

Chapter 2

Poverty and Social Assistance



Poverty in Pakistan is multifaceted and dynamic, with households moving in and out of poverty depending on their ability to weather the different shocks they are subjected to over a short period of time—from natural catastrophes, be they floods or drought, to sectarian and ethnic conflicts, to failures of governance that result in job insecurity. The debate continues on the most efficient measure of poverty—by income, by consumption levels, or a set of indicators (Multidimensional Poverty Index-MPI). Determining poverty levels is a contested issue in Pakistan. The absence of any reliable and non-controversial statistics on poverty makes it difficult to present any hard data on its current levels. Different studies have used different household surveys with different methodologies to measure poverty estimates and no consistent time series data on poverty is available. Poverty figures are available as head count ratios, calculated by dividing the household expenditure by adult equivalent household size. Therefore, no sex-disaggregated data for poverty is available.¹⁰

In 2001, the Planning Commission of Pakistan estimated the poverty line of Rs. 723.40 for 2000/01. Expenditure on calorie intake of 2,350 calories per adult equivalent per day along with consumption expenditure on non-food items was aggregated to construct this poverty line.

¹⁰ See Annex 1 for an explanation of the PSLM and HIES data

In 2005/06 slightly over 22% of the population lived below the poverty line, but since then no official data is available. World Bank estimates however show a decline in poverty in 2007/08 to 17%, almost 50% of the poor households from 2005 moving out of poverty, though they remained at risk¹¹. Inter provincial, and intra-provincial inequalities exacerbate the effects of poverty. Inequality is the highest in Sindh, followed by Balochistan, and is higher in urban areas than in rural areas. The rural-urban inequalities are also the highest in Sindh. Inequalities skew the benefits of progress and development towards the privileged, making it ever more difficult for the poor to climb out of poverty, and restricting social mobility. Women are the hardest hit.

Assets such as agricultural land, education, location (urban/rural) and household size determine the ability of the household to move out of poverty, conversely a lack of these assets makes the individuals and households vulnerable to sliding into poverty. Statistics show that females in Pakistan lag behind on all these aspects, lending credence to the assumption that even within poor households women are poorer, especially since access to agricultural land is an important dimension to reducing vulnerability.

¹¹ World Bank 2013 *Towards an Integrated National Safety Net System Assisting Poor and Vulnerable Households: An Analysis of Pakistan's Main Cash Transfer Program* Report No. 66421-PK.

In FATA 60% of households are estimated to be living below the poverty line (FATA Secretariat pp 4-13) http://www.fata.gov.pk/fo/ESA_report_notification.zip

Asset poverty increases the risk of households falling into debt, making them more vulnerable to external and idiosyncratic shocks. While 27% of households in Pakistan reported being in debt during the period 2007/8 and 2008/9, in militancy-hit areas this figure shot up to 45%. The majority of households use the debt to cover basic needs such as food and health while only 7% and below use it for house repairs, routine expenditures and productive investments¹².

The top five strategies for coping with a food crisis as noted by the World Bank using the PSLM 2008-10 Panel Survey are switching to lower quality or cheaper food, reduce food intake, decrease non-food expenditures, use up savings or investments, decrease education related expenses. There is a direct correlation between food price shock and student enrollment as it decreased significantly for households that reported being affected by it and it correlates with lower spending on education especially for girls¹³.

Poverty affects school enrollments, incomes, child labor, and contraceptive usage – improved incomes lead to a significant increase in adoption of modern methods, which has important implications for women's health and well-being.¹⁴ In sum, poverty has an adverse

impact on all the crucial elements that enhance capabilities, opportunities and growth potential of women and men in Pakistan.

In the following pages wherever possible, separate analyses of female-headed households is presented, with the caveat that these represent a small sample of 1341 from the 16341 households surveyed in HIES.

12 World Bank Report 2013

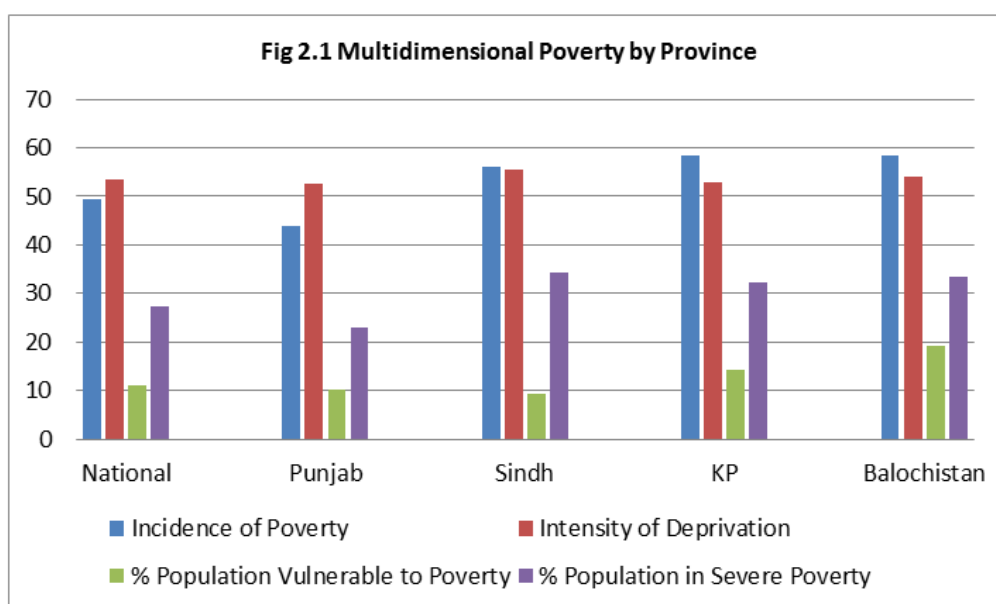
13 *ibid*

14 Sohail Agha 2000. Is Low Income A Constraint To Contraceptive Use Among The Pakistani Poor? *Journal of BioSocial Science* 32. pgs, 161–175. Cambridge University Press

Counting Poverty

The Multidimensional Poverty Index (MPI) is an experimental measure that attempts to capture the non-income dimensions of poverty at the individual level based on ten indicators for education, health, and standard of living (Annex 2)¹⁵. Thus a slightly more layered analysis of poverty is derived from both the incidence of non-income multidimensional poverty and its intensity (the number of deprivations simultaneously experienced by an individual and household).

Pakistan¹⁶ has a Multidimensional Poverty Index value of 0.264 with 49% of the population as MPI poor and 53% intensely deprived on multiple indicators.¹⁷



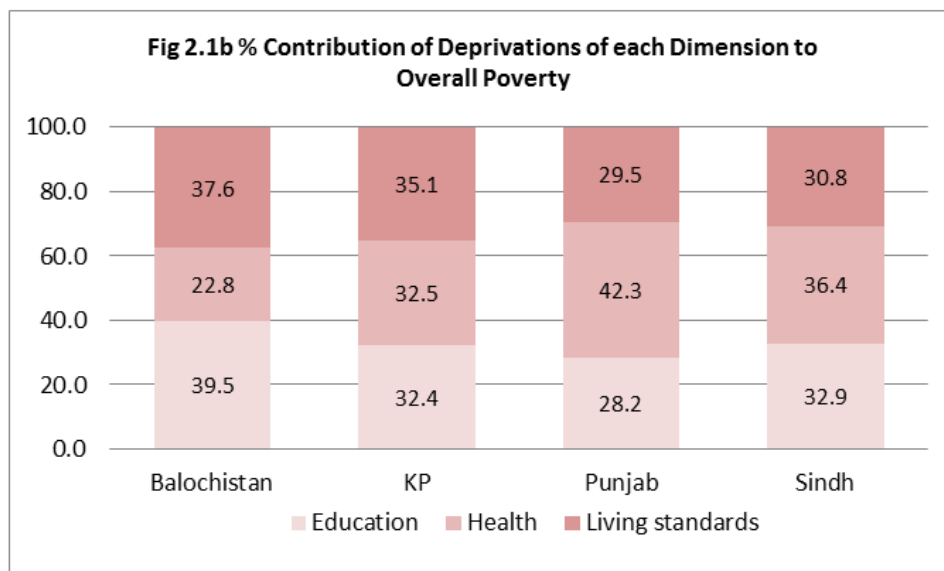
Source: Oxford Poverty and Human Development Initiative 2013: Pakistan Country Briefing

Multidimensional poverty is highest in Balochistan and Khyber Pakhtunkhwa, reflected also in the highest percentage of population vulnerable to poverty and in severe poverty. All the provinces record over 50% on intensity of deprivation (simultaneous deprivation on a number of indicators from 33% to 100- higher percentages indicate higher deprivations), symptomatic of acute poverty.

¹⁵ Human Development Report 2013

¹⁶ Measured as a number between 0 and 1, the MPI is a reflection of acute poverty, with large numbers indicative of higher poverty. MPI for Pakistan is based on DHS 2006/7 data (Human Development Report 2013)

¹⁷ Source: Oxford Poverty and Human Development Initiative (2013) "Pakistan Country Briefing" Multidimensional Poverty Index Data Bank, OPHI, University of Oxford. Available at <http://www.ophi.org.uk/multidimensional-poverty-index/mpi-data-bank/mpi-country-briefings/>



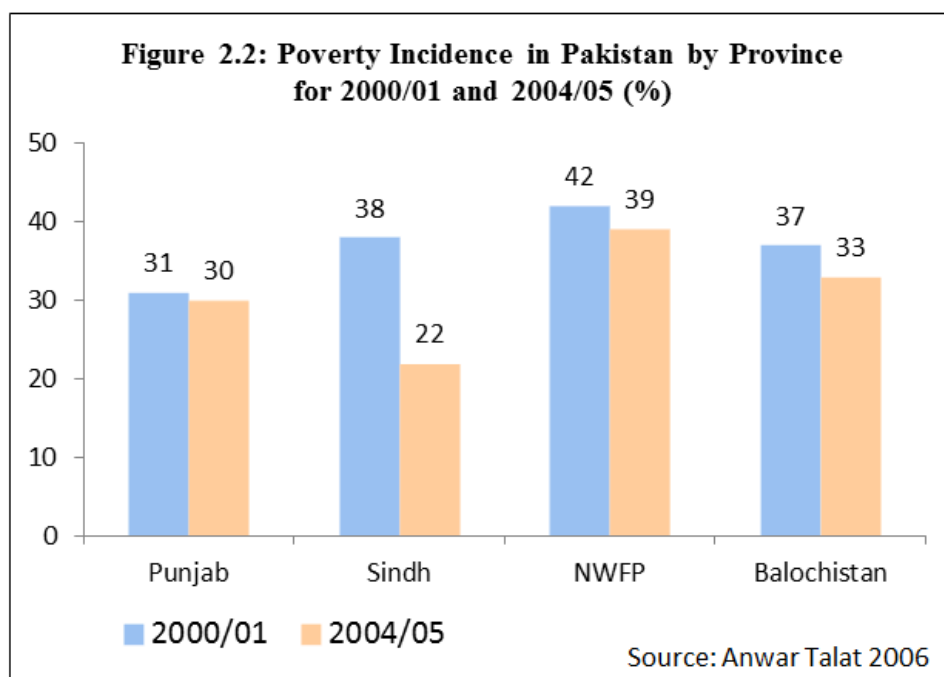
Source: Oxford Poverty and Human Development Initiative 2013: Pakistan Country Briefing

The main factor in multidimensional poverty in Punjab and Sindh is the low score on health. A household suffers health deprivation if at least one household member is malnourished and in which one or more children have died. Child mortality accounts for a large proportion of health-deprived households.

