



BISP Beneficiary Households Expenditure and Consumption Patterns based on HIES 2018-2019

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1 BISP BENEFICIARIES' INCOME, EXPENDITURE AND FOOD EXPENDITURE PATTERNS BASED ON HIES 2018-2019

1.1 INTRODUCTION AND BACKGROUND

The Household Integrated Economic Survey (HIES) – a regular survey carried out by the Pakistan Bureau of Statistics after a gap of 2-3 years gives information on household expenditure and income, which is also used for calculation of the incidence of poverty in the country using the official definition of poverty adopted by the Government of Pakistan. Over time, the PBS has made improvements in the survey questionnaire and methodology to better capture living standards of households across Pakistan. One such addition to the HIES questionnaire was made in Section 8-M, which captures transfers received and paid out by enumerated households, where information on the annual transfers received through BISP were also included from the 2013-14 round of the survey onwards, along with information on other public social protection programs. The present paper makes use of the latest available round of HIES for 2018-19 to analyze household consumption expenditures as well as consumption patterns of households receiving BISP stipends and other households.

1.2 ANALYSIS OF HOUSEHOLD EXPENDITURES

The sample of households that report receiving BISP transfers and households that did not receive BISP transfers in the HIES 2018-19 dataset is presented in **Appendix 1**. The average monthly household expenditures of all households in Pakistan in 2018-19 is presented in Table 1, which also provides a disaggregation of average expenditures by BISP beneficiary households and non-beneficiaries households. The average expenditures of all categories of households are higher in urban areas compared to rural areas, while as expected the average expenditures of BISP beneficiary households are lower in comparison to households not receiving BISP transfers. The differential between average expenditures of BISP beneficiary and non-beneficiary households is seen to be highest in Sindh, followed by Punjab; with this difference being lowest in case of Khyber Pakhtunkhwa and negative in Balochistan¹. Another noteworthy finding is that the difference in expenditures between beneficiary and non-beneficiary households is generally lower in rural areas across all provinces in comparison to urban areas. A graphical analysis of household monthly expenditures by all categories of households presented in Figure 1 indicates that the dispersion of household expenditures is higher in case of BISP beneficiary households, while within BISP beneficiary households this spread is highest in case of households residing in Balochistan.

A similar analysis of median household expenditures of beneficiary and non-beneficiary households are presented in Table 2.

¹ The relatively higher average expenditures of BISP beneficiary households in Balochistan can be attributed to the small sample size of BISP beneficiary households in that province, as outlined in Appendix 1.

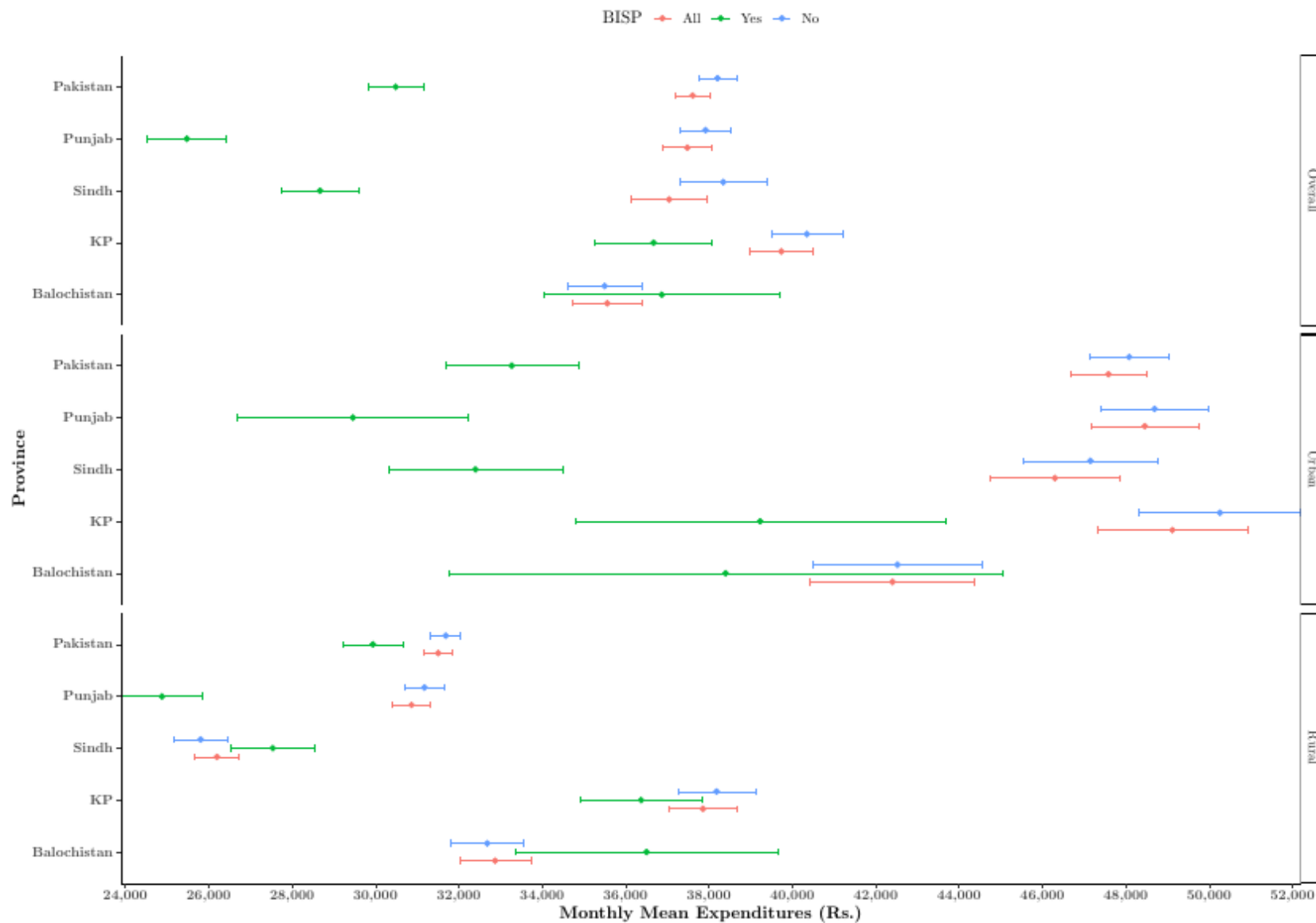
Table 1: Monthly Mean Expenditures (Rs.) for BISP Beneficiaries and Non-Beneficiaries by Rural/Urban classification

