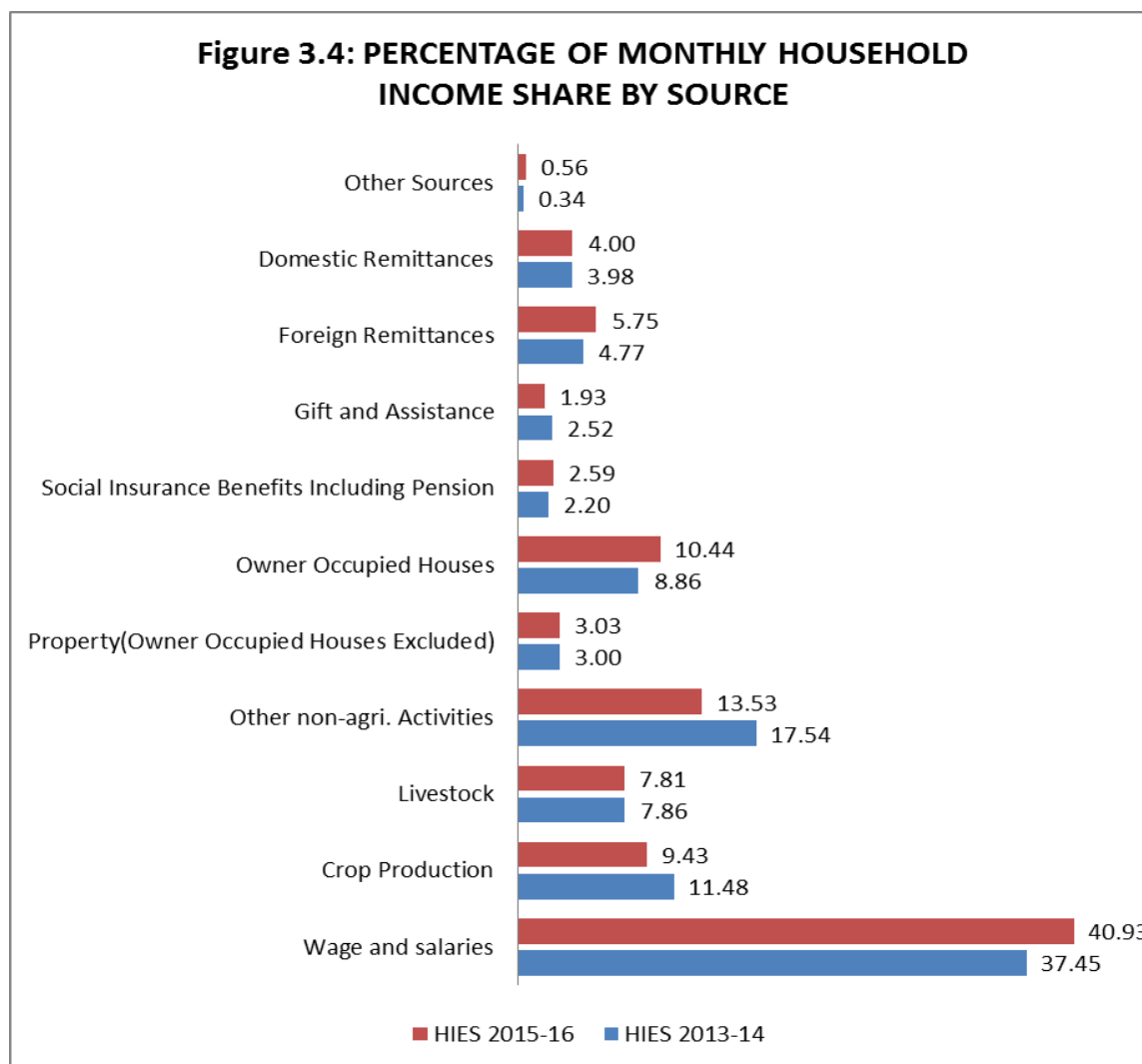
While analysing household income and consumption expenditure we need to consider different sources of income of both rich and poor. In table 3.6 the percentage of the income earned from different sources in 2015-16 has been compared with the data of 2013-14. In general, the trend of major income sources towards the total household income has shown a changing pattern in some of the sources over the period from 2013-14 to 2015-16. It is observed that wages and salaries have the major contribution towards the total household income i.e. 40.93% which is also true for urban and rural areas with 51.16% and 32.05% respectively. The second major source of income overall remained the non agricultural activities i.e. business and services sectors, which has decreased from 17.54% in 2013-14 to 13.53% in 2015-16. The third major source of income is Crop production which decreased from 11.48 % in 2013-14 to 9.43% in 2015-16. The decrease is due to significant decline in rural areas.