Nationally, the indicators that contributed the most to multidimensional poverty include child mortality 38%, School Attendance 19%, years of schooling 12% and living standards 31% .

The MPI measures poverty deprivation using the following indicators:

- Education: no household member has completed five years of schooling, and at least one school-age child (up to grade 8) is not attending school.
- Health: at least one household member is malnourished and one or more children have died.
- Standard of living: no electricity, no access to clean drinking water and to adequate sanitation, using “dirty” cooking fuel (dung, wood or charcoal), having a home with a dirt floor, and owning no car, truck or similar motorized vehicle while owning at most one of these assets: bicycle, motorcycle, radio, refrigerator, telephone or television.



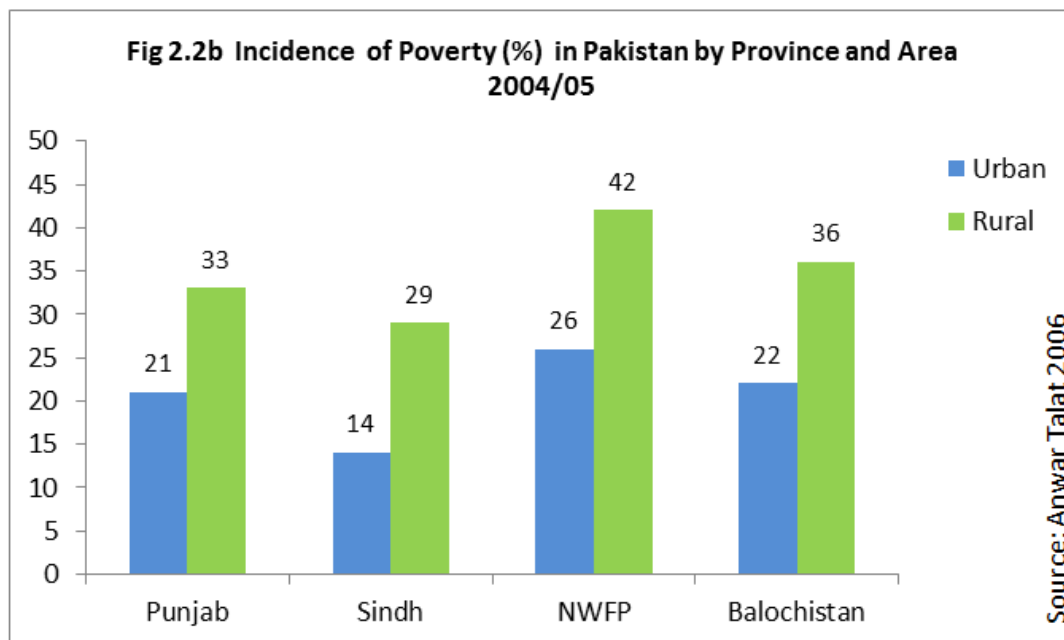
Figs 2.1 shows the poverty estimates by province between 2000/01 and 2004/05.¹⁸

All the provinces registered a decline in poverty, though there is a marked variation in percentage decrease across provinces. Rural Sindh showed a substantial decrease of almost 19 %, according to the World Bank estimates (from 48 percent in 2000/01 to 29 percent in 2004/05), shedding its rank as the poorest region of Pakistan. This decrease is variously attributed to exceptionally high agricultural growth in 2004/5 after a severe drought (World Bank) or more cynically to issues in data collection (Anwar 2006)¹⁹.

18 Anwar, Talat. 2006. Trends in Absolute Poverty and Governance in Pakistan: 1998-99 and 2004-05 The Pakistan Development Review 45 (4 Part II):777-793

19 Anwar, Talat (2006), Poverty and Governance in Pakistan. Paper presented at the 22nd Annual General Meeting of PSDE, held in Lahore December 19-21, 2006, Pakistan Institute of Development Economics, Islamabad

Urban and Rural Poverty



Within provinces the levels of rural/ urban inequality are highest in Sindh, followed by Punjab, Khyber Pakhtunkhwa and Balochistan. In all the provinces, inequality is higher within urban areas than rural ones.

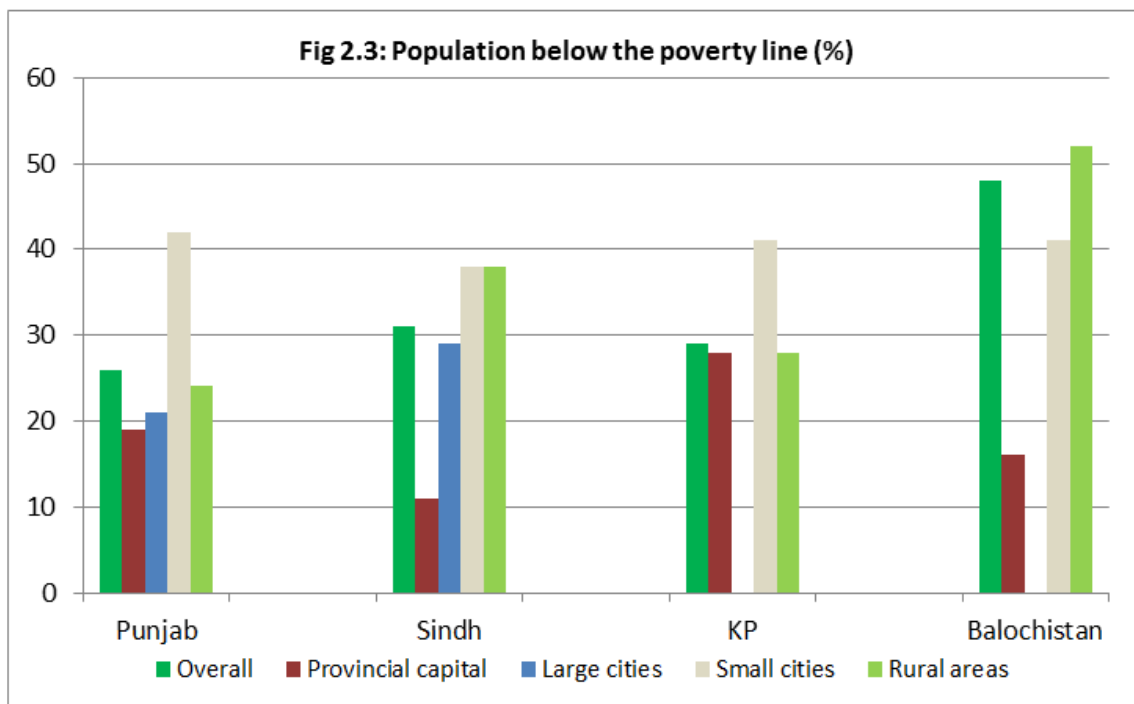
Poverty in urban Sindh was 14 percent in 2004/05 (a large decrease from 21 percent in 2000/01). Rural poverty in Punjab showed a marginal decrease, and it was even less in Khyber Pakhtunkhwa/NWFP²⁰ and Balochistan, a trend mirrored in the urban poverty declines in these provinces.

²⁰ NWFP was renamed Khyber Pakhtunkhwa after 2006.

Distribution of Poverty

“Not everyone is equally poor.”

Recent estimates of population below the poverty line (%) highlight the inequalities within provinces as poverty varies from larger cities to smaller ones, and from urban to rural areas.



Source: Ahmed, G.²¹ Cited in UNICEF Situation Analysis of Women and Children 2012²²

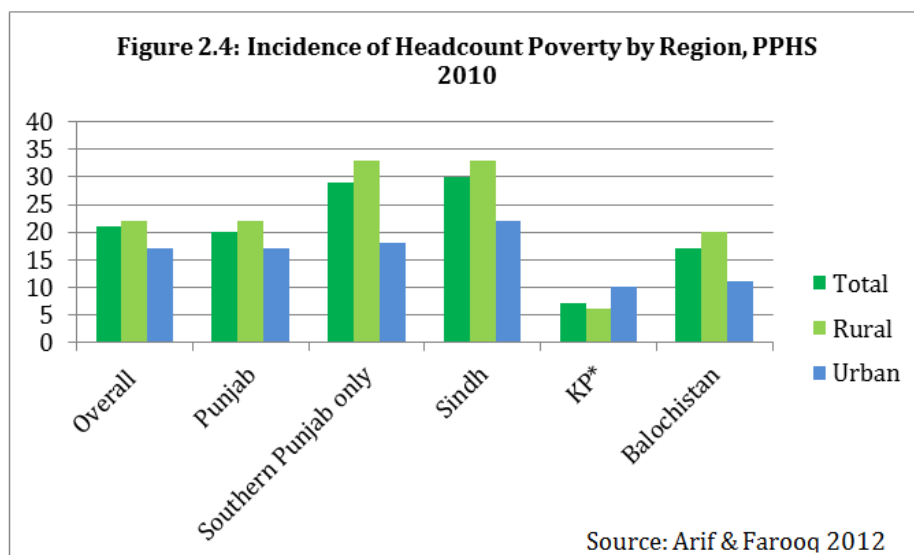
- Provincial capitals have on average 20% of their population living below the poverty line
- An average of 40% of the population of small cities lives below the poverty line in all the provinces
- 11% of the population of Karachi lives below the poverty line
- 28% of the population of Peshawar lives below the poverty line, the highest amongst the provincial capitals, attesting to the influx of displaced persons from militancy-hit areas

²¹ Ahmed, G., *Adequacy of Provincial Assignments and Transfer Design*, presentation at “National Conference on Making the 18th Amendment and 7th NFC Award Work”, sponsored by the Forum of Federations, Islamabad, 30 October 2010.

²² Note: Figures for large cities in Khyber Pakhtunkhwa and Balochistan were not included in the original, hence the gap in Fig2.3 above

Changes in Poverty 2000 to 2010

The data in this section is derived from the Pakistan Panel Household Survey (PPHS) and the Pakistan Rural Household Survey (PRHS) (Annex 1).²³



Rural poverty is highest in Southern Punjab and Sindh. Urban poverty is highest in Sindh, and quite high in Punjab as well.

