



**State of Palestine
Palestinian Central Bureau of Statistics**

**The Palestinian Expenditure and Consumption
Survey, 2017
(October 2016 – September 2017)**

User's Guide

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Concepts and Definitions

This chapter presents the main concepts and definitions used in the survey. These concepts are based on the international standards taking into account the Palestinian labour market's circumstances.

Recording Period:

This refers to the temporal point during which data on household expenditure and consumption are recorded. It includes one month for record keeping and twelve months for the final interview on durable goods, and for education tuition, and 36 months for transportation.

Non- consumption Expenditures:

Interest on loans, fees and taxes, remittances (*zakat*, insurance).

Other Non-food Expenditures:

Financial and legal services, advertisement fees, copying services, translation and printing, writing and drawing equipment, tickets for traveling abroad, jewelry, watches, precious stones, etc.

Main Source of Income:

The most consistent and regular income. The sources of income are:

- Wages and salaries.
- Net income for employers or self-employed.
- Net property income.
- Net current transfers.

Lorenz Curve:

This is usually used to measure inequalities in the distribution of consumption or income. To plot the curve, the units are first either arrayed individually or grouped in class intervals according to the appropriate independent variety. Then the cumulative percentage of the number of areas (Y) is plotted against the cumulative percentage of population (X). For comparison, a diagonal line is drawn at 45 degrees to show the condition of equal distribution. The Gini concentration ratio measures the proportion of the total area under the diagonal that lies in the area between the diagonal and the Lorenz Curve.

Income:

Cash or in-kind revenues to an individual or household within a given period of time: could be a week, a month, or a year.

Poverty line:

It refers to the estimation of poverty line that covers the household basic needs (shelter, clothing, and food), in addition to other needs including health care, education, transportation, personal care, and housekeeping supplies. The poverty lines have been adjusted to reflect the different consumption of families based on their composition (household size and the number of children).

Deep Poverty line:

It refers to covers household basic needs (shelters, clothes, and food).

Household Expenditure:

It refers to the amount of Cash spent on purchase of goods and services for living purposes, and the value of goods and services payments or part of payments received from the employer, and Cash expenditure spent as taxes (non-commercial or non-industrial), gifts, contributions, interests on debts and other non-consumption items.

Household Consumption:

It refers to the amount of Cash spent on purchase of goods and services for living purposes, and The value of goods and service payments or part of payments received from the employer, and own-produced goods and food, including consumed quantities during the recording period, and Imputed rent for owned houses.

Standard of Living:

It refers to food consumption divided by Total Consumption. Is based on the following assumption: the Level of Living is identified by the proportion of consumption on food out of the total consumption (Angles Law of Poverty), as if the food share is increased the other shares of health, education, and housing is decreased. It is distributed to three categories:

Better-off: "Food Consumption to Total Consumption less than 30%"

Middle category: "Food Consumption to Total Consumption between 30-44%"

Worse-off: "Food Consumption to Total Consumption between 45-100%".

Poverty Gap:

The volume of the total gap existing between the income of the poor and poverty line (the total amount needed to promote the consumption levels of the poor to reach poverty line). It is recommended to calculate this indicator as a percentage of the total consumption value for the whole population when the consumption level for each of them is equal to the poverty line.

Poverty Severity:

Depicts the variation and differentials among the poor. (This indicator equals the mean of the total relative squares of poverty gaps for all the poor).

Methodology and Data Quality

The main objectives of the survey are as follows:

- To know the consumption expenditure patterns and the impact of social variables on them.
- Calculation of average monthly and annual expenditure of the individual and households on items of commodities and services and knowing the factors affecting expenditure, such as educational, social and other levels.
- To obtain data on household consumption and expenditure levels that can be used to determine poverty levels and to analyze changes in living standards over time.
- To provide data for national accounts for final consumption of the household sector.
- To provide weights data that reflect the relative importance of consumer spending items used in the preparation of consumer price index.
- To access data on non-cash consumption such as consumption of own produced products and in-kind payments.
- To know sources of income generation and household ownership of durable goods, tenure and agricultural property.
- To know characteristics of the dwelling, and the availability of services within the dwelling.

Questionnaire Design

The data are collected during the registration month during the visit of the fieldworker to the household, and include the following sections:

First part: this part records the necessary information of the household, date of visit, data on field and office staff, and number of family members by gender.

Second part: contains demographic and social questions about household.

Third part: contains questions on the characteristics of the labor force.

Forth part: covers housing characteristics that cover many topics such as type of housing, number of rooms, house ownership, rental value, housing, electricity, water and sanitation. The main source of cooking fuel and heating. After housing for transportation, education and health centers.

Fifth part: contains data on social assistance and adaptation strategies, which include the value of assistance received by the household or individuals, and the circumstances and trauma experienced by the household or a member.