		All households		Non BISP Beneficiary households		BISP Beneficiary households	
Province	Region	Mean	SE	Mean	SE	Mean	SE
Pakistan	Overall	37,839	242	38,454	260	30,489	333
	Urban	48,179	553	48,695	571	33,271	815
	Rural	31,504	168	31,685	183	29,942	364
Punjab	Overall	37,482	299	37,921	308	25,477	481
	Urban	48,458	655	48,693	662	29,459	1,410
	Rural	30,865	235	31,174	245	24,879	501
Sindh	Overall	38,024	687	39,475	788	28,670	474
	Urban	48,108	1,217	49,073	1,287	32,399	1,060
	Rural	26,195	275	25,807	321	27,539	513
KP	Overall	39,736	380	40,353	433	36,668	715
	Urban	49,118	921	50,258	988	39,231	2,268
	Rural	37,858	413	38,185	476	36,374	754
Balochistan	Overall	35,560	431	35,501	446	36,867	1,449
	Urban	42,405	1,007	42,525	1,032	38,402	3,381
	Rural	32,868	435	32,683	449	36,504	1,599

Table 2: Monthly Median Expenditures (Rs.) for BISP Beneficiaries and Non-Beneficiaries by Rural/Urban classification

		All households		Non BISP Beneficiary households		BISP Beneficiary households	
Province	Region	Mean	SE	Mean	SE	Mean	SE
Pakistan	Overall	30,429	137	30,723	142	27,330	365
	Urban	38,055	274	38,412	292	30,913	982
	Rural	26,763	137	26,753	142	26,989	330
Punjab	Overall	29,595	184	29,925	178	23,852	629
	Urban	38,068	404	38,274	439	28,055	1,533
	Rural	25,902	173	26,077	192	22,972	556
Sindh	Overall	29,997	300	31,008	368	26,035	466
	Urban	37,911	398	38,396	426	30,567	1,543
	Rural	22,387	274	21,693	237	24,732	552
KP	Overall	33,621	300	33,755	331	32,732	598
	Urban	39,905	680	40,972	736	34,028	1,115
	Rural	32,851	309	32,863	371	32,701	648
Balochistan	Overall	31,273	371	31,154	394	33,249	1,624
	Urban	37,236	669	37,252	681	34,665	3,184
	Rural	29,263	469	28,976	447	32,978	1,578

Figure 1: Monthly Mean Expenditures (Rs.) for BISP Beneficiaries and Non-Beneficiaries by Rural/Urban classification



In order to explore the household consumption patterns of BISP beneficiary and non-beneficiary households, the expenditures have been further broken down into 12 expenditures groups, using the categorization adopted by Khan and Khalid (2010²). The HIES survey data contains information on both the amount spent on purchase of a particular commodity as well as its imputed value in case it is self-produced and/ or received as gift in kind. For the purpose of this study, these two sets of information have been combined to get the total expenditure on each commodity, which is the amount spent on buying that commodity plus its imputed value. The details of commodities covered in each of these 12 expenditure categories are outlined in **Appendix 2**.