Table 2.1: Rural Poverty Dynamics by Sex of Head of Household (Sindh and Punjab Only) 2001-2010

Change in Poverty Status between 2001 and 2010	Total (%)	Female-Headed Households (%)	Male-Headed Household (%)
3 period poor (chronic)	4	-	4
2 period poor	17	10	17
1 period poor	31	21	31
Never poor	48	69	48
All	100	100	100
N	(1395)	(64)	(1331)

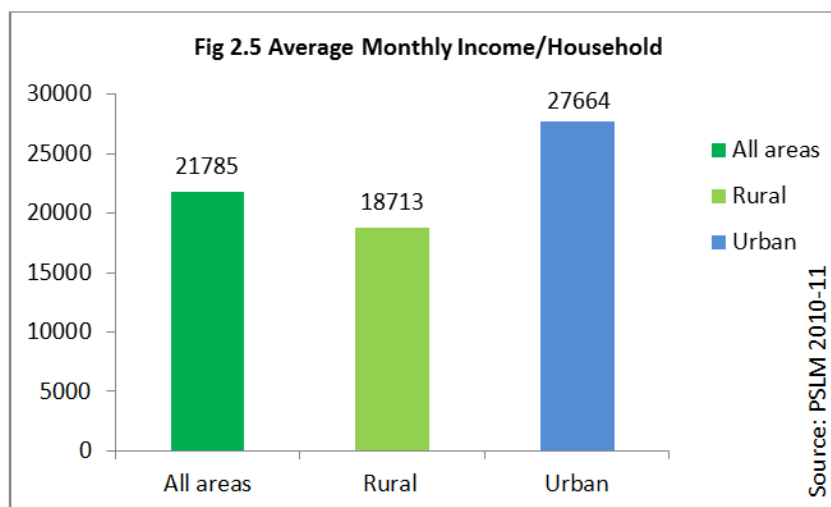
Source: Arif and Farooq 2012²⁴

Table 2.1 reveals the nature of rural poverty, with more households becoming poor for the first time in the period under study, and 17% households unable to come out of poverty.

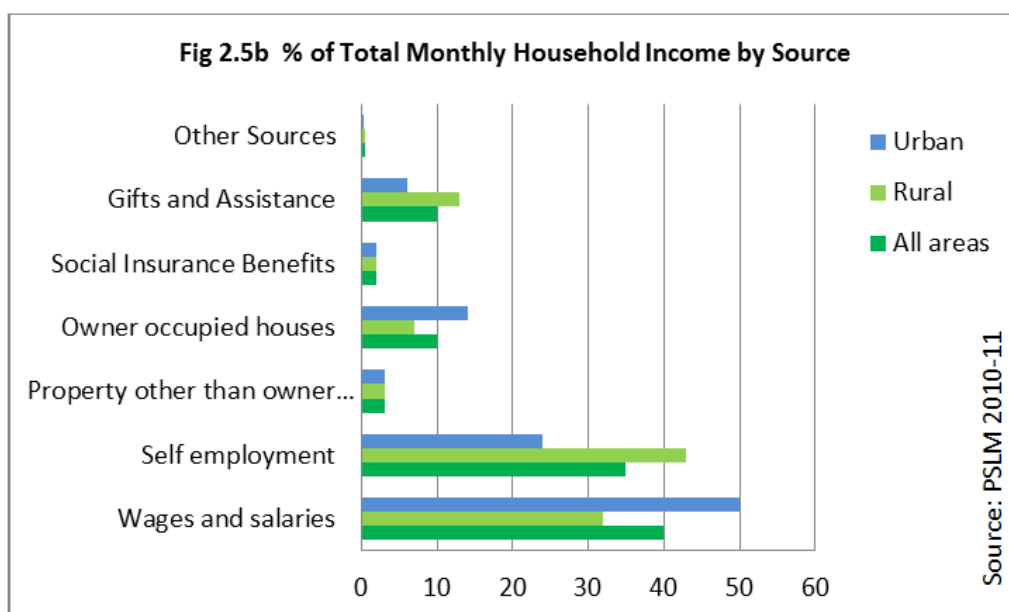
²³ PPHS is not a representative dataset. The sample size is small, 4000 plus households and ignores the major urban areas. .

²⁴ Arif, G. M. and Shujaat Farooq 2012. Rural Poverty Dynamics in Pakistan: Evidence from Three Waves of the Panel Survey. In *Poverty and Social Dynamics Paper Series, PSDPS-2* Pakistan Institute of Development Economics, Islamabad

Income Inequalities



In 2010-11 the rural-urban ratio for average monthly income per household was approximately 68% i.e. rural household on average had a monthly income that was 32% less than that of an urban household. Rural urban inequities appear to be on the rise as the ratio was slightly better in 2007-8 at 70%.²⁵

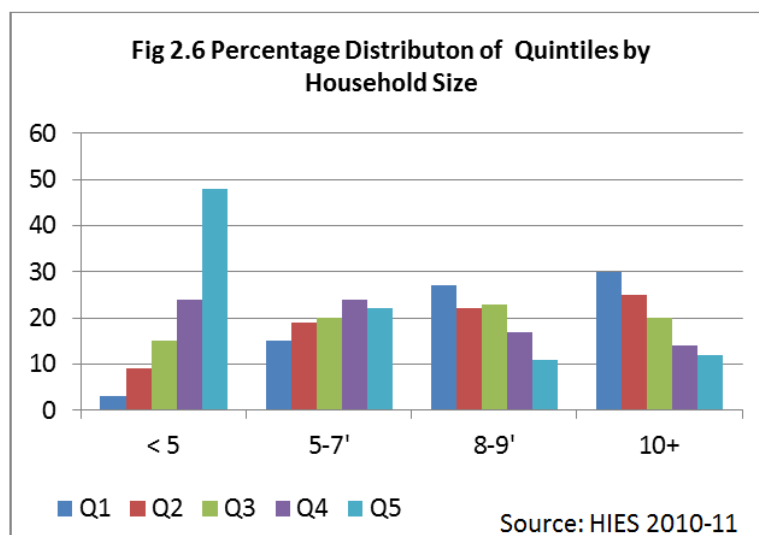


For rural households self-employment is the main source of income, while for urban households it is wages and salaries. Quintile 5 (featuring the households with the highest per capita consumption) has 50% higher average monthly food expenditures than that of households in Quintile 1 (featuring the poorest households with the lowest per capita consumption) despite the latter's larger household size of 8 persons.

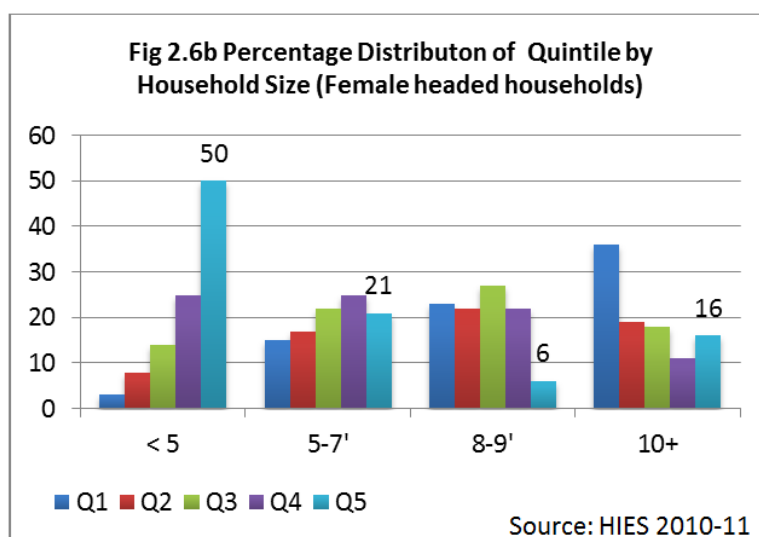
²⁵ Source: Social Indicators of Pakistan 2011, PBS Table 2.2

Household Characteristics by Consumption Quintiles

The figures below compare select features of the households per quintile with the female-headed households (Annex 2 Table 2.2).²⁶

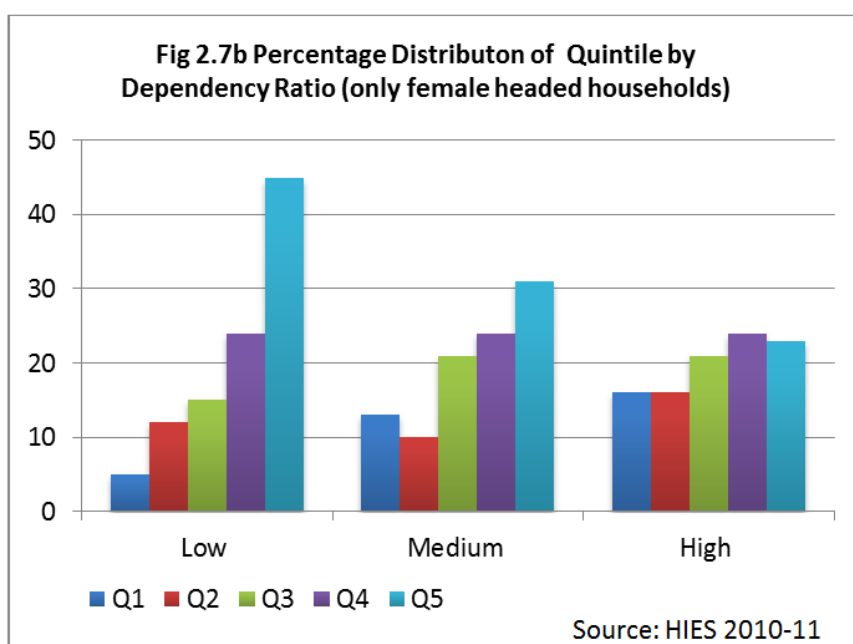
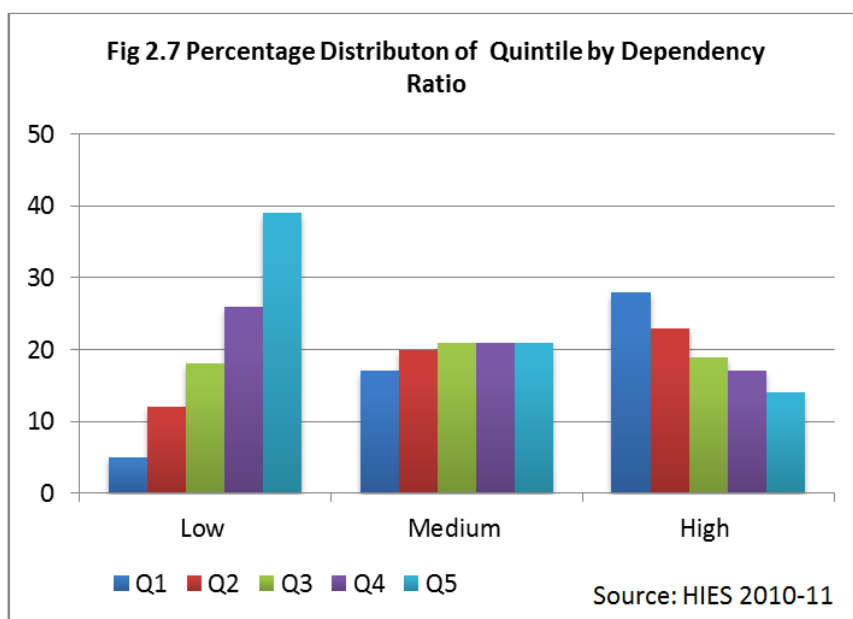


Women head only 8% to 10% of households nationally. An analysis of female headship is undermined by the undetermined implication of headship as the PSLM survey question does not probe if the headship is based on absence of male (for economic migration), woman's status as primary earner, decision maker, or social factors (such as age).



