

Household Consumer Expenditure in India

**NSS 60th Round
(January–June 2004)**



**National Sample Survey Organisation
Ministry of Statistics and Programme Implementation
Government of India**

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Preface

In 1972-73 the National Sample Survey Organisation (NSSO) began a quinquennial series of all-India surveys on consumer expenditure, employment and unemployment. Subsequently, an annual series of consumer expenditure enquiry was introduced from the NSS 42nd round (1986-87) onwards along with the main subject of survey. In this series, four households (two households up to the NSS 48th round, 1992) were selected for canvassing the consumer expenditure schedule in every surveyed village and urban block. The scope of the schedule was enhanced from the NSS 45th round (1989-90) by introducing some basic information on employment and unemployment. As a result, an annual series of data on both consumer expenditure and employment-unemployment is available since 1989. The present report is based on the data on consumer expenditure collected during the NSS 60th round survey (January- June, 2004). In this round, data on employment and unemployment were collected and a separate schedule was canvassed.

The report contains three chapters and three appendices. Chapter One deals with the introduction while Chapter Two with concepts and definitions that have been used in the survey. The main findings of the survey are presented in Chapter Three, which discusses the variation in the level and pattern of monthly per capita consumer expenditure over rural and urban areas in selected States, the group of North-Eastern States as a whole, and the Group of Union Territories. Detailed tables are given in Appendix A. The sample design and estimation procedure are explained in Appendix B. The schedule canvassed is given in Appendix C.

The Survey Design and Research Division of NSSO was responsible for development of survey methodology as well as drafting of the report. The fieldwork for the survey was handled by the Field Operations Division of NSSO. While the data processing and tabulation work was handled by the Data Processing Division of NSSO, the Coordination and Publication Division of NSSO coordinated various activities pertaining to the survey.

I am thankful to the Chairman and the Members of the Working Group for the NSS 60th round as well as to the Chairman and the Members of the Governing Council of NSSO for their overall guidance at various stages of survey work. The report, I hope, will be useful to the planners and policy makers.

Comments and suggestions from readers will be most welcome.

New Delhi
November 2005

P. S. Rana

Secretary
Ministry of Statistics and Programme Implementation

Highlights

Household Consumer Expenditure

- During the survey period January-June 2004, the all-India average monthly per capita consumer expenditure (MPCE) was Rs. 565 for rural India and Rs. 1060 for urban India. Thus, average urban MPCE exceeded average rural MPCE by 88%. However, urban price levels being higher than rural price levels, the differential would be narrower in real terms.
- During January-June 2004, one-half of the rural population of India had MPCE below Rs. 471 as per schedule type 1. About 20% had MPCE below Rs. 340. Among the urban population, 82% had MPCE above Rs.500. About 18% had MPCE above Rs.1500.
- For rural India, average MPCE of Rs. 565 comprised Rs. 305 for food and Rs. 260 for non-food. Food expenditure included Rs. 103 for cereals and cereal substitutes, and Rs. 107 for milk and milk products, vegetables and edible oil. Non-food expenditure included Rs. 54 for fuel and light, and Rs. 45 for clothing and footwear.
- For the urban population, average MPCE of Rs. 1060 comprised Rs. 441 for food and Rs. 619 for non-food. Of food expenditure, only Rs. 106 went towards cereals and cereal substitutes while Rs. 165 was spent on milk and milk products, vegetables and edible oil. Rs. 96 was spent per person per month on fuel and light, and Rs. 74 on clothing and footwear.
- The share of cereals in total consumption expenditure was 18% in rural India during January-June 2004 compared to 26% in 1987-88. In urban India it was 10% during January-June 2004 compared to 15% in 1987-88.
- The decline in the share of food in total expenditure seen over the past several rounds continued. The share of food was 54% in rural areas compared to 64% in 1987-88 and 42% in urban areas compared to 56% during 1987-88.
- The rural-urban differences in the share of expenditure were considerable for cereals (18% for rural against 10% for urban), miscellaneous consumer services (rural 7%, urban 12%) and education (rural 3%, urban 7%).
- In the rural sector, among the major states, Jharkhand, Orissa, Chhattisgarh, Madhya Pradesh and Bihar had MPCE less than Rs. 450. Kerala had the highest MPCE (Rs. 990), followed by Punjab (Rs. 947).