The analysis indicates that a major share of household expenditure for both set of households is allocated for purchase of food items, with this share being 36 percent in case of non-BISP beneficiary households and 46 percent for BISP beneficiary households (Figure 2 and Table 3). This pattern is seen to be consistent across all provinces and across the urban/ rural domains within each province, with the exception of Balochistan, due most likely to the small sample size for this province. These figures provide a validation of the Engel's Law which stipulates that as household income rises, the share of expenditure on food related items falls. As the income level of non-BISP beneficiary households is likely to be higher than BISP beneficiary households, their proportionate spending on food items is much lower than that of the poorer BISP beneficiary households. Other categories where expenditure shares of BISP beneficiary households differ from their counterparts not receiving cash transfers include housing, transport and communications, education and durables, where average expenditure shares of BISP households are lower, in comparison to non-beneficiary households. On the other hand, BISP beneficiary households have relatively higher expenditure shares on clothing and footwear and household effects, compared to their counterparts not receiving transfers from BISP.

² Khan, AH and Khalid, U (2010). 'Household Consumption Patterns in Pakistan: Evidence from Household Data'. NUST Journal of Business and Economics, Vol 3, No. 1, pp 1-14.

Figure 2: Monthly Mean Expenditures (Rs.) for BISP Beneficiary and Non-Beneficiary Households by Expenditure Group, by Province/ Region