50% of the highest consumption female-headed households have less than five members, slightly more than the national figure.. 36% of the poorest female-headed households have ten or more members, lending credence to the claim that women headed households are often poorer.

²⁶ See Annex 1. The HIES dataset has five quintiles Households with the lowest consumption expenditures, the poorest, are in Quintile 1, and those with the highest in Quintile 5



High dependency households are more likely to be in the lower quintiles. These results are consistent with the literature as more dependents leads to a decline in household expenditures on food and nonfood items. The average consumption expenditure of Q5 in urban areas is just over two and half times higher than consumption in the lowest income class and almost three times more than rural Q5 households. The inequality between Q1 and Q5 in urban areas is larger than between rural Q1 and Q5 households.²⁷

²⁷ HIES report 2011, PBS

The Determinants of Poverty

The determinants of poverty are explored with an ordered logistic regression model²⁸ using three sets of independent variables: household head characteristics (sex, education, age and work status); household characteristics (dependency ratio, land ownership, residence status, TV, receiving some social assistance i.e. *zakat*, *ushr* or other) and regional characteristics (region and province). A separate analysis for female-headed households is included (Annex 4 Table 2.3).

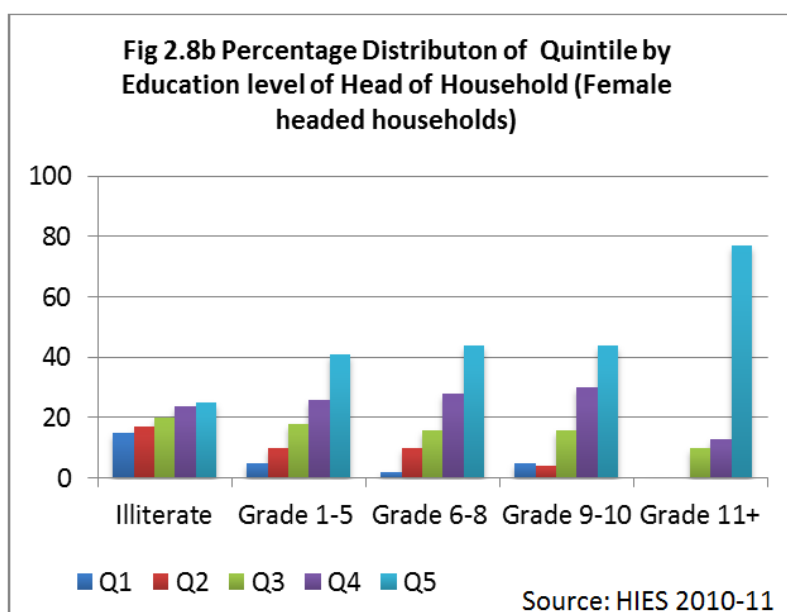
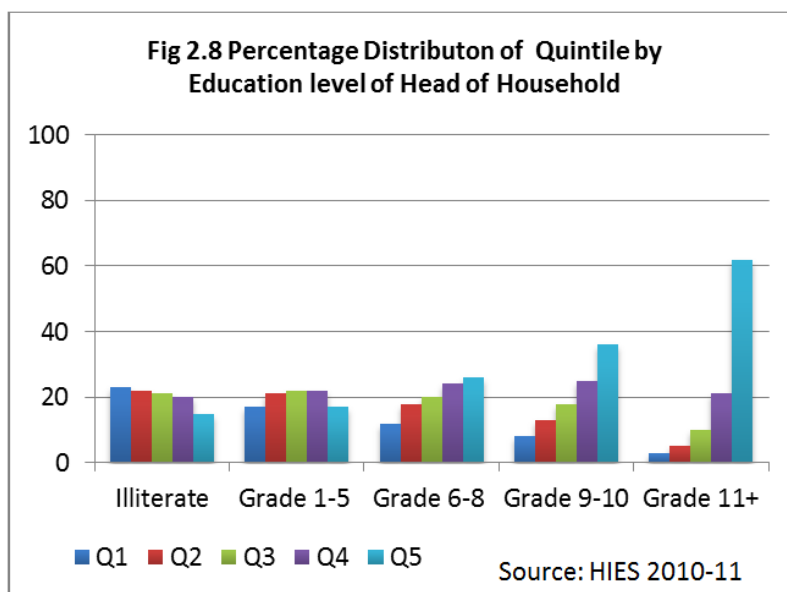
The sex of the head of household significantly affects the household expenditures. Male headed households are less likely to spend compared to female-headed households. Age of the household head has a negative association with quintiles, with older males less likely to spend, and therefore more likely to be poor. (Age is not significant in case of female).

Paid work status of head of household is significantly associated with being in a higher quintile overall. The probability of a working male head of household, irrespective of whether the work is paid or unpaid, is positively associated with being in a higher quintile compared to one who is not working. Surprisingly the work status of a female head of household, paid or unpaid is not significantly associated with being in a higher quintile. The possible explanation is that most of this work is within the family and not recognized as such, and not even paid in kind; also, the sample size for female-headed households is quite small.

The female-headed households, who received *zakat*, *ushr* and financial assistance through other social sources (kin, friends) is less likely to spend more than the households that are not receiving such assistance (More details in next section).

28 Per capita household expenditure in HIES is measured by five quintiles, that are ordered according to level of per capita expenditure from lowest (Quintile 1) to highest (Quintile 5).

Education

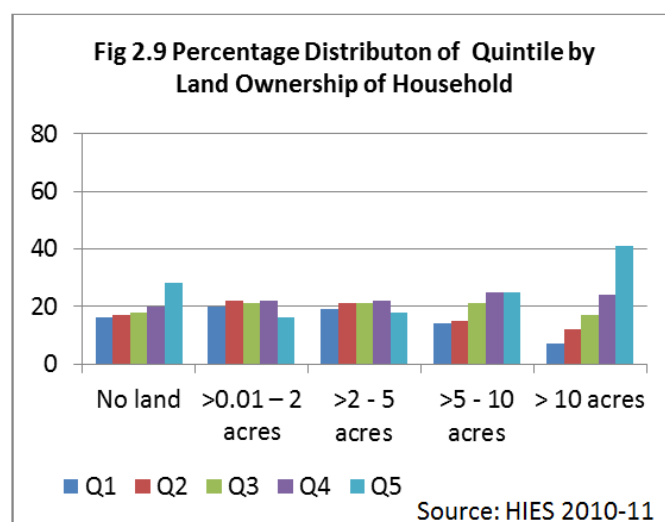


Educational attainment of the head of household is an important determinant of poverty. Household expenditures increase with higher levels of education, and the probability of being in the higher quintiles is significantly high for both female and male headed households but more so for the former. A female head of household with primary or below education is 163% more likely to be in the higher quintiles as compared to a household with an illiterate female head. A household with a male head who has primary or below education, has a 24% probability of being in the higher quintiles compared to a household with an illiterate male head.

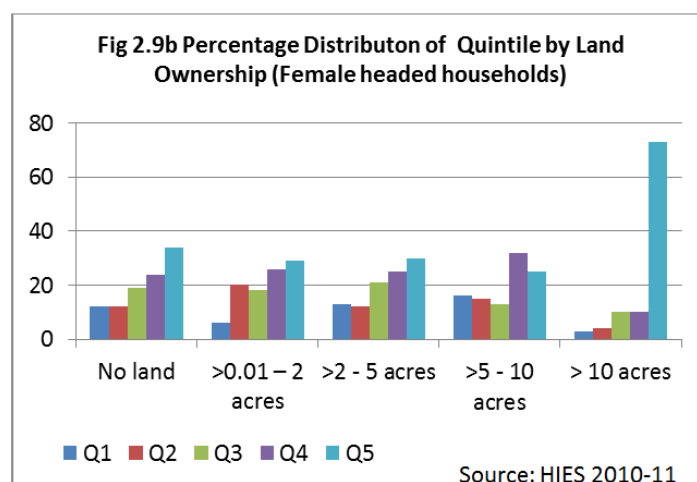
Assets

Asset data in HIES /PSLM 2010-11 is gathered at the household not individual level, so a women specific analysis is not possible. Ownership cannot be assumed to reside with the women in the land-owning female-headed households. Yet as the data below shows, even access to land and other assets benefits women.

Non-ownership of land is a key driver of poverty.²⁹ Less than half of rural households in Pakistan own any agricultural land and only 2.5% of households own 40% of the land. In rural Sindh, two-thirds of households do not own agricultural land and just 0.4% households own 24% of the total area. Women's ownership of land differs widely across regions and districts.³⁰



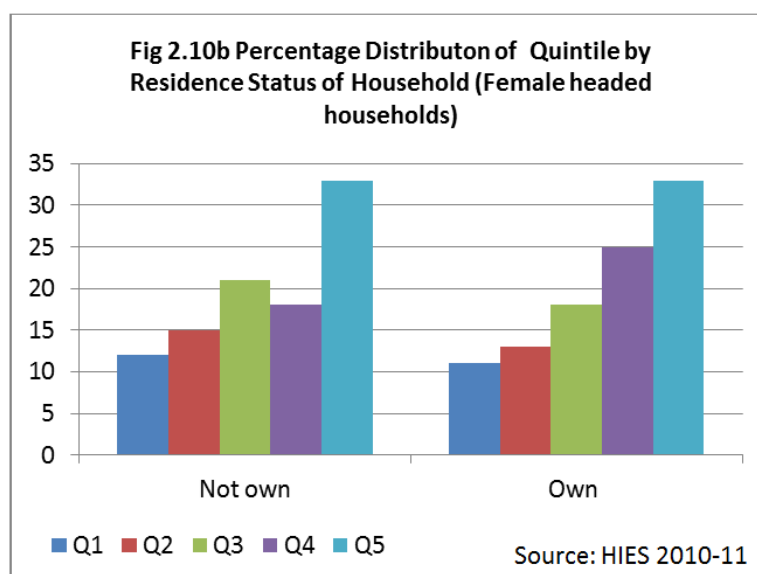
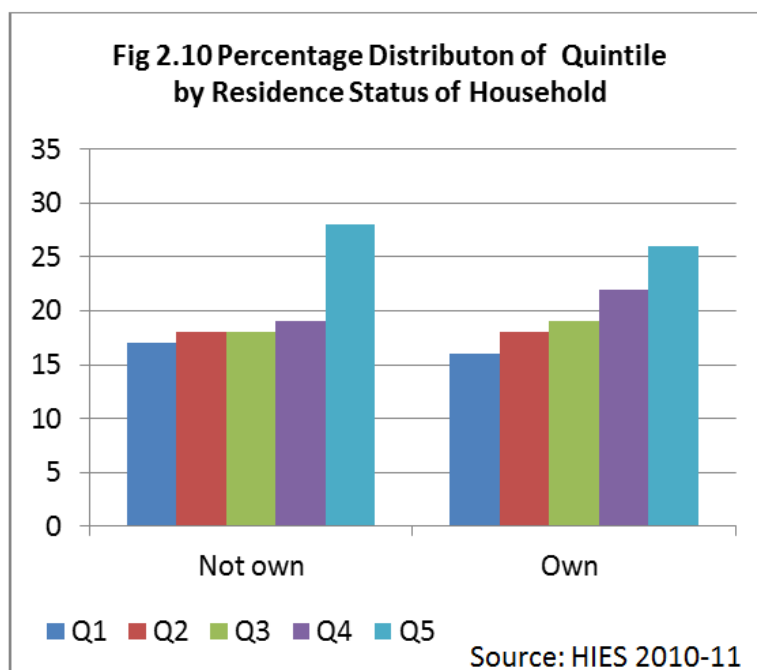
Female-headed household that own land are 5% more likely to be in a higher quintile, while the likelihood of male-headed households is 3% more. Regional variations in land ownership by women is likely.