- In the urban sector, among the major states, Bihar and Madhya Pradesh had MPCE less than Rs. 800. Kerala had the highest MPCE (Rs. 1372), after which came Maharashtra (Rs. 1259).
- A separate schedule on consumer expenditure, named Schedule Type 2, which used a 7-day reference period for items of edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, processed food, pan, tobacco and intoxicants, showed higher estimates of average MPCE as Rs. 617 for rural India (more by 9% than the estimate based on conventional schedule, Schedule Type 1) and Rs. 1150 for urban India (more by 8.5 %).

Other aspects of living conditions

- The proportion of rural households living in katcha structures was 17% in January – June 2004 compared to 30% in 2000-2001. For urban households, the proportion of households living in katcha structures was 3.5% in January – June 2004 compared to 7% in 2000-2001.
 - The proportion of urban households using LPG as cooking fuel rose to 56% in the first half of 2004 compared to 47% in 2000-2001. Among rural households, the proportion increased to 9% from 7% in 2000-2001.
 - The proportion of rural households using kerosene as primary source of energy for lighting fell to 46% in January – June 2004 from 48% in 2000-2001. In urban households, the percentage fell to 7% in January – June 2004 from 9% in 2000-2001.
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Chapter One

Introduction

1.1 Beginning from the first round (1950-51) of the National Sample Survey (NSS), data on household consumer expenditure were collected in every round up to the 28th (1973-74). After the 26th round of the survey, the Governing Council of NSSO decided that the surveys on consumer expenditure and employment-unemployment situation might be undertaken together on a large scale once in every five years. Accordingly, "quinquennial" surveys on consumer expenditure and employment-unemployment surveys were conducted in the 27th, 32nd, 38th, 43rd, 50th, 55th and 61st rounds of NSS, at roughly 5-year intervals. In these rounds both survey schedules – Schedule 1.0 dealing with household consumer expenditure and Schedule 10, with employment-unemployment, were canvassed. In the earlier years, the two schedules were canvassed in the same sample of households, that is, households interviewed for Sch.1.0 were also interviewed during the same visit for Sch.10. From the 55th round (1999-2000) onwards, the practice of linking has been discontinued to minimise possible respondent fatigue from very long interview.

1.2 **Annual series:** The need for an annual series of data on consumer expenditure was also felt in the mid-80's by planners and research workers. The Governing Council therefore decided, (i) that the quinquennial consumer expenditure-cum-employment surveys would be carried on as before, (ii) that every other round of NSS, starting from the 42nd (1986-87), would include a smaller-scale consumer expenditure enquiry with 2 (increased to 4 from 1993 onwards) sample households per sample village/block with a slightly abridged version of Schedule 1.0. Later, from the 45th round, it was decided to extend the scope of this "annual" survey on consumer expenditure on a reduced scale by introducing some important questions on activity status of household members in Schedule 1.0 itself so as to be able to generate some indicators on employment and unemployment as well. In each round since the 42nd, the duration of field investigation has been one year except for the 47th, 49th, 54th, 58th and the present 60th round, which were of six months' duration. However, in this round, unlike earlier annual other than quinquennial rounds, Employment and Unemployment Schedule 10 has been separately canvassed as per the decision taken by the Governing Council of NSSO, considering the needs of employment data by the Planning Commission and hence, questions relating to activity status of household members, which were being collected through the Schedule 1.0, have been dropped.

1.3 Another important feature of this round is the canvassing of two different types of Schedules 1.0 in different sets of households. This is because 7 days reference period was recommended for items of edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, processed food, *pan*, tobacco and intoxicants, on the basis of the results of the Pilot Survey on Suitability of Different Reference Periods for Measuring Household Consumption (January – June 2000)¹. Since the usual reference period for these items had been 30 days in many rounds, it is necessary to build up adjustment factors for comparisons with the estimates of earlier rounds. The two types of schedules differ only in respect of reference period of items mentioned above. Schedule Type 1 uses 30 days reference period while

¹ Vide NSSO Expert Group on Non-Sampling Errors (2002): "Results of a Pilot Survey on Suitability of Different Reference Periods for Measuring Household Consumption", Sarvekshana, Vol – XXIV, No. 2 & 3, 85th Issue, October 2000 – March 2001, pp 89-145. Also published in a slightly different title "Suitability of Different Reference Period for Measuring Household Consumption: Results of a Pilot Survey" Economic and Political Weekly, Vol. XXXVIII, No. 4, January 25, 2003, pp 307 -321.