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TABLE 3.6 PERCENTAGE OF MONTHLY HOUSEHOLD INCOME SHARE BY SOURCE AND REGION

INCOME SOURCES	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Wage and salaries	46.99	29.39	37.45	51.16	32.05	40.93
Crop Production	2.57	19.00	11.48	1.33	16.46	9.43
Livestock	1.28	13.42	7.86	1.01	13.72	7.81
Other non-agri. Activities	24.06	12.04	17.54	17.95	9.69	13.53
Property(Owner Occupied Houses Excluded)	3.48	2.60	3.00	3.03	3.03	3.03
Owner Occupied Houses	11.84	6.34	8.86	14.16	7.22	10.44
Social Insurance Benefits Including Pension	2.63	1.84	2.20	3.25	2.02	2.59
Gift and Assistance*	1.22	3.61	2.52	1.29	2.48	1.93
Foreign Remittances	3.49	5.84	4.77	4.47	6.85	5.75
Domestic Remittances	2.16	5.51	3.98	1.97	5.76	4.00
Other Sources	0.27	0.40	0.34	0.38	0.72	0.56

* Gift and Assistance also include cash transfers received through BISP.
See table -11 in the main body of this report for further disaggregation.



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The percentage share of income from foreign remittances has increased from 4.77% in 2013-14 to 5.75% in 2015-16. However there is a slight decline in the percentage share of income from gift and assistance from 2.52% in 2013-14 to 1.93% in 2015-16. Analysing the income sources in urban and rural areas reveals that non-agri activities is the second major source of income in urban areas with 17.95 % followed by Owner occupied houses with 14.16%, while in rural areas crop production with 16.46% and livestock with 13.72% are second and third major sources of income respectively.

3.7 Consumption Pattern

Table 3.7(A) presents monthly consumption expenditure according to Classification of Individual Consumption by Purpose (COICOP).

The consumption expenditures are recalculated for 2013-14 to make it comparable with 2015-16. Comparing the results it seems that the share of food expenditure is relatively high as compared to all other commodity groups at Pakistan level, it has decreased from 40.77 % in 2013-14 to 37.05 % in 2015-16.

TABLE 3.7.A PERCENTAGE OF MONTHLY CONSUMPTION EXPENDITURE BY COMMODITY GROUPS AS PER COICOP

COMMODITY GROUPS	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Food & Non Alcoholic Beverages	34.78	45.57	40.77	31.25	42.13	37.05
Alcoholic Beverages, Tobacco	0.76	1.37	1.10	0.88	1.32	1.11
Clothing and Foot Wear	6.03	7.09	6.62	8.23	9.78	9.05
Housing, Water, Electricity, Gas and Other	26.13	16.74	20.91	27.76	19.06	23.12
Furnishing, Household Equipment and Routine Maintenance of the House	2.12	1.72	1.90	2.83	2.56	2.69
Health	2.55	4.13	3.43	2.37	3.62	3.04
Transport	8.30	6.78	7.46	5.43	4.96	5.18
Communication	2.46	1.87	2.13	2.42	2.06	2.22
Recreation & Culture	2.10	1.48	1.76	1.78	1.42	1.59
Education	4.07	1.77	2.79	5.01	2.20	3.51
Restaurants and Hotels	5.16	4.86	4.99	6.87	5.59	6.18
Miscellaneous	5.55	6.62	6.14	5.18	5.31	5.25