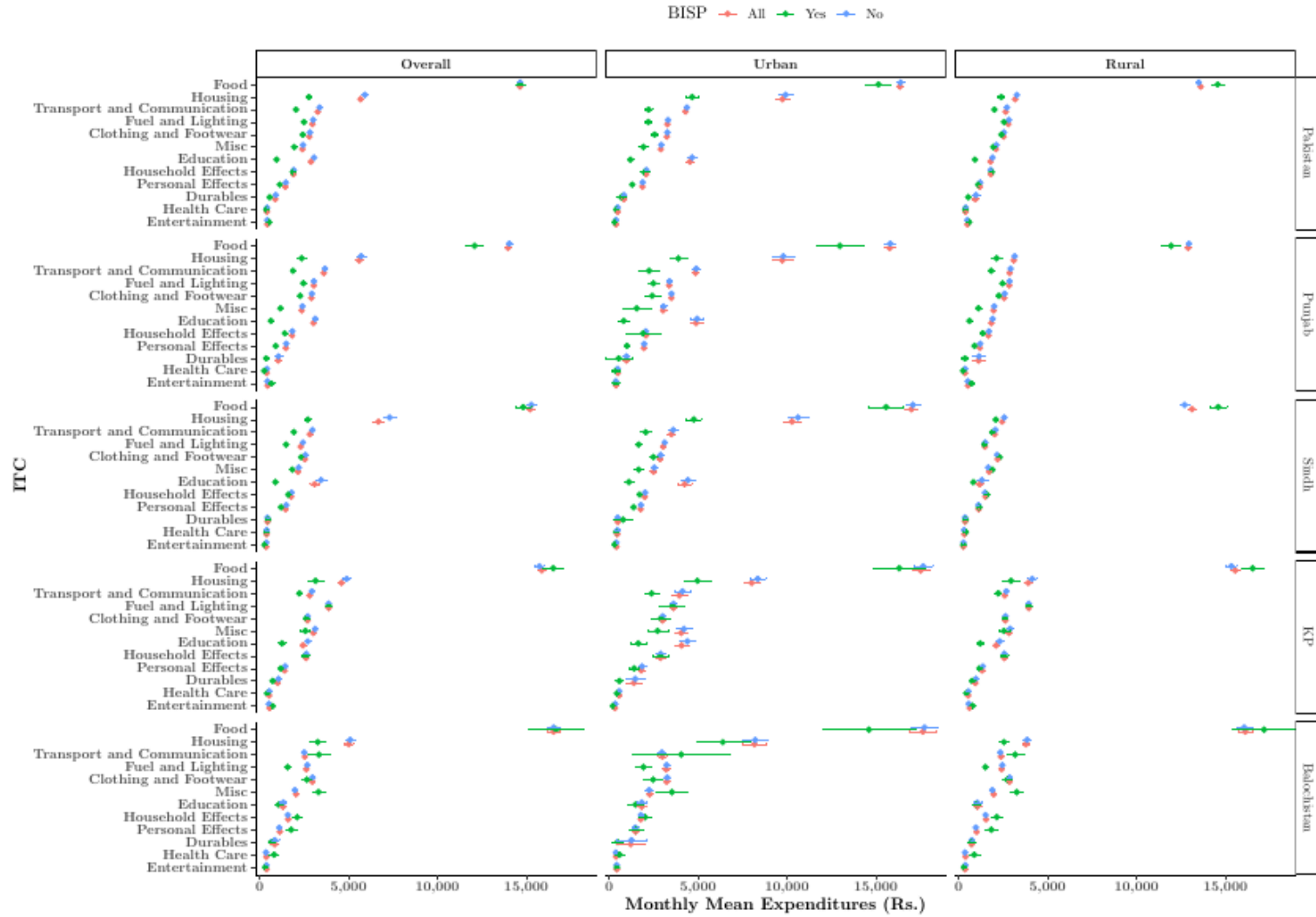


Table 3: Distribution of Monthly Mean Expenditures for BISP Beneficiary and Non-Beneficiary Households, by expenditure groups (%)

BISP	Region	Province	Food	Housing	Transport and Communication	Fuel and Lighting	Clothing and Footwear	Misc	Education	Household Effects	Personal Effects	Durables	Health Care	Entertainment
Non-BISP beneficiary HHs	Overall	Pakistan	36.0	15.2	8.3	7.4	7.0	6.0	7.5	4.7	3.6	2.2	1.0	1.1
		Punjab	35.0	14.2	9.1	7.6	7.3	6.0	7.8	4.6	3.7	2.6	1.0	1.1
		Sindh	36.5	20.1	7.1	5.8	6.2	5.3	8.2	4.3	3.6	1.0	0.9	0.9
		KP	37.4	11.6	7.0	9.2	6.4	7.4	6.4	6.2	3.4	2.5	1.3	1.2
		Balochistan	44.2	13.6	6.7	7.2	8.0	5.3	3.5	4.2	3.0	2.3	0.9	1.0
	Urban	Pakistan	32.1	20.6	8.5	6.5	6.4	5.7	9.1	4.1	3.7	1.6	0.9	0.8
		Punjab	30.9	19.1	9.5	6.6	6.8	6.0	9.6	4.0	3.8	1.9	0.9	0.7
		Sindh	33.3	24.4	7.0	6.1	5.6	4.9	8.6	3.9	3.5	0.9	0.9	0.8
		KP	33.7	15.9	7.9	6.9	5.8	8.0	8.4	5.5	3.5	2.8	1.1	0.6
		Balochistan	39.6	18.4	6.6	7.2	7.3	5.0	4.1	4.0	3.3	2.8	0.8	0.9
	Rural	Pakistan	40.1	9.7	8.1	8.4	7.5	6.3	5.6	5.3	3.6	2.9	1.1	1.4
		Punjab	39.0	9.5	8.8	8.6	7.7	6.0	5.7	5.1	3.6	3.4	1.1	1.5
		Sindh	46.3	9.3	7.5	5.4	7.9	6.1	4.8	5.4	4.0	1.3	1.1	0.9
		KP	38.4	10.4	6.7	9.9	6.6	7.2	5.8	6.4	3.4	2.4	1.4	1.4
		Balochistan	46.7	11.2	6.8	7.1	8.3	5.5	3.0	4.4	2.8	2.1	1.0	1.1
BISP beneficiary HHs	Overall	Pakistan	46.2	8.7	6.4	7.8	7.6	6.1	3.0	5.9	3.6	1.8	1.2	1.7
		Punjab	45.7	8.9	7.1	9.3	8.6	4.4	2.4	5.4	3.4	1.4	1.0	2.5
		Sindh	49.5	9.0	6.4	5.0	7.8	6.1	3.0	5.4	4.0	1.6	1.3	0.9
		KP	43.6	8.3	5.9	10.2	6.9	6.8	3.3	6.8	3.1	1.9	1.1	1.9
		Balochistan	44.4	8.7	8.9	4.2	7.1	8.8	2.9	5.6	4.7	1.7	2.2	0.9
	Urban	Pakistan	43.8	13.5	6.4	6.4	7.4	5.6	3.4	5.8	3.8	1.9	1.2	0.9
		Punjab	42.5	12.7	7.4	8.1	7.9	5.1	2.7	6.3	3.3	1.7	1.2	1.2

