

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.

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	Upto Rs.1728	Rs. 1729 To Rs. 2202	Rs. 2203 To Rs. 2773	Rs. 2774 To Rs3746	Rs. 3747 And above

The following tables summarise some important information about quintiles:-

TABLE 2. DISTRIBUTION OF NUMBER OF HOUSEHOLDS 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	622	911	1158	1478	2420	6589
Punjab	243	364	450	608	1270	2935
Sindh	158	234	318	418	674	1802
KPK	139	163	199	234	306	1041
Balochistan	82	150	191	218	170	811
RURAL AREAS	1929	2146	2112	1981	1584	9752
Punjab	781	750	761	869	858	4019
Sindh	579	556	523	388	250	2296
KPK	339	441	425	408	300	1913
Balochistan	230	399	403	316	176	1524
OVERALL	2551	3057	3270	3459	4004	16341
Punjab	1024	1114	1211	1477	2128	6954
Sindh	737	790	841	806	924	4098
KPK	478	604	624	642	606	2954
Balochistan	312	549	594	534	346	2335

TABLE 3. PERCENTAGE OF POPULATION 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	10.71	14.62	17.84	23.36	33.47	100
Punjab	10.90	14.21	17.02	21.92	35.95	100
Sindh	9.37	13.85	18.26	25.54	32.98	100
KPK	15.23	18.33	19.28	22.99	24.16	100
Balochistan	11.63	20.85	23.35	25.51	19.05	100
RURAL AREAS	24.64	22.67	21.08	18.33	13.28	100
Punjab	24.94	20.33	19.71	19.18	15.84	100
Sindh	29.98	25.78	22.81	13.98	7.45	100
KPK	20.55	24.98	22.23	19.80	12.45	100
Balochistan	17.21	29.48	25.95	18.97	8.37	100
OVERALL	20.00	19.99	20.00	20.00	20.00	100
Punjab	20.47	18.39	18.85	20.05	22.24	100
Sindh	19.98	19.99	20.60	19.59	19.84	100
KPK	19.64	23.84	21.73	20.34	14.45	100
Balochistan	15.91	27.46	25.35	20.41	10.88	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	8.39	7.65	6.80	6.35	5.02	6.19
Punjab	8.22	7.40	6.44	6.19	5.33	6.18
Sindh	8.52	7.70	7.15	6.38	4.44	5.92
KPK	9.10	8.81	7.52	6.9	5.60	7.17
Balochistan	8.21	8.23	7.56	7.26	6.55	7.46
RURAL AREAS	7.98	7.12	6.65	5.70	4.91	6.49
Punjab	7.56	6.73	6.36	5.45	4.78	6.15
Sindh	8.40	7.29	6.72	5.74	4.79	6.90
KPK	9.37	7.98	7.40	6.41	4.92	7.17
Balochistan	8.06	7.54	7.10	6.30	5.14	6.97
OVERALL	8.05	7.24	6.70	5.93	4.92	6.40
Punjab	7.66	6.89	6.39	5.69	5.05	6.16
Sindh	8.43	7.43	6.90	6.13	4.50	6.39
KPK	9.33	8.08	7.42	6.50	5.09	7.17
Balochistan	8.09	7.65	7.19	6.55	5.64	7.08

Data quality

After data collection, all questionnaires were analyzed at the headquarters of the Federal 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.