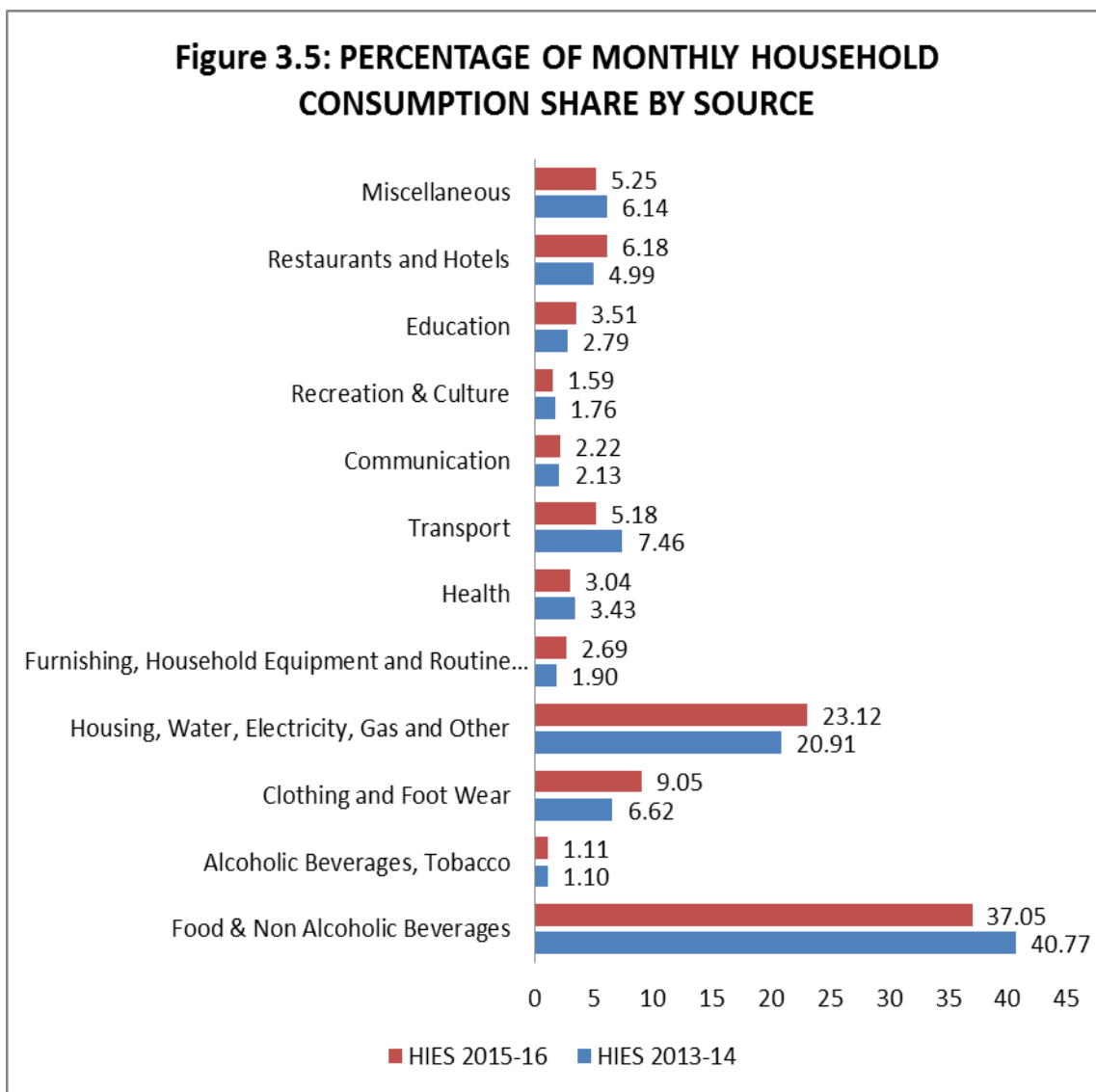
See table -15 in the main body of this report for further disaggregation.