Schedule Type 2 uses 7 days reference period. For all other items, the reference period used in Schedule Type 1 is the same as that used in Schedule Type 2. Estimates of consumption for different items as per different types of schedules are presented in Chapter Three.

1.4 The present report brings out the results of the 60th round survey (Jan-June 2004) on consumer expenditure, the sixteenth survey of the "annual" series. In this round of NSS, Sch.1.0 was canvassed in 4 sample households per sample village/block. Besides Schedule 1.0, the following schedules of enquiry were also canvassed: Employment and Unemployment (Schedule 10), Morbidity and Health care (schedule 25.0). In all 18975 rural households spread over 4755 villages and 10656 urban households spread over 2669 urban blocks were surveyed in the Central sample.

1.5 **Geographical coverage:** The survey covered the whole of the Indian Union *except* (i) Leh (Ladakh) and Kargil districts of Jammu & Kashmir, (ii) interior villages of Nagaland situated beyond five kilometres of any bus route and (iii) villages in Andaman and Nicobar Islands which remain inaccessible throughout the year.

1.6 **Contents of the Report:** The main findings of the enquiry on consumer expenditure are presented in Chapter Three, which discusses the variation in the level and pattern of consumer expenditure and other aspects of the standard of living of the rural and urban population of the country. Special attention is given to the quantity and value of cereals consumed per person. With the exception of cereals, consumption is expressed in value terms only. Other aspects of standard of living discussed in the report include level of education, fuel use, structure of dwelling, area of dwelling unit, and size of land possessed. Concepts and definitions used in the collection of data for consumer expenditure are explained in Chapter Two. Detailed tables at State/ all-India level are given in Appendix A. The sample design and estimation procedure followed is given in Appendix B and a facsimile of the consumer expenditure schedule used, in Appendix C.

Chapter Two

Concepts, Definitions and Procedures

2.1 This chapter gives in brief the concepts of different aspects of consumer expenditure, definitions of various terms used in the Consumer Expenditure and procedure for collecting data on consumer expenditure through two different types of schedules.

2.2 **Household:** A group of persons normally living together and taking food from a common kitchen constitutes a household. The word "normally" means that temporary visitors are excluded but temporary stay-aways are included. Thus, a son or daughter residing in a hostel for studies is excluded from the household of his/her parents, but a resident employee or resident domestic servant or paying guest (but not just a tenant in the house) is included in the employer/host's household. "Living together" is usually given more importance than "sharing food from a common kitchen" in drawing the boundaries of a household in case the two criteria are in conflict; however, in the special case of a person taking food with his family but sleeping elsewhere (say, in a shop or a different house) due to space shortage, the household formed by such a person's family members is taken to include the person also. Each inmate of a mess, hotel, boarding and lodging house, hostel, etc. is considered as a single-member household except that a family living in a hotel (say) is considered as one household only; the same applies to residential staff of such establishments.

2.3 **Adult:** A person who has completed 15 years of age.

2.4 **Household size:** The size of a household is the total number of persons in the household.

2.5 **Household consumer expenditure:** The expenditure incurred by a household on domestic consumption during the reference period is the household's consumer expenditure. Household consumer expenditure is the total of the monetary values of consumption of various groups of items, namely (i) food, *pan* (betel leaves), tobacco, intoxicants and fuel & light, (ii) clothing and footwear and (iii) miscellaneous goods and services and durable articles.

2.6 For groups (i) and (ii), the total value of consumption is derived by aggregating the monetary value of goods actually consumed during the reference period. An item of clothing and footwear would be considered to have been consumed if it is brought into maiden or first use during the reference period. The consumption may be out of (a) purchases made in cash or credit during the reference period or earlier; (b) home-grown stock; (c) receipts in exchange of goods and services; (d) any other receipt like gift, charity, borrowing and (e) free collection. Home produce is evaluated at the ex farm or ex factory rate. For evaluating the consumption of the items of group (iii), i.e., items categorised as miscellaneous goods and services and durable articles, a different approach is followed. In this case, the expenditure made during the reference period for the purchase or acquisition of goods and services is considered as consumption.