29 Mumtaz Khawar. 2005. *Gender and Poverty in Pakistan, Pakistan Poverty Assessment Update*, Background Paper Series . ADB

30 UN-Habitat project for digitizing land revenue records in two districts of Khyber Pakhtunkhwa found that women owned as much as 42% of land (details in Chapter 9)

Own Residence

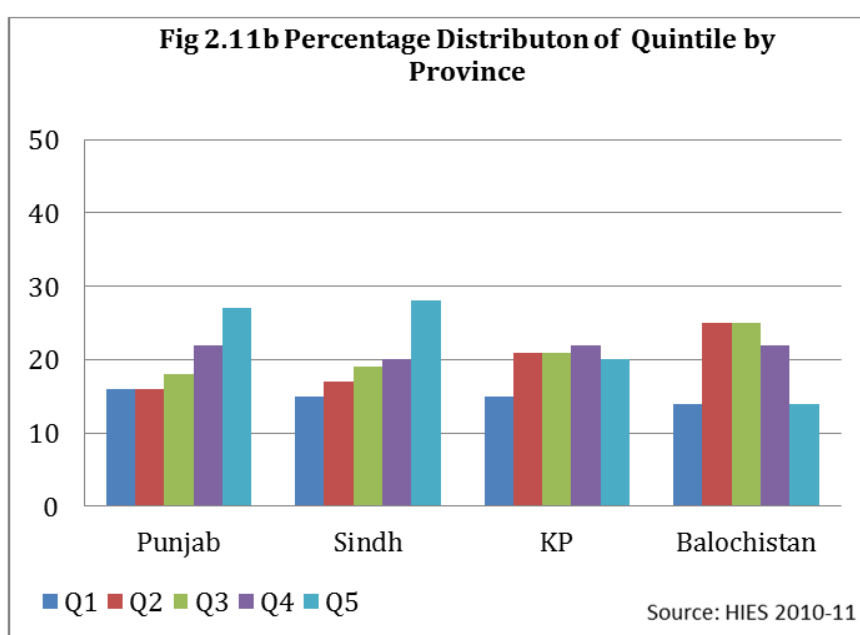
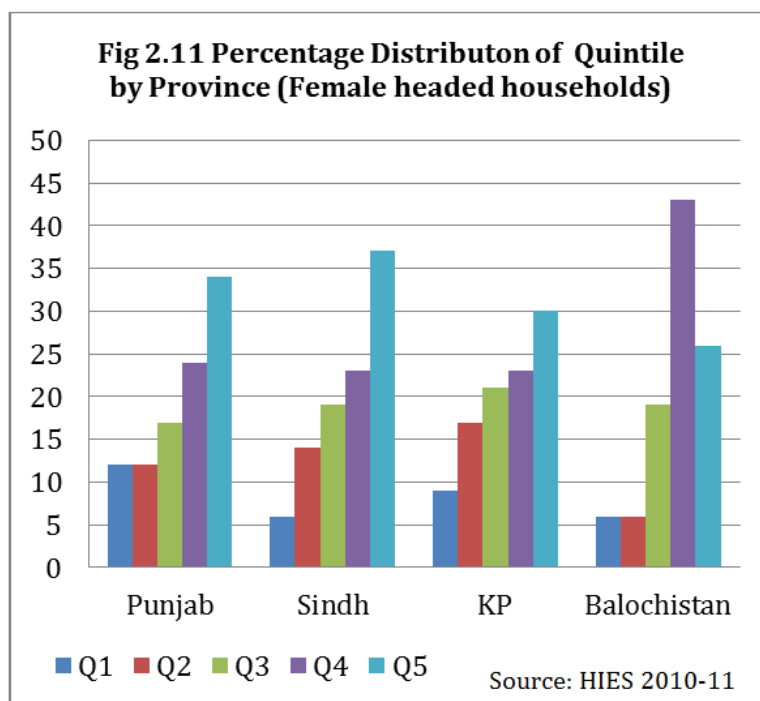


Owning ones' place of residence has a highly significant impact on consumption spending and being in a higher quintile for all households including female-headed ones. A female-headed household living in own house is 55% more likely to be in a higher quintile compared to one who is not. For men this is lower, but still significant at 15%.

If the female-headed household owns a television set, then it is 95% more likely to be in a higher quintile, while the probability of a male-headed household is even more.

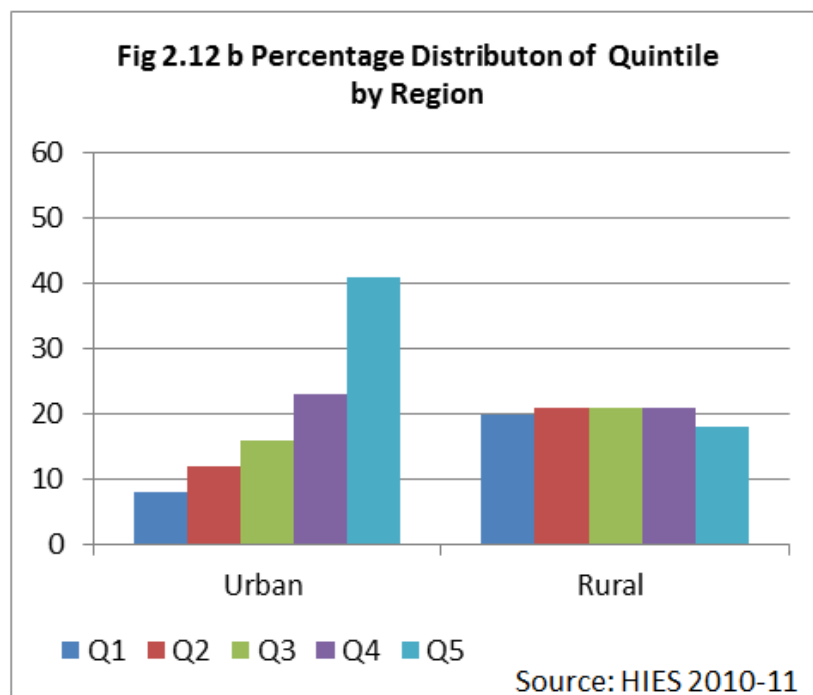
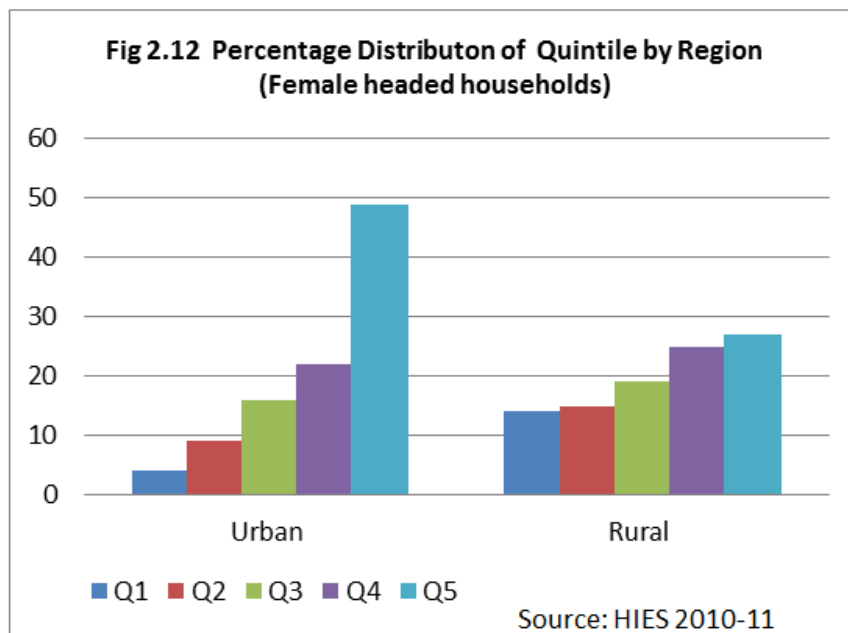
Provincial Differences

Households in all the provinces are worse off than households in Punjab, except, surprisingly, in Balochistan, which is 12% more likely to be in a higher quintile, though this is not significant for female-headed households. Interestingly in Khyber Pakhtunkhwa female-headed households are 33% more likely to be in a higher consumption category than their counterparts in Punjab are, possibly because of remittances, and economic migration of men.



Rural-Urban Differences

Urban households headed by females are 60% more likely to be in a higher quintile than their rural counterparts are. In general, urban households are 55% more likely to have higher consumption spending than rural households.



Social Assistance

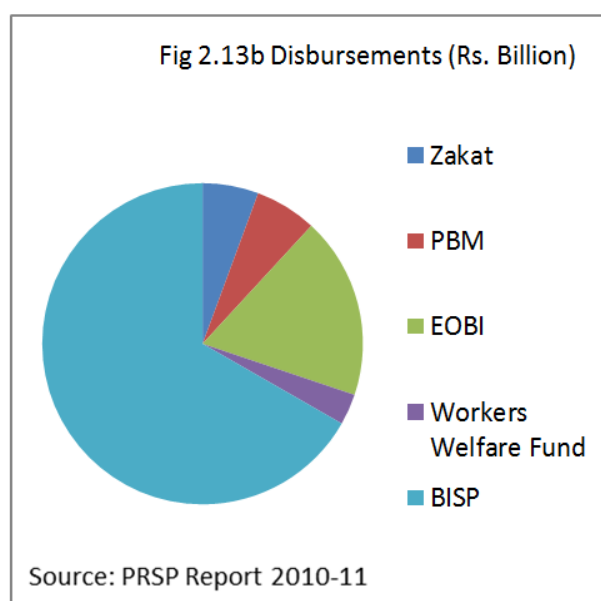
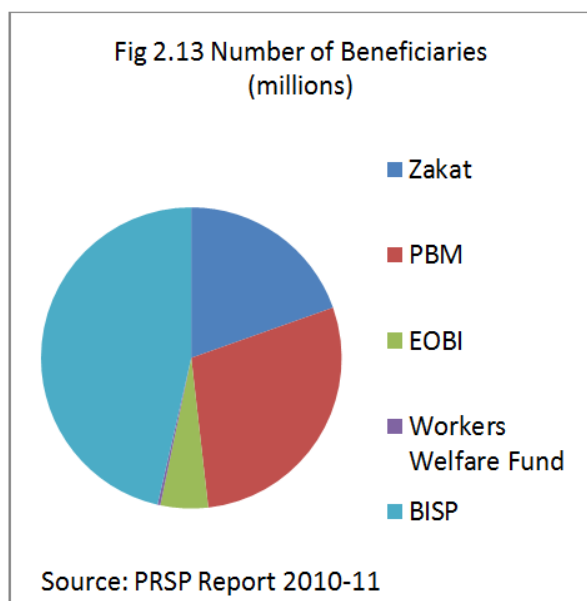
There are several social assistance and insurance programs in Pakistan - *Zakat*, Employee Old Age Benefit Institution (EOBI), Workers Welfare Fund (WWF), Pakistan Bait-u- mal (PBM), and the Benazir Income Support Program.