Further analysis reveals that the consumption expenditure in Clothing and Foot Wear, Housing, Water, Electricity, Gas and Other, Furnishing, Household equipment and routine maintenance of the house, Communication, Education, Restaurants & Hotels and

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Miscellaneous has shown increasing trend as compared to 2013-14 while consumption expenditures on Transport, Health and Recreation & Culture have shown decreasing trend as compared to 2013-14. See Table 3.7A

The component of food taken away from home and readymade food taken at home were added in detail, in the consumption module for the first time and reported under “Restaurants and Hotels” table 3.7A. The expenditure on food and soft drinks acquired from hotel & restaurants during marriages/births/other occasions is also reported in “Restaurants and Hotels” group.



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Table 3.7.B shows percentage of total household educational expenses. In COICOP classification school uniforms and shoes are now covered in clothing and foot wear, transport used for school (Pick & Drop) is covered under “Transport” group, text books are covered under “Recreation & Culture” group and Hostels expenses are covered under accommodation in “Hotel and Restaurants” group. While comparing table 3.7.A and 3.7.B value reported against group “Education” reflects the Fees part of educational expenses as per COICOP classification. While observing the table 3.7.B educational expenses are higher in urban areas with 7.05 percent as compare to rural areas with 4.07 percent. This difference is mainly because of high educational fee expenses in urban areas with 5.01 percent as compared to only 2.20 percent in rural areas.

TABLE 3.7.B PERCENTAGE of MONTHLY EDUCATION AS PER COICOP

Education Expenses	Urban	Rural	Total
Total Education Expenses	7.05	4.07	5.46
Clothing and Foot Wear	0.52	0.55	0.53
School Uniform (Boys)	0.18	0.16	0.17
School Uniform (Girls)	0.19	0.21	0.20
Children School Shoes only	0.15	0.18	0.16
Transport Charges For School (Pick & Drop)	0.37	0.30	0.33
Recreation & Culture	1.02	0.89	0.95
Text Books	0.69	0.52	0.60
Miscellaneous Stationery	0.33	0.37	0.35
Education	5.01	2.20	3.51*
Educational Fee	4.37	1.75	2.97
Other Fee	0.65	0.45	0.54
Hostel Expenses for Education Only	0.13	0.14	0.13

* This is the education expenditure reflect also in table 15 & only covering fee component.

3.8. Monthly Household Consumption Expenditure on Major Food Items

Table 3.8.A shows the percentage share of expenditure on major food items. Out of the total food expenditure 20 food items contributed 88.37%. These items contribute 89.13% in rural areas and 87.33 % in urban areas. A comparison of the same 20 food items with the year 2013-14 that the major share of consumption expenditure on food is incurred on wheat, milk, vegetable ghee, vegetables and sugar which almost share 52.11% out of 88.37%

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TABLE 3.8.A PERCENTAGE OF MONTHLY EXPENDITURE ON 20 MAJOR FOOD ITEMS

FOOD ITEMS	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Wheat & Wheat Flour	12.31	16.27	14.75	9.88	14.42	12.55
Rice & Rice Flour	4.16	4.45	4.33	3.35	3.51	3.45
Pulses ,Split & Whole	1.92	1.95	1.94	2.11	2.45	2.31
Bread and Other Cereals	2.14	1.32	1.63	2.65	2.69	2.67
Vegetable Ghee	4.48	7.17	6.13	2.93	5.39	4.38
Tea(black & green)	2.16	2.36	2.28	2.31	2.84	2.62
Milk, Fresh & Boiled	19.90	21.82	21.08	18.38	22.69	20.92
Milk Tetra Pack	1.92	0.77	1.21	1.77	0.85	1.23
Mutton	2.03	2.23	2.15	2.44	1.12	1.66
Beef	3.55	3.41	3.46	3.35	2.77	3.01
Chicken	4.83	3.50	4.01	3.87	3.32	3.54
Fish	1.21	0.63	0.85	1.09	0.60	0.80
Fruits(fresh & dried)	4.32	3.22	3.65	5.01	3.86	4.33
Vegetables	8.39	9.35	8.98	8.22	9.58	9.02
Salt	0.15	0.16	0.16	0.17	0.17	0.17
Spices	2.29	1.84	2.01	2.83	2.26	2.49
Sugar Mill/Desi	3.13	4.23	3.81	3.16	4.60	4.01
Gur & Shakkar	0.08	0.28	0.20	0.11	0.35	0.25
Mineral Water Soft Drinks Fruits and Vegetable Juice	2.13	1.00	1.43	2.40	1.23	1.71
Hotel and Restaurants	5.89	2.81	3.99	11.30	4.43	7.25
Total	86.99	88.77	88.05	87.33	89.13	88.37