2.7 It is pertinent to mention here that the consumer expenditure of a household on food items relates to the actual consumption by the members of the household and also by the guests during ceremonies or otherwise. To avoid double counting, transfer payments like charity, loan advance, etc. made by the household are not considered as consumption for items of groups (i) and (ii), since transfer receipts of these items have been taken into account.

However, the item "cooked meals" is an exception to the rule. Meals prepared in the household kitchen and provided to the employees and/or others would automatically get included in domestic consumption of employer (payer) household. There is a practical difficulty of estimating the quantities and values of individual items used for preparing the meals served to employees or others. Thus, to avoid double counting, cooked meals received as perquisites from employer household or as gift or charity are not recorded in the recipient household. As a general principle, cooked meals purchased from the market for consumption of the members and for guests and employees will also be recorded in the purchaser household.

2.8 This procedure of recording cooked meals served to others in the expenditure of the serving households only leads to bias-free estimates of average per capita consumption as well as total consumer expenditure. However, donors of free cooked meals are likely to be concentrated at the upper end of the per capita expenditure range and the corresponding proportion of recipients at the lower end of the same scale. Consequently, the derived nutrition intakes may get inflated for the rich (net donors) and understated for the poor (net recipients). This point has to be kept in mind while interpreting the NSS consumer expenditure data for any studies relating to the nutritional status of households.

2.9 **Value of consumption:** Consumption out of purchase is evaluated at the purchase price. Consumption out of home produce is evaluated at ex farm or ex factory rate. Value of consumption out of gifts, loans, free collections, and goods received in exchange of goods and services is imputed at the rate of average local retail prices prevailing during the reference period.

2.10 **Monthly per capita consumer expenditure (MPCE):** For a household, this is the total consumer expenditure over all items divided by its size and expressed on a per month (30 days) basis. A person's MPCE is understood as that of the household to which he or she belongs.

2.11 **Schedule Type:** In this round, two different types of Schedule 1.0 were canvassed in two matched samples of households. This decision was based on the recommendations of a 'Pilot Survey on Suitability of Different Reference Periods for Measuring Household Consumption (January - June 2000)'. The Expert Group which had carried out the pilot survey had concluded that for items of food coming under the categories of edible oil, egg, fish and meat, vegetables, fruits, spices, beverages and processed food, as well as for *pan*, tobacco and intoxicants, a 7-day reference period was more suitable than a 30-day reference period. Accordingly, when the 60th round survey was planned, it was decided that a reference period of "last 7 days" would be used for these items. The pilot survey had also shown that the "last 7 days" reference period would yield significantly higher estimates of consumption of these item categories. This, it was realized, would pose problems of comparison of data of the 60th round with those of past rounds. Therefore, it was decided that the sample households of the 60th round would be divided into two matched sets. In one set, data for *all* items of food, as well as *pan*, tobacco and intoxicants, would be collected with a reference period of 30 days, in line with the practice of past rounds. The schedule used for this set of households would be called Schedule Type 1. The other schedule - called Schedule Type 2 - would be as recommended by the Expert Group. In other words, it would use a 7-day reference period for the items mentioned earlier. The estimates of consumption of items generated from the two schedule types would be used to build up adjustment factors for comparing the 60th round estimates with those of earlier rounds. Thus, the 60th round employs two variants of Schedule 1.0. Note that the two schedule types differ only in respect of reference period for collection of data on the items mentioned earlier. In all other respects, they are identical.

2.12 **Reference periods:** The reference periods used for collection of consumption data for different groups of items (see also earlier paragraph) are given below:

Srl. No.	Item	Reference period for	
		Schedule type 1	Schedule type 2
1	education, medical care (institutional), clothing, bedding, footwear and durable goods	last 365 days	last 365 days
2	edible oil, egg, fish and meat, vegetables, fruits, spices, beverages and processed foods and pan, tobacco and intoxicants	last 30 days	last 7 days
3	all other items (viz all food except those mentioned against Srl. No. 2., fuel and light, miscellaneous goods and services including non-institutional medical care, rents and taxes)	last 30 days	last 30 days

2.13 **Milk and milk products:** This includes ghee, butter, curd, ice-cream etc. Milk-based sweetmeats (*pera, rasogolla* etc.) come under the item "prepared sweets". However, if these are prepared from milk, sugar, etc. within the household and consumed, then the consumption of each ingredient is accounted separately instead of the entire consumption being accounted under "milk products".