Sixth part: contains questions of income and means of income generation as well as data on monthly and annual income, where data on household income are collected from different sources at the household level at the end of the registration period.

Second: List of Goods

The classification of the list of commodities is based on the recommendation of the United Nations for the SNA under the name Classification of Individual Consumption according to Purpose, where it was used to classify the goods according to their groups, and the coding of the goods and groups in the questionnaire is an internal coding prepared by project management to facilitate the work of fieldworkers. The list includes 55 groups of expenditure and consumption, with each given a sequence number based on its importance to the household, starting with food goods, clothing groups, dwelling, medical treatment, transportation, communication, and lastly, durable goods. Each group consists of important goods. Groups from (1-21) include goods pertinent to food, drinks, and tobacco and cigarettes. Group 22 includes goods that are home-produced and consumed by the household. Groups (23-45) include all items except food, drinks, and tobacco and cigarettes. Groups

(50-55) include durable goods. The data are collected based on different reference periods to represent expenditure during one year.

Registration Book

The registration book includes instructions and examples on how to record consumption and expenditure items. The form includes columns:

- Monetary: If the good is purchased, or in kind: if the item is self produced.
- Title of the service or the good
- Unit of measurement (kilogram, liter, number)
- Quantity
- Value

Data Set Linkage

There are 9 data files in CD-ROM, with one key variable in each file to allow the linkage between these files, namely: ID00 variable (questionnaire serial number in the sample). The following table describes the files names, content and identification variables.

File Name	Content	Key Variables
Main	Identification data+ Main group of expenditure and consumption	ID00
Roster	Roster	ID00
Dwelling	Dwelling conditions	ID00
Part_5	Assistances	ID00
Part_6	Income and means of generating income	ID00
Items	Monthly household expenditure by product	ID00
Income 14	Monthly Household Income	ID00
Income 15	Monthly Household Income	ID00
Income 16	Annual Household Income	ID00

Target Population

All households and individuals who were living normally in Palestine in 2016\ 2017.

Sampling Frame

The sampling frame was based on master sample selected from 2007 census which was update in mid of 2013 for MICS Survey, and the master sample consists from 532 enumeration areas. These enumeration areas are used as primary sampling units (PSUs) in the first stage of the sampling selection.

Sample size

The sample size was 4,692 households and additional sample from 920 households to compensate for non- response cases, (the total sample was 5,612 households), and 3,739 households responded.

Sampling Design

The sample is two stage stratified cluster sample as following:

First stage: selection of a PPS random sample of 391 enumeration areas.

Second stage: A systematic random sample of 12 households from each enumeration area selected in the first stage.

Sample Strata

The population was divided by:

- 1- Governorate (17 governorates, where Jerusalem was considered as two statistical areas).
- 2- locality type (urban, rural, refugee camps).

Weights Calculation

The weight of statistical units (sampling unit) in the sample was defined as the mathematical inverse of the selection probability where the sample of the survey is a two-stage stratified cluster sample. In the first stage we calculate the weight of enumeration areas based on the probability of each enumeration area. In the second stage we calculate the weight of households in each enumeration area. Initial household weights resulted from the product of the weight of the first stage and the weight of the second stage. The final household weights were obtained after adjustment of the initial weights with the household estimates for mid 2017 according to design strata (governorate, locality type).

Merge the final household weights to Roster file, known as the primary weight of person. Then adjusting the primary person weights by these adjusted levels: region, gender, and five-year age groups (17 groups) in relation to the number of population in mid July- 2017. Finally, we obtain the final person weight.

Variance Calculation

The extracted estimate was means and percentages, and standard errors of the main survey estimates were calculated by calculating the variance to let user can obtain an idea of the reliability and accuracy of these estimates.

Reference Period:

The time period during which data on household expenditure and consumption are recorded. It includes one month for registration book, and twelve months for the durable goods and Education, except cars group which is reference period the last 3 years.

Data Collection

The most important stages of the survey to collect the required data from the primary sources are field operations. Therefore, to ensure the presence of the ingredients for success in this stage of the fundamental issues that have been working in details. This has included the provision of all technical and administrative requirements, including the recruitment, training and the provision of material supplies needed to perform the work at the best image.

Data collection for the Household Expenditure and Consumption Survey in the West Bank and Gaza Strip was started on Wednesday 28/9/2016 and the fieldwork was completed on 10/10/2017.

Response Rates:

5,612 households had been reached as a representative sample to Palestine, where the number of completed questionnaires amounted to 3,739 households of which 2,897 households were in the West Bank and 842 households in Gaza Strip. Weights were amended at the level of design strata to modify effects of refusals rates and lack of responses.