The PBM manages a number of programs in addition to the *zakat* disbursements such as education stipends, marriage assistance, health care, special grants (on Eid etc.). Sex disaggregated data is not available for beneficiaries of these programs. The BISP focus is overwhelmingly on women in poor households.

Program	# of Beneficiaries (millions)	Disbursements (Rs. Billion)	Year
<i>Zakat</i>	1.3	2.9	(2009/10)
PBM	1.9	3.2	(2010/11)
EOBI	0.34	9.4	(2010/11)
Workers Welfare Fund	0.02	1.6	
BISP	3.08	34.3	(2010/11)

Source: PRSP II Progress Report 2008/9-2010/11 Ministry of Finance, Strengthening PRS Monitoring Project

Workers receive a minimum pension of Rs. 3600 per month through the EOBI funds. Special provisions have been made for daughters of deceased pensioners to continue receiving pension from age 18 until marriage and for disabled children to do so from age 18 until death.³¹

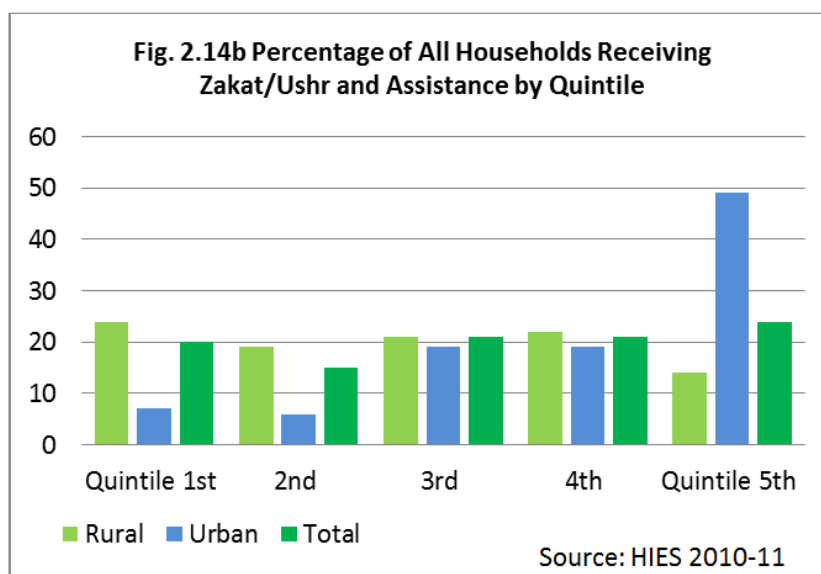
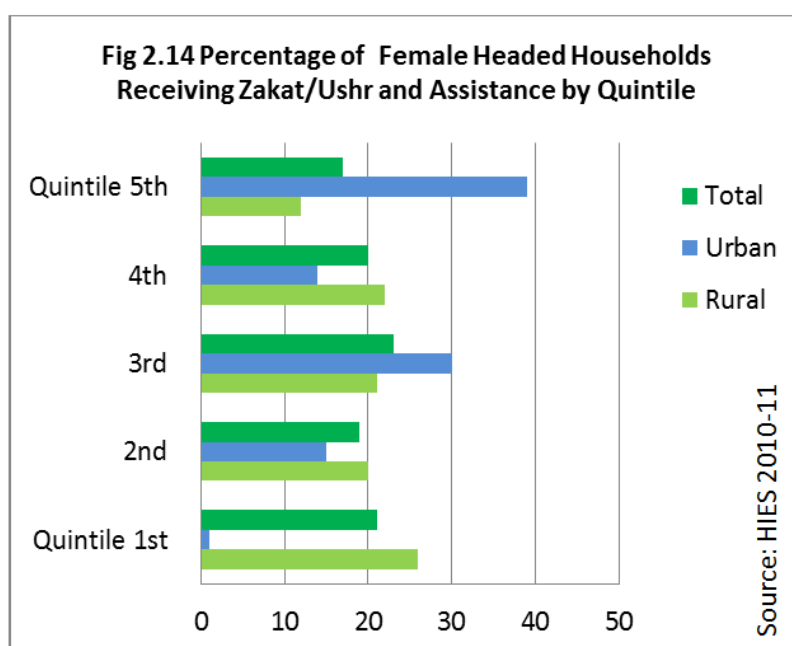


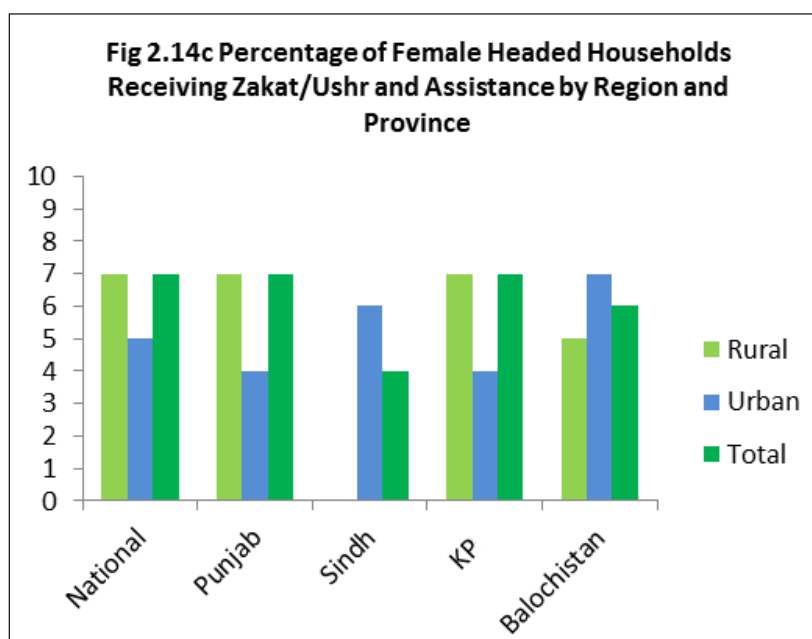
31 EOBI website: <http://www.eobi.gov.pk/>

Determinants of Receiving Social Assistance

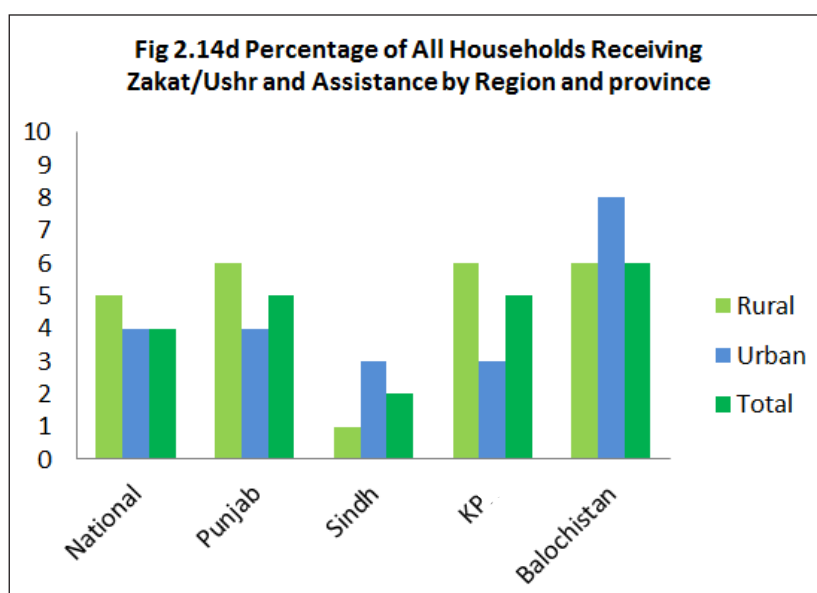
Households with male heads are less likely to get social assistance, while the dependency ratio of the household does not seem to have any effect. As compared to households in the Punjab, households in Sindh are significantly less likely to get social assistance, but households in Balochistan are 56% more likely to receive it (Annex 5 Table 2.5).

HIES 2010/11 data reveals more detail on the nature and extent of assistance received by poor households. However the smaller sample size (only 214 households receiving *zakat/ushr* and 543 households receiving private support) results in certain discrepancies e.g. no female headed household in rural Sindh is receiving public social assistance (excluding BISP). Nevertheless, a picture of *zakat/ushr* recipients does emerge, as presented in the following charts.