2.14 **Clothing and footwear:** This category includes bedsheets, bedcovers, pillows, curtains, mattresses, blankets, rugs, mats and mattings, cotton yarn, wool, and knitting wool. It, however, excludes tailoring charges, which come under "miscellaneous goods and services".

2.15 **Durable goods:** Items included here are distinguished from other miscellaneous goods by having a longer expected lifetime of use (roughly, one year or more). Expenditure incurred on repairs, and purchase and construction of durables used for domestic purpose is included in "expenditure on durable goods".

2.16 **Miscellaneous goods and services:** This is a residual group containing items other than food, pan, tobacco, intoxicants, fuel and light, clothing, footwear, rent, taxes and durable goods.

2.17 **Literacy rate:** Literacy rate of 7+ population is the percentage of people whose ages are 7 years and above and who can both read and write a simple message with understanding in at least one language.

2.18 **Land possessed:** The area of land possessed will include land owned, land leased in and land neither owned nor leased in (i.e. encroached) by the household but exclude land leased out. A piece of land is considered to be owned by the household if permanent heritable possession with or without the right to transfer the title vests in a member or members of the household. Land held in owner-like possession, say, under perpetual lease, hereditary tenure, long-term lease for 30 years or more, etc., will also be considered as land owned.

2.19 **Katcha:** A *katcha* structure is one whose walls and roof are made of *katcha materials*, which means materials such as mud, bamboo, grass, leaves, reeds, thatch or unburnt bricks, etc.

2.20 **Pucca:** A *pucca* structure is one whose walls and roof are made of *pucca materials*, which means materials such as burnt bricks, stone, cement, concrete, jackboard (cement-plastered reeds) and timber. Tiles, galvanised tin or asbestos cement sheets used in construction of roofs are also regarded as *pucca materials*.

2.21 **Semi-pucca:** A *semi-pucca* structure is one where *pucca materials* (see above) are used for either the roof or the walls but not both.

2.22 **Independent house:** An independent house is one which has a separate structure and entrance with self-contained arrangements. In other words, if the dwelling unit and the entire structure of the house are physically the same, it is considered as an independent house. Here dwelling unit means living rooms, kitchen, bathroom, latrine, store-room and verandah (both open and closed).

2.23 **Flat:** A flat, generally, is a part of a building and has one or more rooms with self-contained arrangements and normal housing facilities like water supply, latrine, toilet etc., which are used exclusively by the family residing therein or jointly with other families. It also includes detached room or rooms which may or may not have other housing facilities.

2.24 **Covered area:** This will be the sum of the floor areas of all the rooms, kitchen, etc., and verandah of the house/building possessed by the household. The verandah will mean a roofed space adjacent to living/other rooms, which may not be walled on all sides. In other words, at least one side of such space is either open or walled only to some height or protected by grille, net, etc.

2.25 Until recently, a minimum sample size of 300 households (approx 75 fsu's) was generally considered to be necessary for release of estimates of any State/UT under a sector (Rural/Urban), in normal rounds of the annual series of Consumer Expenditure Surveys. However, estimates for the Group of North-Eastern States and Group of UTs were always published regardless of their sample size. In recent years, in order to maintain the time series of consumer expenditure survey results unbroken for States whose sample sizes were normally above 300, it was considered advisable to provide estimates for such States even in rounds in which their sample size fell marginally below 300. Examples are urban sector estimates for Jammu & Kashmir, Haryana and Orissa based on the 59th round. In the 60th round, two factors drastically reduced the sample allocations for all States/UTs. One was the canvassing of two different schedules (Schedule Types 1 and 2) in different sets of households. The other was the 6-month survey period instead of the usual year. Now, the criterion of "at least 300 sample households" for each schedule type results in only 13 States being eligible for publication of rural sector estimates and only 6 States being eligible for publication of urban sector estimates. Clearly, the eligibility criterion of "300 households" cannot be used for this round. It is proposed, instead, that for the 60th round a criterion of "at least 120 households" be used for the rural sector and "at least 80 households" for the urban sector for each type of schedule under a State/UT. Going by this criterion, estimates can be published for 22 States for the rural sector and 20 States for the urban sector¹. In addition, estimates for the two groups "North-Eastern States" (which excludes Assam) and "Group of UTs" are, as usual, also presented. The composition of these two groups is as follows: *North-Eastern States:* Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim

¹ Note that the urban sector of Jammu & Kashmir fell short of the minimum sample size by the above criterion, but has been included as a special case. This brings to 21 the number of States for which urban sector estimates are presented. Caution may be exercised in using all State-level estimates which have been published in this particular round in view of the special circumstances prevailing, but which fall short of the "300 households" criterion which NSS generally endeavours to abide by.

and Tripura. *Group of UTs:* Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Pondicherry. Hence the estimates for the States, Manipur and Tripura appear separately and also in the combined estimate of North-Eastern States.