Items of interview results

Response, Non-Response Cases and Over Coverage	No. of cases
Household completed	3,739
Non-response cases	
Partially completed	151
Traveling households	91
No one at home	526
Refused to cooperate	633
No available information	34
Other	61
Over coverage cases	
Unit does not exist	47
Vacant Housing unit	330
Total sample size	5,612

Equations of responsiveness and failures to response:

$$\text{Percentage of over coverage errors} = \frac{\text{Total cases of over coverage}}{\text{Number of cases of the original sample}} \times 100\%$$

$$= 6.7\%$$

$$\text{The percentage of non-response} = \frac{\text{Total cases of non-response}}{\text{sample net size}} \times 100\%$$

$$= 28.6\%$$

$$\text{Net sample} = \text{original sample} - (\text{cases of over coverage}) = 5,235$$

$$\text{Response rate} = 100\% - \text{the percentage of non-response.}$$

$$= 71.4\%$$

Data Quality

Concept of data quality covers many aspects, starting from the initial planning of the survey to the dissemination of the results and how well users understand and use the data. There are seven dimensions of the statistical quality: relevance, accuracy, timeliness, accessibility, comparability, coherence, and completeness.

Procedures adopted during the fieldwork of the survey were considered a necessity to ensure the collection of accurate data, notably:

- Develop schedules to conduct field visits to households during survey fieldwork. The objectives of the visits and the data collected on each visit were predetermined.
- Fieldwork editing rules were applied during the data collection to ensure corrections were implemented before the end of fieldwork activities.
- Fieldworkers were instructed to provide details in cases of extreme expenditure or consumption by the household.
- Questions on income were postponed until the final visit at the end of the month.
- Validation rules were embedded in the data processing systems, along with procedures to verify data entry and data edit.

Derived Variables

Variable Name	Variable Description	Variable Values
Grp1	Monthly value of cash spent (NIS)-Bread and Cereals Group	Monthly value of cash spent in NIS on Bread and Cereals Group: (101-143)
Grp2	Monthly value of cash spent (NIS)-Meat and Poultry Group	Monthly value of cash spent in NIS on Meat and Poultry Group: (201-229)
Grp3	Monthly value of cash spent (NIS)-Fish and Sea Products Group	Monthly value of cash spent in NIS on Fish and Sea Products Group: (301-310)
Grp4	Monthly value of cash spent (NIS)-Dairy Products and Eggs Group	Monthly value of cash spent in NIS on Dairy Products and Eggs Group: (401-417), (419-425)
Grp5	Monthly value of cash spent (NIS)-Oils and Fats Group	Monthly value of cash spent in NIS on Oils and Fats Group: (501-509)
Grp6	Monthly value of cash spent (NIS)-Fruits and Nuts Group	Monthly value of cash spent in NIS on Fruits and Nuts Group: (601-629), (701-703), (706), (801-806), (901-914)
Grp7	Monthly value of cash spent (NIS)-Vegetables, legumes and tubers Group	Monthly value of cash spent in NIS on Vegetables, legumes and tubers Group: (1001-1003), (1006-1025), (1027-1044), (1201-1206), (1301-1328), (1401-1403), (1405-1406)
Grp8	Monthly value of cash spent (NIS)-Sugar and confectionery Group	Monthly value of cash spent in NIS on Sugar and confectionery Group: (1501-1522)
Grp9	Monthly value of cash spent (NIS)-Non alcoholic beverages Group	Monthly value of cash spent in NIS on Non alcoholic beverages Group: (2001-2004), (2006-2012)
Grp10	Monthly value of cash spent (NIS)-Salt, spices and other food Group	Monthly value of cash spent in NIS on Salt, spices and other food Group: (1601-1611), (1701-1751)
Grp11	Monthly value of cash spent (NIS)-Take away food and meals in restaurant Group	Monthly value of cash spent in NIS on Take away food and meals in restaurant Group: (1801-1818), (1901-1902)
Grp12	Monthly value of cash spent (NIS)-Own produced food in Kind Group	Monthly value of cash spent in NIS on Own produced food in Kind Group: (2201-2219), (2225-2229), (2223)
Grp13	Monthly value of cash spent (NIS)-Clothing and footwear Group	Monthly value of cash spent in NIS on Clothing and footwear Group: (2301- 2320), (2401- 2421), (2501 -2524), (2601 - 2614) (2701 - 2703=1), (2710 - 2714), (2801 -2827)
Grp14f	Monthly value of cash spent (NIS)-Housing Group	Monthly value of cash spent in NIS on Housing Group: (2902-2907), (2913), (2920-2925) + rent value (H10)
Grp15	Monthly value of cash spent (NIS)-Furniture and utensils Group	Monthly value of cash spent in NIS on Furniture and utensils Group: (3001-3009), (3134-3146), (3011), (3017-3024), (5001-5020), (5025-5029), (5101-5121), (5123-5141)
Grp16	Monthly value of cash spent (NIS)-Household operations Group	Monthly value of cash spent in NIS on Household operations Group: (3230-3237), (3240-3245), (3250-3269)
Grp17	Monthly value of cash spent (NIS)-Medical care Group	Monthly value of cash spent in NIS on Medical care Group: (3301-3318), (3320-3328)
Grp18a	Monthly value of cash spent (NIS)-Transport Group	Monthly value of cash spent in NIS on Transport Group: (3401-3411), (3413-3416), (3418-3420), (3501-3503), (3505), (3521), (5201-5206), (3529-3532), (5401)