See table -17 for (table 3.8A & 3.8B) in the main body of this report for further disaggregation.

TABLE 3.8.B PERCENTAGE OF MONTHLY EXPENDITURE ON MAJOR FOOD ITEMS BY QUINTILES

FOOD ITEMS	QUINTILES					
	1 st	2 nd	3 rd	4 th	5 th	TOTAL
Wheat & Wheat Flour	19.18	16.67	14.64	12.22	7.76	12.55
Rice & Rice Flour	3.92	3.73	3.71	3.53	2.98	3.45
Pulses ,Split & Whole	2.66	2.57	2.54	2.46	1.88	2.31
Bread and Other Cereals	2.82	2.77	2.61	2.55	2.69	2.67
Vegetable Ghee	7.13	6.03	5.41	4.38	2.23	4.38
Tea(black & green)	3.23	3.08	2.94	2.65	2.05	2.62
Milk, Fresh & Boiled	19.53	21.01	22.13	22.59	19.65	20.92
Milk Tetra Pack	0.92	0.94	1.08	1.12	1.60	1.23
Mutton	0.58	0.77	0.78	1.13	3.18	1.66
Beef	1.99	2.53	2.95	3.30	3.40	3.01
Chicken	2.77	3.16	3.43	3.62	3.97	3.54
Fish	0.57	0.62	0.56	0.74	1.12	0.80
Fruits(fresh & dried)	2.14	2.87	3.50	4.31	6.11	4.33
Vegetables	10.87	10.28	9.59	9.21	7.47	9.02
Salt	0.21	0.19	0.18	0.17	0.15	0.17
Spices	2.03	2.29	2.33	2.52	2.79	2.49
Sugar Mill/Desi	5.71	4.98	4.49	4.04	2.77	4.01
Gur & shakkar	0.26	0.34	0.33	0.27	0.15	0.25
Mineral water Soft Drinks Fruits and Vegetable Juice	0.89	0.99	1.11	1.46	2.75	1.71
Hotel and Restaurants	3.42	3.89	4.65	5.95	12.12	7.25
Total	90.83	89.71	88.96	88.22	86.82	88.37

Main Findings

Further disaggregation 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 63.34% of the total food expenditure on wheat, milk, vegetable ghee, vegetables and sugar, while the richest spends 55.91% on milk, wheat, vegetables, fruits, mutton, beef, sugar and chicken etc. which shows that they have different preferences for consumption expenditures. See Table 3.8.B

Per capita monthly consumption in quantity reveals that wheat is significantly less consumed in urban areas as compared to rural areas. See Table 3.8.C