2.26 Statement 2.1 shows the number of villages and urban blocks allotted for survey and the numbers actually surveyed, and the number of households in which Schedule 1.0 was canvassed. About 53 sample villages falling in the disturbed area of Jammu and Kashmir could not be surveyed. Apart from this, 100 villages – 16 in Kerala, 9 in Uttar Pradesh, 7 in each of Karnataka, Maharashtra and West Bengal, 6 in each of Bihar, Himachal Pradesh and Tamil Nadu, 5 in each of Assam and Chhattisgarh, 3 in each of Andhra Pradesh, Jharkhand, Madhya Pradesh and Mizoram, 2 in each of Gujarat, Haryana, Punjab, Rajasthan and Tripura, and 1 in each of Arunachal Pradesh, Manipur, Orissa and Andaman & Nicobar Islands – became casualties as they could not be surveyed within the stipulated time. In urban sector 35 sample blocks at all India level out of which 30 belonged to Jammu & Kashmir could not be surveyed in this round. The casualties occurred in Jammu and Kashmir in both rural as well urban areas mainly due to disturbed condition. Statement 2.2 shows type of schedule-wise number of sample households surveyed in rural and urban sectors for Schedule 1.0 of different States/UT's.

Statement 2.1: Number of villages/blocks allotted and surveyed for schedule 1.0 and number of households and persons surveyed for schedule types 1 and 2 combined for central sample

State/UT	no. of villages		no. of blocks		sample households		sample persons	
	allotted	surveyed	allotted	surveyed	rural	urban	rural	urban
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Andhra Pradesh	328	325	184	184	1299	735	5916	2873
Arunachal Pradesh	76	75	32	32	295	128	1642	483
Assam	220	215	48	48	860	192	4727	805
Bihar	360	354	64	64	1414	256	8717	1415
Chhattisgarh	112	107	40	40	428	160	2440	691
Goa	8	8	12	12	32	48	128	176
Gujarat	152	150	132	131	600	524	3340	2343
Haryana	88	86	56	55	343	220	2188	1068
Himachal Pradesh	132	126	20	20	501	80	2551	268
Jammu & Kashmir	136	83	68	38	329	152	2003	685
Jharkhand	144	141	60	60	561	240	3282	1093
Karnataka	192	185	152	152	740	608	4011	2606
Kerala	200	184	100	100	735	397	3441	1598
Madhya Pradesh	232	229	128	128	912	510	5496	2444
Maharashtra	272	265	268	267	1060	1064	5807	4457
Manipur	108	107	52	52	428	208	2396	1071
Meghalaya	56	56	24	24	221	96	1185	396
Mizoram	44	41	64	64	164	256	862	1214
Nagaland	24	24	12	12	96	48	510	217
Orissa	212	211	56	56	840	224	4573	1050
Punjab	84	82	68	68	328	272	1909	1158
Rajasthan	236	234	108	108	931	431	5907	2067
Sikkim	44	44	8	8	176	32	877	94
Tamil Nadu	260	254	260	260	1016	1040	4239	3843
Tripura	84	82	24	24	328	96	1605	355
Uttar Pradesh	680	671	264	264	2676	1052	18045	5176
Uttaranchal	36	36	20	20	144	80	730	366
West Bengal	324	317	188	188	1268	752	6856	2985
A & N Islands	16	15	12	12	60	48	335	194
Chandigarh	8	8	36	34	32	135	169	470
Dadra & N. Haveli	8	8	8	8	32	32	178	112
Daman & Diu	8	8	8	8	31	32	160	132
Delhi	8	8	100	100	31	396	163	1564
Lakshadweep	8	8	8	8	32	32	191	207
Pondicherry	8	8	20	20	32	80	126	288
All India	4908	4755	2704	2669	18975	10656	106705	45964