Variable Name	Variable Description	Variable Values
Grp18b	Monthly value of cash spent (NIS)-Communication Group	Monthly value of cash spent in NIS on Communication Group: (3506-3509), (3522-3527), (5317-5319), (5332)
Grp19	Monthly value of cash spent (NIS)-Education Group	Monthly value of cash spent in NIS on Education Group: (3801-3804), (3813), (3815-3833), (3633), (3637)
Grp20	Monthly value of cash spent (NIS)-Recreation Group	Monthly value of cash spent in NIS on Recreation Group: (3601-3625), (3630-3632), (3634-3636), (5301-5312), (5315), (5320-5331), (5333), (3701-3706), (3638)
Grp21	Monthly value of cash spent (NIS)-Personal care Group	Monthly value of cash spent in NIS on Personal care Group: (4031-4032), (4042-4064), (4035-4040)
Grp22	Monthly value of cash spent (NIS)-Tobacco Group	Monthly value of cash spent in NIS on Tobacco Group: (2101-2107), (2110), (1903)
Grp23	Monthly value of cash spent (NIS)-Alcohol beverage Group	Monthly value of cash spent in NIS on Alcohol beverage Group: (2111-2116)
Grp24	Monthly value of cash spent (NIS)-Other non-food consumption expenditure Group	Monthly value of cash spent in NIS on Other non-food consumption expenditure Group: (3901-3906), (3910-3911), (4101-4104), (4201-4205), (5403-5410)
Grp25	Monthly value of cash spent (NIS)-Other than food from Own produced Group	Monthly value of cash spent in NIS on Other than food from Own produced Group: (2220-2222), (2230-2233)
Grp26	Monthly value of cash spent (NIS)-Imputed rent Group	Monthly value of cash spent in NIS on Imputed rent Group: question “ H9 “
Grp27	Monthly value of cash spent (NIS)-Remittances in cash Group	Monthly value of cash spent in NIS on Remittances in cash Group: (4508-4509), (4513), (4517-4520), (4501)
Grp28	Monthly value of cash spent (NIS)-Taxes in cash Group	Monthly value of cash spent in NIS on Taxes in cash Group: (4412), (4415-4416)
Grp29	Monthly value of cash spent (NIS)-Other cash non-consumption expenditure Group	Monthly value of cash spent in NIS on Other cash non-consumption expenditure Group: (4301-4302), (4401-4411), (4413-4414), (4417), (4502-4503), (4510-4512), (4521-4523), (4514-4516)
Grp30	Monthly value of cash spent (NIS)-Social protection Group	Monthly value of cash spent in NIS on Social protection Group: (5501-5504)
Tot_cons	Monthly consumption in NIS	=sum(grp1:grp26)
Tot_exp	Monthly expenditure in NIS	=sum(grp1:grp30)- (grp12+grp25+grp26)
Tot_income	Total Monthly income in NIS	=I14_Tot+ sum(I15_1: I15_4) + I15_9 + (I16_Tot/12)
LabourStatus	Labour force Status (This variable is calculated for individuals aged 15 years and above)	1. Employment 2. Unemployment 3. Out Labor Force
Industry	Main Industry	1. Agriculture, Hunting & Fishing 2. Mining, Quarrying & Manufacturing 3. Construction 4. Commerce, Hotels & Restaurants 5. Transportation, Storage & Communication 6. Services & Other Branches

Variable Name	Variable Description	Variable Values
Occupation	Main Occupation	<ol style="list-style-type: none"> 1. Legislators, Senior Officials and Managers 2. Professionals, Technical, Associate and Clerks 3. Service, Shop and Market Workers 4. Skilled Agricultural & Fishery Workers 5. Craft and Related Trade Workers 6. Plant and Machine Operators and Assemblers 7. Elementary Occupations
ITEMS_DESCRIPTION	Item Name	A text Describe the name of the item

When extracting indicators; numbers of households and individuals, relative weight should be used.

Data processing

Both data entry and tabulation were performed using the Oracle and SPSS software programs. Data entry was organized in 9 files, corresponding to the main parts of the questionnaire. The design of the data entry used to develop relationships of data to control the data and detect errors, where through this program to connect all parts and take into account the logical answer.