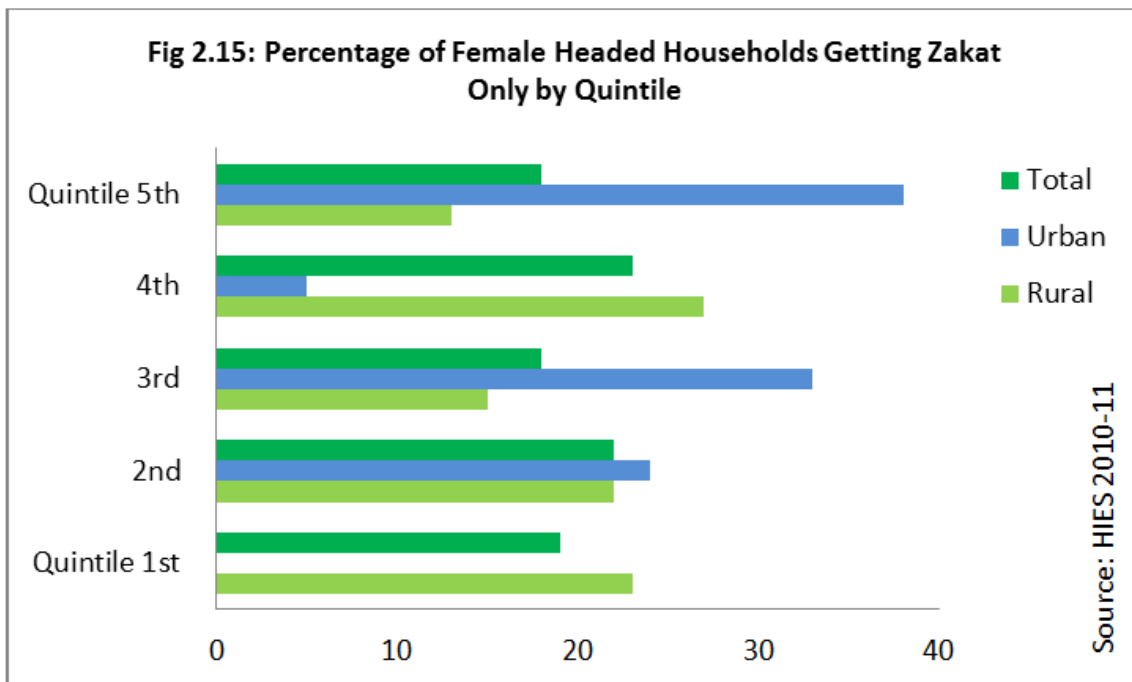




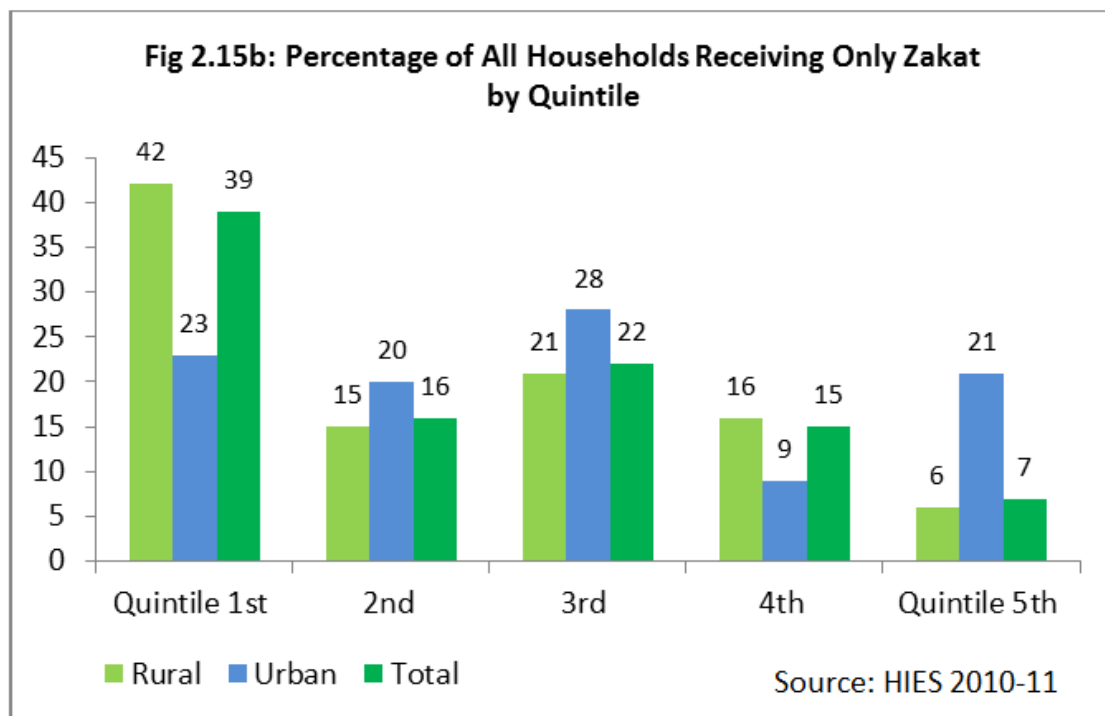
More female-headed households in rural areas are recipients of social assistance as compared to urban female-headed households, except in Balochistan.



The percentage of urban households in Balochistan receiving social assistance is higher than the percentage of rural households, possibly because of the limited outreach of the PBM to the scattered rural population of Balochistan, and the worsening security situation, that may have hindered data collection.

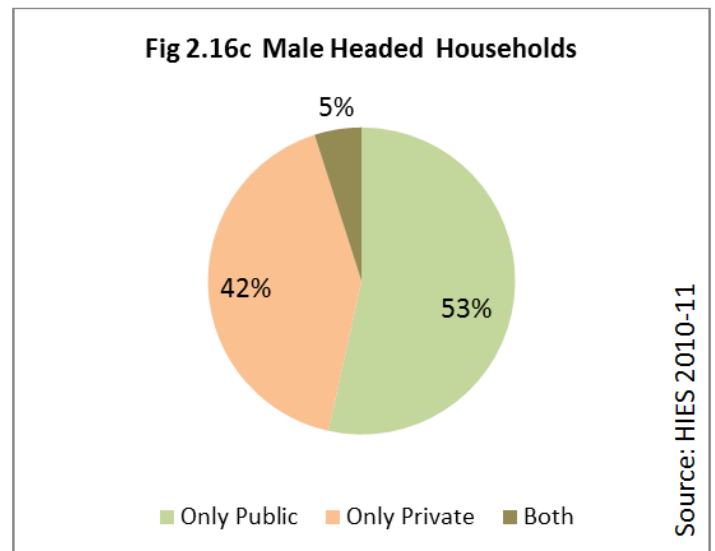
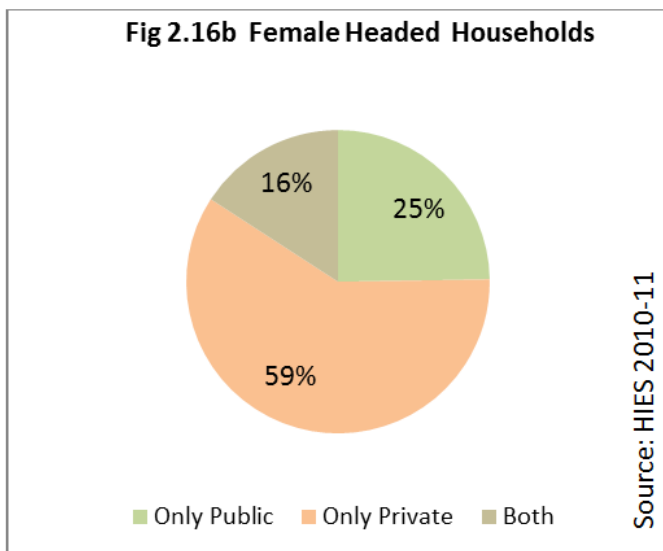
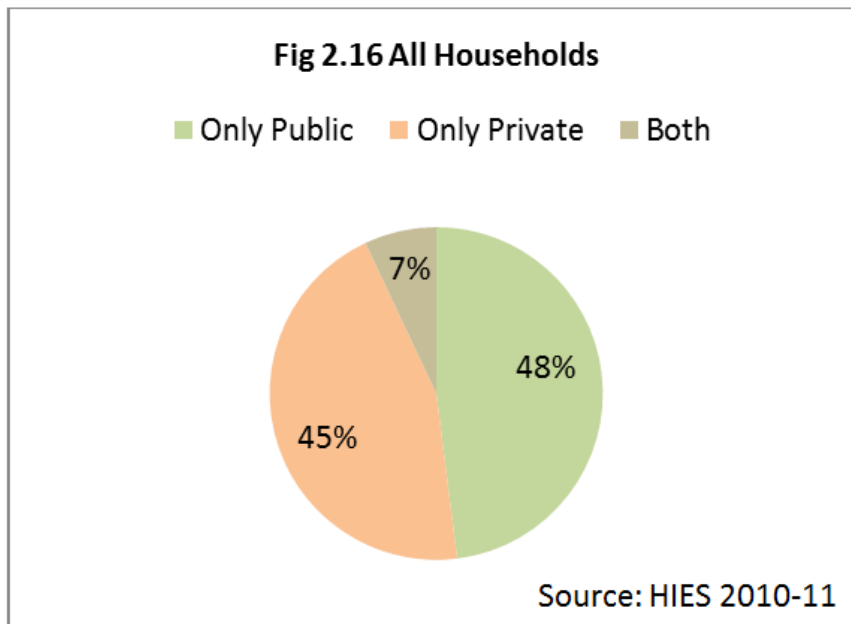


Urban female headed households appear to be recipients of *zakat*, more than their rural counterparts in almost all the Quintiles, except Q4. Though data anomalies cannot be discounted, it would not explain the immense variation in Q5.



Sources of Social Assistance

**Percentage Distribution of Households receiving Zakat/Ushr
By Source and Sex of Head of Household**



Benazir Income Support Program (BISP)³²

BISP is a nationwide program designed to provide social assistance to women in families that qualify as poor according to the BISP poverty scorecard. The program has identified 7.2 million families as extremely poor, of which approximately 4 million³³ have received some form of targeted assistance, and others are brought into the safety net as details are verified through an exhaustive process.

For all its programs, other than smaller ones like the earthquake reconstruction, BISP identifies an adult woman in each household through whom assistance is routed- unconditional cash transfers, credit, or vocational training.

Table 2.6: Benazir Income Support Program

	2008/9	2009/10	2010/11
Beneficiaries (million)	1.76	2.29	3.08
Disbursements (Rs. Billion)	15.8	32	34.3

Source: PRSP II Progress Report 2008/9-2010/11 Ministry of Finance, Strengthening PRS Monitoring Project Table 5.4 pg 49

BISP has several programs that aim to assist poor household to exit poverty:

- **Waseela-e-Haq** offers long-term interest free financial assistance of a maximum of Rs 0.3 million to promote self-employment and entrepreneurship among women recipients of the BISP monthly allowance. As of 2010/11 disbursement of Rs 135 million to 1294 beneficiaries is reported (PRSP II report).
- **Waseela-e-Rozgar** offers free vocational training to the BISP women beneficiaries or her nominee.
- **Waseela-e-Sehat** offers life insurance (of Rs 0.1 million) to the main breadwinner of each beneficiary family. The program has enrolled 2.05 million families to a tune of approximately Rs. 205 million³⁴

32 All figures for BISP drawn from the PRSP II Report for 2008/9-2010/11

33 BISP Chairperson Ms. Farzana Raja, PTV interview Feb 21, 2013

34 Figures as of June 30, 2012

ANNEXES TO CHAPTER 2

Annex 1 Data Sources

Given the limitations in availability of data on poverty, the quintile data available from the Household Integrated Economic Survey (HIES 2010³⁵) was used to understand the different dimensions of poverty.

The PBS has developed the quintiles based on monthly per capita household expenditures including food and non-food items. Each quintile contains 20 percent of the total sample households. Quintile 1 contains the households that have the lowest “per capita” household expenditures (food plus non-food), and Quintile 5 includes the households with the highest expenditures. However, the cutoff figures for these expenditures for each quintile is not publicly available, and hence we cannot conjecture on what the consumption status of the households is.

Secondly, it is not possible to draw any inferences about intra-household consumption, since the data is collected at the household level and averaged for the number of people in the household. It was not possible for this study to estimate female poverty levels in the absence of sex disaggregated data to derive a consumption based poverty line.

35 HIES 2011-12 data is available with PBS, but not yet released

Household Integrated Economic Survey (HIES), 2010

HIES 2010-11 covers a sub-sample of 16,341 households from the district level PSLM survey of 79,000 households. HIES provides important information on household income, savings, liabilities, consumption expenditure and consumption patterns at national and provincial level with urban/rural breakdown. The Planning & Development Division uses the consumption data from this survey to estimate poverty and set a national poverty line. However, the poverty estimates based on HIES 2010 were not calculated and it is hoped that latest poverty estimates using HIES 2011-12 will be calculated allowing that data to be released soon.

The Income and Consumption module is the same as used previously for the HIES 2001-02, HIES 2005-06 and HIES 2007-08.

A gap in the data collected is that consumption expenditures are not sex or age disaggregated preventing a gender analysis. A glimpse into the households in each of the consumption based quintiles estimated by PBS based on the HIES data however reveals the profile of its members.