TABLE 3.8.C PER CAPITA MONTHLY CONSUMPTION (QUANTITIES) OF MAJOR FOOD ITEMS

FOOD ITEMS	UNIT	2013-14			2015-16		
		URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Wheat & wheat flour	Kg	6.22	7.72	7.19	6.29	7.79	7.26
Rice &rice flour	Kg	1.00	1.07	1.04	1.05	.96	.99
Pulses	Kg	0.39	0.35	0.35	0.36	0.35	0.36
Vegetable ghee	Kg	0.55	0.77	0.69	0.50	0.73	0.65
Tea black & green	Grams	76.75	73.42	74.58	82.64	80.80	81.45
Milk (fresh & boiled)	Litre	6.24	6.88	6.66	6.09	6.56	6.40
Milk(Packed)	Litre	0.46	0.16	0.26	0.44	0.17	0.27
Mutton	Kg	0.07	0.07	0.07	0.09	0.04	0.06
Beef	Kg	0.23	0.22	0.23	0.25	0.18	0.20
Chicken	Kg	0.42	0.26	0.32	0.46	0.33	0.37
Fish	Kg	0.11	0.05	0.07	0.10	0.05	0.07
Fruits	Kg	0.72	0.46	0.55	0.89	0.58	0.69
Vegetables	Kg	4.17	4.24	4.22	5.06	4.70	4.83
Salt	Kg	0.24	0.23	0.23	.24	.24	.24
Sugar(desi & milled)	Kg	1.17	1.35	1.29	1.27	1.41	1.36
Gur & shakkar	Kg	0.02	0.06	0.05	0.03	0.08	0.06

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

A further analysis of consumption patterns is presented in table 3.9A, where household consumption expenditure on fuel and lighting is disaggregated into nine different components. It is observed that the major share of expenditure on fuel and lighting in urban areas is incurred on electricity and gas where in rural areas incurred on electricity and firewood.

Main Findings

TABLE 3.9A HOUSEHOLD EXPENDITURE ON FUEL AND LIGHTING (PERCENTAGE)

FUEL ITEMS	2013-14			2015-16		
	URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
Firewood	4.57	27.31	18.05	4.94	30.80	20.70
Kerosene Oil	0.06	0.73	0.46	0.08	0.95	0.61
Charcoal	0.03	0.01	0.02	0.10	0.66	0.44
Coal(hard,soft,peat)	0.00	0.24	0.14	0.01	0.12	0.08
Dung cakes	0.75	8.37	5.27	0.65	7.78	5.00
Gas(piped/cylinder)	21.20	8.93	13.92	19.76	8.78	13.07
Electricity	68.49	40.08	51.64	69.40	38.61	50.64
Generator, etc.				4.34	1.48	2.59
Cotton Sticks	1.08	11.18	7.07	0.40	5.40	3.44
Others				0.32	5.42	3.43

See table -19 in the main body of this report for further disaggregation.