BISP	Region	Province	Food	Housing	Transport and Communication	Fuel and Lighting	Clothing and Footwear	Misc	Education	Household Effects	Personal Effects	Durables	Health Care	Entertainment
		Sindh	46.0	14.1	6.0	4.9	7.4	4.9	3.3	5.1	4.0	2.3	1.1	0.9
		KP	40.8	12.4	6.0	8.9	7.3	6.8	4.1	7.2	3.5	1.4	1.1	0.5
		Balochistan	37.0	16.2	10.3	4.9	6.3	8.9	3.8	5.1	3.8	1.2	1.5	1.1
	Rural	Pakistan	46.7	7.7	6.4	8.1	7.7	6.2	2.9	5.9	3.5	1.7	1.2	1.9
		Punjab	46.2	8.2	7.1	9.5	8.7	4.3	2.3	5.2	3.4	1.3	1.0	2.8
		Sindh	50.7	7.2	6.5	5.0	8.0	6.6	2.8	5.5	4.0	1.3	1.4	0.9
		KP	44.0	7.8	5.9	10.4	6.9	6.8	3.2	6.8	3.1	2.0	1.1	2.1
		Balochistan	46.2	6.8	8.5	4.0	7.3	8.8	2.6	5.7	4.9	1.9	2.3	0.8

Appendix 1: Sample households in HIES 2018-19, by province and region (urban/ rural)

Province	Region	Sample Households		
		Total	BISP beneficiary	Non-beneficiary
Pakistan	Overall	24,809	2,182	22,627
	Urban	8,873	394	8,479
	Rural	15,936	1,788	14,148
Punjab	Overall	11,781	435	11,346
	Urban	3,945	48	3,897
	Rural	7,836	387	7,449
Sindh	Overall	6,216	942	5,274
	Urban	2,719	173	2,546
	Rural	3,497	769	2,728
KP	Overall	4,485	702	3,783
	Urban	1,450	148	1,302
	Rural	3,035	554	2,481
Balochistan	Overall	2,327	103	2,224
	Urban	759	25	734
	Rural	1,568	78	1,490

Appendix 2: Details of commodity groups

1. Food and drinks	Milk and milk products, meat poultry and fish, fresh fruits, dry fruits & nuts, cereals, pulses, edible oils and fats, tea and coffee, baked and fried products, miscellaneous food items,
2. Clothing and footwear	Clothing, clothing material and services, footwear and repair charges, other expenses on tire, tube, spare parts, repairs of vehicle etc. and service charges.
3. Fuel and lighting	Gas, electricity, fire-wood, kerosene oil, other household effects (bulbs, tubes, switches, battery cells, lamp shades etc.)
4. Personal effects	Personal care articles, personal care services, household laundry, cleaning and paper articles, personal durable effects (wrist / pocket watches, sun glasses, etc), laundry and cleaning equipment (washer / dryer, vacuum cleaner, iron, iron board, etc.)
5. Housing	House rent and housing expenses, house and property tax etc.
6. Transport & Communications	Personal transport and travelling, petrol charges, repairing of wheel puncture, annual driving license fee, expenses on traveling by road by train and by air, vehicle registration fee, etc
7. Household effects	Readymade pillow covers, bed sheets, blankets, curtains, mosquito nets etc., purchase of cloth(for pillow covers, bed sheets quilts etc.) & purchase of cotton (for quilts, pillows, etc.), carding and other stitching charges on household textile, chinaware, silverware and kitchen equipment, furniture, fixture and furnishing, other household effects,
8. Healthcare	Purchase of medicine, hospitalization expenses, medical fees, laboratory and physician's charges.
9. Education	School/college fees and private tuition fees, books and exercise note books / copies, stationary etc. other education expenses (bags, professional society membership, transportation etc.), hostel expenses, calculators, personal computers, mobiles etc,
10. Entertainment	Recreation & reading, expenditure on hobbies, cable installation recreational membership fee, toys, games, photography, lodging charges etc, radio and musical instruments(tape recorder, gramophone, TV, VCR, VCP, cassettes), recreational equipment (cameras, projector, shot gun, angling kit, bats, balls etc.)
11. Durables	Electric/ oil fans (table, pedestal, ceiling, exhaust), air conditioners, air coolers, refrigerators, freezers, heater, boiler, geyser (electric, gas, oil), table lamp, sewing machine, knitting machine (electric / hand), other (trunks, suitcase etc.), wall / table clock, water pipes (rubber, nylon, plastic), thermos bottle etc., service and repair charges of household effects, mentioned above
12. Miscellaneous	Stationery supplies such as pen, pencils, stapling machine, pin etc. (other than education purpose), crockery & cutlery for daily use, taxes & fines and all other miscellaneous expenditure, personal effects and service and repair charges