Sex disaggregated data on assets ownership (land/ house/ livestock etc) is also not incorporated into the design of the PSLM/ HIES questionnaires

Pakistan Panel Household Survey (PPHS)

In the Pakistan Panel Household Survey (PPHS), official poverty line has been used for 2001 and 2004 period, and it was inflated for the 2010 period. The used poverty lines are: Rs, 723.4 per adult per month for 2001; Rs. 878.64 for 2004; and Rs. 1671.89 for the 2010 period. All the three waves of the panel dataset have detailed consumption modules covering all aspects of consumptions including food and non-food items. The consumption module of the panel survey was the same in three rounds. Household is the unit of analysis; however, the data have been weighted by the household size for poverty estimation. Poverty incidences are differing due to differ datasets and differ methodology as well.

PPHS is not a representative dataset. It ignores the major urban areas and the sample size is also small covering only 4000 plus households.

Annex 2 Multidimensional Poverty Index- MPI

The MPI value is the product of two measures: the multidimensional headcount ratio and the intensity (or breadth) of poverty.

Each person is assigned a deprivation score according to his or her household's deprivations in each of the 10 component indicators. The maximum score is 100 percent, with each dimension equally weighted (thus the maximum score in each dimension is 33.3 percent). The education and health dimensions have two indicators each, so each component is worth 5/3 (or 16.7 percent). The standard of living dimension has six indicators, so each component is worth 5/9 (or 5.6 percent).

The thresholds are as follows:

- **Education:** having no household member who has completed five years of schooling and having at least one school-age child (up to grade 8) who is not attending school.
- **Health:** having at least one household member who is malnourished and having had one or more children die.
- **Standard of living:** not having electricity, not having access to clean drinking water, not having access to adequate sanitation, using "dirty" cooking fuel (dung, wood or charcoal),

having a home with a dirt floor, and owning no car, truck or similar motorized vehicle while owning at most one of these assets: bicycle, motorcycle, radio, refrigerator, telephone or television.

To identify the multidimensional poor, the deprivation scores for each household are summed to obtain the household deprivation, c. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and non-poor. If c is 33.3 percent or greater, that household (and everyone in it) is multidimensional poor.

Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are vulnerable to or at risk of becoming multidimensional poor. Households with a deprivation score of 50 percent or higher are severely multidimensional poor.

Source: Reproduced from Technical Notes, Human Development Report 2013

Annex 3

Table 2.2: Quintile Profile: By Socio-economic and Demographic Characteristics of Household and by Sex of Head of Household: HIES, 2010

Socio-Economic Characteristics	Overall					Female Headed Household					Male Headed Household				
	Q1	Q2	Q3	Q4	Q5	Q1	Q2	Q3	Q4	Q5	Q1	Q2	Q3	Q4	Q5
Distribution of households	16	18	19	22	26	11	13	18	24	33	16	18	19	21	25
Household Size															
< 5	3	9	15	24	48	3	8	14	25	50	3	9	16	24	48
5-7	15	19	20	24	22	15	17	22	25	21	15	19	19	24	22
8-9	27	22	23	17	11	23	22	27	22	6	27	22	23	17	12
10+	30	25	20	14	12	36	19	18	11	16	29	25	20	14	12
Dependency Ratio of Household*															
Low	5	12	18	26	39	5	12	15	24	45	5	12	18	26	38
Medium	17	20	21	21	21	13	10	21	24	31	17	21	21	21	20
High	28	23	19	17	14	16	16	21	24	23	30	23	18	16	13
Education of Head of Household (by grade level)															
Illiterate	23	22	21	20	15	15	17	20	24	25	24	23	21	19	13
Grade 1-5	17	21	22	22	17	5	10	18	26	41	18	22	22	22	15
Grade 6-8	12	18	20	24	26	2	10	16	28	44	13	18	21	23	25
Grade 9-10	8	13	18	25	36	5	4	16	30	44	8	14	18	25	35
Grade 11+	3	5	10	21	62	0	0	10	13	77	3	5	10	21	61
Land Ownership (Household)															
No land	16	17	18	20	28	12	12	19	24	34	17	18	18	20	27
>0.01 - 2 acres	20	22	21	22	16	6	20	18	26	29	21	22	21	21	14
>2 - 5 acres	19	21	21	22	18	13	12	21	25	30	19	21	21	22	17
>5 - 10 acres	14	15	21	25	25	16	15	13	32	25	14	15	22	25	25
>10 acres	7	12	17	24	41	3	4	10	10	73	7	12	17	25	40

Socio-Economic Characteristics	Overall					Female Headed Household					Male Headed Household				
	Q1	Q2	Q3	Q4	Q5	Q1	Q2	Q3	Q4	Q5	Q1	Q2	Q3	Q4	Q5
Residence Status of household															
Not own	17	18	18	19	28	12	15	21	18	33	17	18	18	19	27
Own	16	18	19	22	26	11	13	18	25	33	16	18	19	22	25
Region															
Urban	8	12	16	23	41	4	9	16	22	49	8	12	16	21	41
Rural	20	21	21	21	18	14	15	19	25	27	21	21	21	20	17
Province															
Punjab	16	16	18	22	27	12	12	17	24	34	17	17	18	21	26
Sindh	15	17	19	20	28	6	14	19	23	37	15	17	19	20	28
KP	15	21	21	22	20	9	17	21	23	30	16	22	21	22	19
Balochistan	14	25	25	22	14	6	6	19	43	26	14	26	25	22	14
N	16,341					1,341					15,000				

*Household size was categorized into two categories dependent (below 15 age and above 64 age) and independent (15-64 year age). Dependency ratio is number of dependent divide by number of independent. Low dependency mean if ratio is 0-0.5, medium mean 0.51-1 and high mean >1

Source: HIES, 2010-11

Annex 4

Table 2.3: The Determinants of Poverty (HIES Quintiles) —Odds Ratio from Ordered Logistic Regression Analysis

Regressor	All Households	Female Headed Households	Male Headed Households
	Odds Ratio	Odds Ratio	Odds Ratio
Sex of head (male=1)	0.336***	-	-
Age of head (years)	0.949***	0.972	0.949***
Age square of head	1.001***	1	1.001***
Education of head (illiterate as ref.)			
1-5`	1.314***	2.626***	1.241***
6-8`	1.877***	3.910***	1.790***
9-10`	2.695***	3.981***	2.633***
11 and above	7.775***	13.599***	7.681***
Work status of head (not working as ref.)			
Working -Unpaid	1.578	0.776	2.345**
Working -Paid	1.210***	0.956	1.308***
Dependency ratio of house (low as ref.)			
Medium	0.367***	0.511***	0.354***
High	0.204***	0.345***	0.192***
Land Ownership (acres) of household	1.029***	1.048***	1.029***
Household Residence status (own=1)	1.178***	1.548***	1.152***
TV (yes=1)	2.212***	1.946***	2.215***
House receives <i>zakat</i> , <i>ushr</i> and other social assistance (yes=1)	1.001	0.581**	1.089
Province (Punjab as ref.)			
Sindh	0.749***	0.529***	0.759***
KP	0.920**	1.325**	0.879***
Balochistan	1.118**	1.881	1.104**
Region (urban=1)	1.554***	1.597***	1.564***
LR chi2	-22681.676	-1847.7887	-20778.664
Log likelihood	6882.36 (19)	399.41 (18)	6489.79 (18)
Pseudo R2	0.1317	0.0975	0.1351
N	16,341	1341	14999

***p<0.01, **p<0.05

Source: HIES, 2010-11

Annex 5

Table 2.4: Socio-Demographic and Economic Characteristics of Female Headed Households by Education of Female Head (%)

Characteristics	Illiterate	Grade 1-5	Grade 6-8	Grade 9-10	Grade 11 and above
Overall distribution of households	66	14	7	8	6
Work status of female head					
Not working	63	16	8	8	5
Working -Unpaid	80	20	0	0	0
Working -Paid	76	8	4	5	7
Household Size					
< 5	62	14	8	7	9
5-7	65	15	7	9	4
8-9	80	12	2	4	3
10+	85	6	1	8	0
Household Dependency ratio					
Low	70	12	6	5	8
Medium	72	14	4	6	3
High	59	16	9	11	5
Land Ownership (Household)					
No land	61	15	9	9	7
>0.01 – 2 acres	73	16	2	7	2
>2 - 5 acres	76	15	1	4	4
>5 - 10 acres	86	1	6	3	3
> 10 acres	69	11	4	6	10
Residence Status (Household)					
Not own	62	12	7	10	9
Own	66	14	7	7	5
Household Receiving Zakat, Ushr and other social assistance					
No	65	14	7	8	6
Yes	79	10	4	4	2
Presence of TV					
No	82	9	4	4	1
Yes	55	17	9	10	9
Region					
Rural	72	13	6	6	4
Urban	50	17	10	11	11

Note: Table to be read row-wise

Source: HIES 2010-11

Table 2.4b: Socio-Demographic and Economic Characteristics of Female Headed Households by Education of Female Head (%)

Characteristics	Illiterate	Grade 1-5	Grade 6-8	Grade 9-10	Grade 11 and above
Overall distribution of households	66	14	7	8	6
Work status of female head					
Not working	73	85	88	85	71
Working -Unpaid	1	1	0	0	0
Working -Paid	26	14	12	15	29
Household Size					
< 5	44	46	54	44	69
5-7	40	45	43	48	27
8-9	11	7	3	4	4
10+	5	2	0	4	0
Household Dependency ratio					
Low	42	35	32	24	54
Medium	21	20	12	16	9
High	36	45	55	59	37
Land Ownership (Household)					
No land	61	69	87	77	80
>0.01 – 2 acres	17	18	4	14	6
>2 - 5 acres	12	11	2	5	7
>5 - 10 acres	7	0	5	2	2
> 10 acres	3	2	2	2	5
Residence Status (Household)					
Not own	12	10	12	16	21
Own	88	90	88	84	79
Household Receiving Zakat, Ushr and other social assistance					
No	92	95	96	96	98
Yes	8	5	4	4	2
Presence of TV					
No	49	24	22	19	8
Yes	51	76	78	81	93
Region					
Rural	79	65	59	58	45
Urban	21	35	41	42	55

Note: Table to be read column-wise

Source: HIES 2010-11

Annex 6

Table 2.5: Factors affecting receipt of social assistance

	Odds Ratio	Z-stat
Sex of head (male=1)	0.724**	-2.16
Age of head (years)	1.014	0.78
Age square of head	1.000	-0.77
Dependency ratio of household (low as ref.)		
Medium	1.006	0.06
High	1.069	0.74
Education of head (illiterate as ref.)		
1-5	1.059	0.51
6-8	1.166	1.21
9-10	0.945	-0.47
11 and above	0.998	-0.01
Work status of head (not working as ref.)		
Working -Unpaid	-	-
Working -Paid	1.034	0.27
Region (urban=1)	1.037	0.45
Province (Punjab as ref.)		
Sindh	0.268***	-9
KP	1.079	0.77
Balochistan	1.563***	4.46
Constant	0.045***	-6.6
LR chi2	189.58 (14)	
Log likelihood	-2934.7262	
Pseudo R2	0.0313	
N	16301	

***p<0.01, **p<0.05

Source: HIES, 2010-11