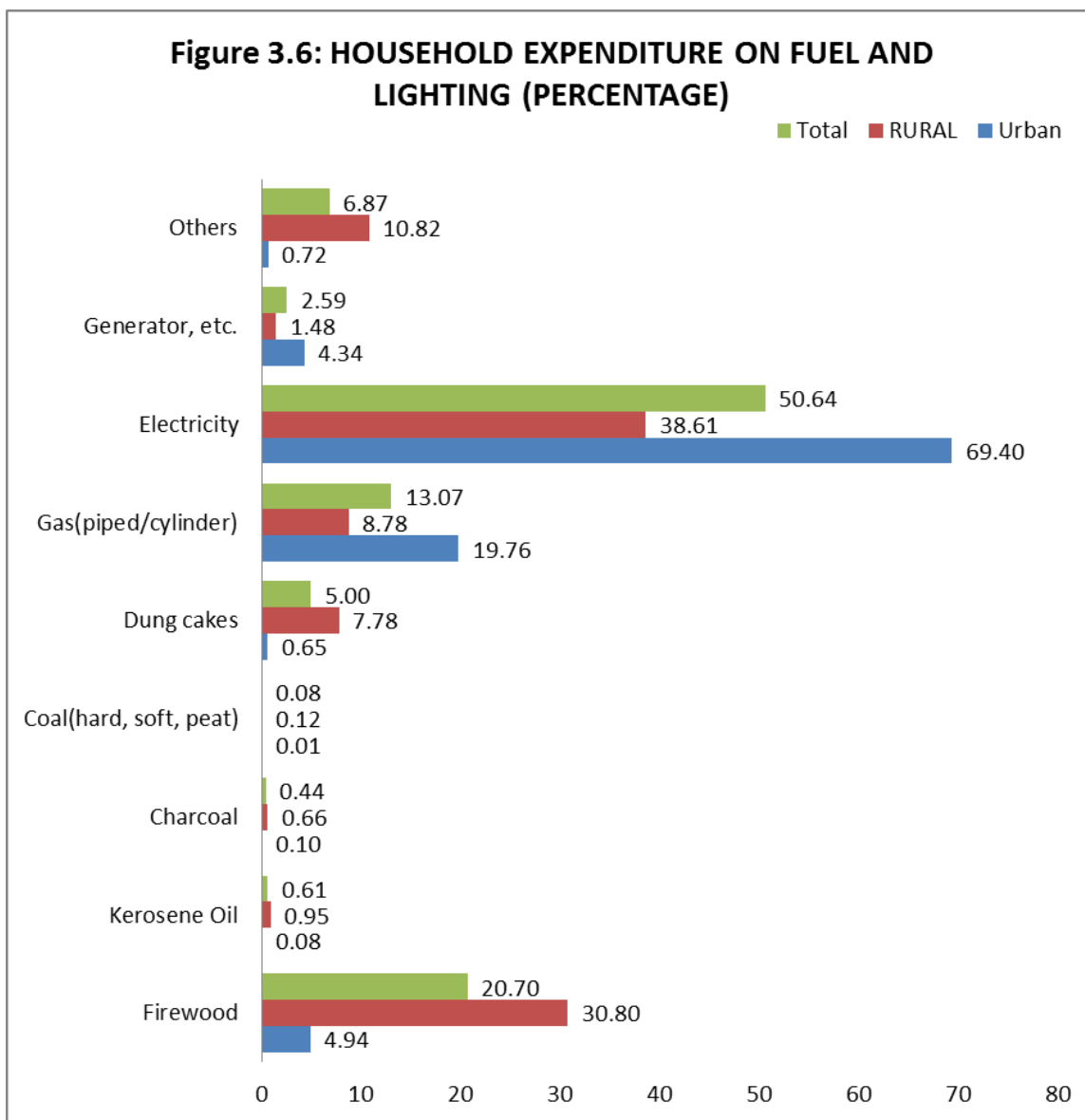
Disaggregation by quintiles shows that the richest households mostly use electricity and gas whereas the poor prefer low cost products such as firewood, dung cake and others (other agri. wastes, bagasse etc.). See Table 3.9B

TABLE 3.9B PERCENTAGES OF HOUSEHOLD EXPENDITURE ON FUEL & LIGHTING BY QUINTILES, 2015-16

FUEL AND LIGHTING	QUINTILES					TOTAL
	1 ST	2 ND	3 RD	4 TH	5 TH	
Firewood	34.50	33.10	27.97	23.19	8.54	20.70
Kerosene Oil	1.17	1.27	0.76	0.60	0.18	0.61
Charcoal	0.58	0.92	0.45	0.63	0.15	0.44
Coal(hard, soft, peat)	0.10	0.11	0.13	0.07	0.04	0.08
Dung cakes	9.54	7.76	6.75	5.85	1.70	5.00
Gas(piped/cylinder)	4.25	6.79	11.03	13.99	17.84	13.07
Electricity	32.28	37.12	43.49	49.30	63.68	50.64
Generator, etc.	0.18	0.14	0.34	0.93	5.89	2.59
Cotton Sticks	8.74	5.73	4.54	2.79	1.20	3.44
Other Agri. Wastes, Bagasse etc.	8.67	7.06	4.55	2.66	0.79	3.43

See table -19 in the main body of this report for further disaggregation.

Main Findings



Consumption Quintiles

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, Khyber Pakhtunkhwa and Balochistan) so that the first quintile contains 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 and its composition. (See table 4). 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.

HIES 2015-16

Consumption Quintiles

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

Quintiles	1 st	2 ND	3 RD	4 TH	5 TH
Ranges of Per Capita Consumption Expenditure	Up to Rs.2810	Rs. 2811 To Rs.3627	Rs. 3628 To Rs.4677	Rs.4678 To Rs.6525	Rs.6526 and above

The table no 2, 3 & 4 summarise some important information about the households which were covered in HIES 2015-16 by province, region and quintile, the distribution of population by region and quintiles whereas the table-4 provide results on the average household size by province, region and quintile.