Statement 2.2: Number of sample households surveyed for Schedule 1.0 by Schedule type for central sample

State/UT	number of sample households					
	rural			urban		
	s1	s2	total	s1	s2	total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	649	650	1299	368	367	735
Arunachal Pradesh	148	147	295	64	64	128
Assam	430	430	860	96	96	192
Bihar	707	707	1414	128	128	256
Chhattisgarh	214	214	428	80	80	160
Goa	16	16	32	24	24	48
Gujarat	300	300	600	262	262	524
Haryana	172	171	343	110	110	220
Himachal Pradesh	251	250	501	40	40	80
Jammu & Kashmir	164	165	329	76	76	152
Jharkhand	281	280	561	120	120	240
Karnataka	370	370	740	304	304	608
Kerala	367	368	735	199	198	397
Madhya Pradesh	457	455	912	255	255	510
Maharashtra	532	528	1060	533	531	1064
Manipur	214	214	428	104	104	208
Meghalaya	112	109	221	48	48	96
Mizoram	82	82	164	128	128	256
Nagaland	48	48	96	24	24	48
Orissa	421	419	840	112	112	224
Punjab	164	164	328	136	136	272
Rajasthan	466	465	931	216	215	431
Sikkim	88	88	176	16	16	32
Tamil Nadu	508	508	1016	520	520	1040
Tripura	164	164	328	48	48	96
Uttar Pradesh	1339	1337	2676	526	526	1052
Uttaranchal	72	72	144	40	40	80
West Bengal	634	634	1268	376	376	752
A & N Islands	30	30	60	24	24	48
Chandigarh	16	16	32	68	67	135
Dadra & N. Haveli	16	16	32	16	16	32
Daman & Diu	16	15	31	16	16	32
Delhi	15	16	31	200	196	396
Lakshadweep	16	16	32	16	16	32
Pondicherry	16	16	32	40	40	80
All India	9495	9480	18975	5333	5323	10656

s1 stands for Schedule type 1 and s2 stands for Schedule type 2.

Chapter Three

Summary of Findings

3.1 Introduction

3.1.1. The National Sample Survey (NSS) on enquiry of household consumer expenditure generates a very important indicator of living standards called monthly per capita consumer expenditure (MPCE). The present report, first and foremost, brings out various facets of this indicator. Additionally, it presents information on certain other aspects of level of living.

3.1.2. As explained in paragraph 2.11, Schedule Type 1 and Schedule Type 2 provide alternative estimates of consumption of six high frequency item groups on the basis of the recall periods of 30 and 7 days. Note, however, that the difference between the estimates given by Schedule Type 1 and Schedule Type 2 is of interest to us in case of estimates of quantity and value of consumption, but not in case of other information collected through Schedule 1.0. In case of quantity and value of consumption, the difference is a measure of the differential effect of the two methods of data collection on the data. For other characteristics, e.g. demographic features, area of dwelling unit, etc., both schedule types follow the same methodology of data collection. Hence the difference between the estimates on the two schedule types, for these characteristics, can be regarded as mainly due to sampling errors (and non-sampling errors of an unsystematic nature). In the discussion which follows, therefore, estimates from both schedule types are presented in case of quantity and value of consumption, including the monthly per capita value of total consumption expenditure and its item composition. For other characteristics, some estimates have been generated as combined estimates based on the entire data (both schedule types). Where combined estimates have not been generated, only the estimates from Schedule Type 1 are discussed, unless the estimates from Schedule Type 2 are very different, and appear to be worth mentioning. The detailed tables in Appendix A, as well as the summary statements on Pages 27-81, give both sets of estimates wherever separate estimates have been generated.

3.2 Population structure

3.2.1. Table P1 presents some key indicators of population in rural and urban India. The rural population had 951 females per 1000 males; the urban had 901. Average household size in rural India was 5.1 including 1.8 children (persons under 15) per household. In urban India the average household size was 4.4 with 1.3 children per household.

3.2.2. The variation in average household size with MPCE is evident from Table P2. Average rural household size declined from 6.7 in the second lowest MPCE class to 3.9 in the highest. In urban areas the decline was from 6.5 to 2.9. More details are available in Table 1 of Appendix A. This reveals that the variation in household size with MPCE class may be attributed to the distribution of population in the under-15 age group. The average number of members under 15 per rural household is seen to decline from 3.2 in the lowest MPCE class to 0.8 in the highest class. In urban India the average number of "children" per household was about 3.0 in the lowest MPCE class and 0.5 in the highest.