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

REGION AND PROVINCE	QUINTILES					OVERALL
	1 ST	2 nd	3 rd	4 th	5 th	
URBAN AREAS	1072	1927	2686	3871	6599	16155
Punjab	437	743	1152	1742	3107	7181
Sindh	214	401	598	933	1766	3912
KP	181	420	582	838	1301	3322
Balochistan	239	359	357	358	427	1740
RURAL AREAS	1690	1833	1740	1622	1198	8083
Punjab	678	651	685	703	610	3327
Sindh	668	621	464	327	184	2264
KP	192	379	448	503	365	1887
Balochistan	150	184	142	91	38	605
TOTAL	2762	3760	4426	5493	7797	24238
Punjab	1115	1394	1837	2445	3717	10508
Sindh	882	1022	1062	1260	1950	6176
KP	373	799	1030	1341	1666	5209
Balochistan	389	543	499	449	465	2345

HIES 2015-16

Consumption Quintiles

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

REGION AND PROVINCE	1 ST	2 nd	3 rd	4 th	5 th	OVERALL
URBAN AREAS	8.41	13.72	18.51	24.19	35.17	100.00
Punjab	7.93	12.50	17.90	24.55	37.12	100.00
Sindh	8.56	14.15	18.67	23.70	34.91	100.00
KP	6.79	15.87	20.42	26.67	30.25	100.00
Balochistan	17.05	22.53	22.01	18.94	19.48	100.00
RURAL AREAS	26.25	23.38	20.77	17.77	11.83	100.00
Punjab	25.38	20.64	20.78	19.14	14.06	100.00
Sindh	38.40	28.61	17.96	10.66	4.38	100.00
KP	13.47	24.22	23.57	23.52	15.22	100.00
Balochistan	33.69	31.37	21.73	9.80	3.42	100.00
TOTAL	20.01	20.00	19.98	20.02	19.99	100.00
Punjab	19.62	17.96	19.83	20.93	21.67	100.00
Sindh	23.41	21.35	18.32	17.21	19.72	100.00
KP	12.27	22.71	23.00	24.09	17.94	100.00
Balochistan	29.13	28.95	21.81	12.30	7.81	100.00

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

REGION AND PROVINCE	1 ST QUINTILE	2 nd QUINTILE	3 rd QUINTILE	4 th QUINTILE	5 th QUINTILE	OVERALL
URBAN AREAS	8.29	7.57	6.95	6.14	4.92	6.03
Punjab	7.67	7.17	6.67	6.08	5.03	5.92
Sindh	8.77	7.70	6.93	5.95	4.63	5.87
KP	9.30	8.73	8.39	7.23	5.58	7.10
Balochistan	10.22	9.16	8.70	7.31	5.66	7.88
RURAL AREAS	8.02	7.10	6.41	5.65	4.72	6.47
Punjab	7.64	6.57	6.10	5.44	4.65	6.09
Sindh	8.11	7.15	6.00	4.83	3.71	6.62
KP	9.33	8.59	7.82	6.76	5.49	7.39
Balochistan	9.70	8.10	7.18	5.76	4.78	7.82
OVERALL	8.06	7.21	6.57	5.84	4.84	6.31
Punjab	7.65	6.70	6.26	5.67	4.86	6.04
Sindh	8.23	7.33	6.44	5.55	4.51	6.22
KP	9.33	8.60	7.91	6.85	5.52	7.34
Balochistan	9.78	8.30	7.54	6.32	5.35	7.84

Acronyms

ACRONYMS

HIES	Household Integrated Economic Survey
PSLM	Pakistan Social and Living Standards Measurement Survey
PIHS	Pakistan Integrated Household Survey
HIICS	Household Integrated Income and Consumption Survey
FBS	Family Budget Survey
KP	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
ICT	Information and Communication Technology
CBNA	Change of Base of National Accounts
PSIC	Pakistan Standard Industrial Classification
PSCO	Pakistan Standard Classification of Occupations
GOP	Government of Pakistan