Table P1: Selected demographic differentials between rural and urban India

Schedule Type: Combined		
population characteristic	rural	urban
% of population	74.7	25.3
average household size	5.07	4.43
average no. of adults per household	3.25	3.11
average no. of children per household	1.82	1.32
sex ratio (no. of females per 1000 males)	951	901
sex ratio among adults	970	913
sex ratio among children	917	872

3.3 Size distribution of population by MPCE: all-India

3.3.1. The distribution of the rural and urban population of India over 12 MPCE classes is shown in Table P2. The MPCE classes are formed differently for rural and urban sectors. For both rural and urban India, the size distribution by MPCE as obtained from Schedule Type 2 has fewer persons in the lower MPCE ranges and more persons in the upper ranges than Schedule Type 1. Thus Schedule Type 2 finds, for instance, that only 8% of the rural population had MPCE below Rs.300, compared to 11.5% according to Schedule Type 1. Again, Schedule Type 2 estimates that about 21% of rural Indians had MPCE above Rs.775, while Schedule Type 1 puts the figure at 15.5%. The median MPCE for rural India, or the level below which one-half of the population live, is close to Rs.470 for Schedule Type 1 but nearer to Rs.525 for Schedule Type 2.

Table P2: Distribution of persons by MPCE and average household size in different MPCE classes: all-India

MPCE class (Rs.)	rural			urban			
	no. of persons per 1000		av. hh size	MPCE class (Rs.)	no. of persons per 1000		av. hh size
	Sch. type 1	Sch. type 2			Sch. type 1	Sch. type 2	
0-225	24	17	6.19	0-300	20	16	6.05
225-255	27	17	6.65	300-350	30	13	6.48
255-300	64	45	6.01	350-425	64	44	6.05
300-340	83	67	5.98	425-500	69	66	5.72
340-380	96	74	5.85	500-575	91	64	5.58
380-420	96	81	5.66	575-665	85	93	5.36
420-470	108	102	5.50	665-775	117	116	5.31
470-525	100	109	5.29	775-915	103	128	4.96
525-615	122	134	4.93	915-1120	123	121	4.28
615-775	126	146	4.56	1120-1500	123	150	3.86
775-950	67	91	4.39	1500-1925	70	74	3.40
950 +	88	117	3.90	1925 +	106	114	2.87
all classes	1000	1000	5.08	all classes	1000	1000	4.43

3.3.2 Similar differences are found in the urban MPCE distributions. The median urban MPCE from Schedule Type 1 is around Rs.810 compared to about Rs.870 for Schedule Type 2. About 18% of the urban population according to Schedule Type 1 and 14% according to Schedule Type 2 had MPCE below Rs.500. The MPCE of about 18-19% of the urban population appears to have been above Rs.1500.

3.3.3 Statements 3.1R and 3.1U (pages 27 to 30) show the State-level distributions of *households* by MPCE class, while Statements 3.2R and 3.2U (pages 31 to 34) show the State-level distributions of *persons* by MPCE class, including all-India.

3.4 Average MPCE: States and all-India, by Sector

3.4.1 Statements 3.2R and 3.2U also show average MPCE at State and all-India level. The average of MPCE for selected States, and a measure of the urban - rural differential in each State, are presented separately in Tables P3-1 and P3-2 below. Map 1 and Map 2 classify the States into five groups on the basis of MPCE.

3.4.2 The all-India average rural MPCE was Rs.565 according to Schedule Type 1 and Rs.617 according to Schedule Type 2. The State-level average rural MPCEs, were, likewise, somewhat higher for Schedule Type 2. Thus, going by Schedule Type 1, the five lowest ranked major States had MPCE between Rs.400 and Rs.450. They were Jharkhand, Orissa, Chhattisgarh, Madhya Pradesh and Bihar. The same five States were the five ranked lowest by Schedule Type 2, though not in the same order. Their MPCEs according to Schedule Type 2 were between Rs. 440 and Rs. 500. Kerala had the highest average of rural MPCE among the major States (Rs. 990 according to Schedule Type 1 and Rs. 1059 according to Schedule Type 2), followed by Punjab.

MAP 1: MPCE in different States in rural India from Schedule Types 1 and 2

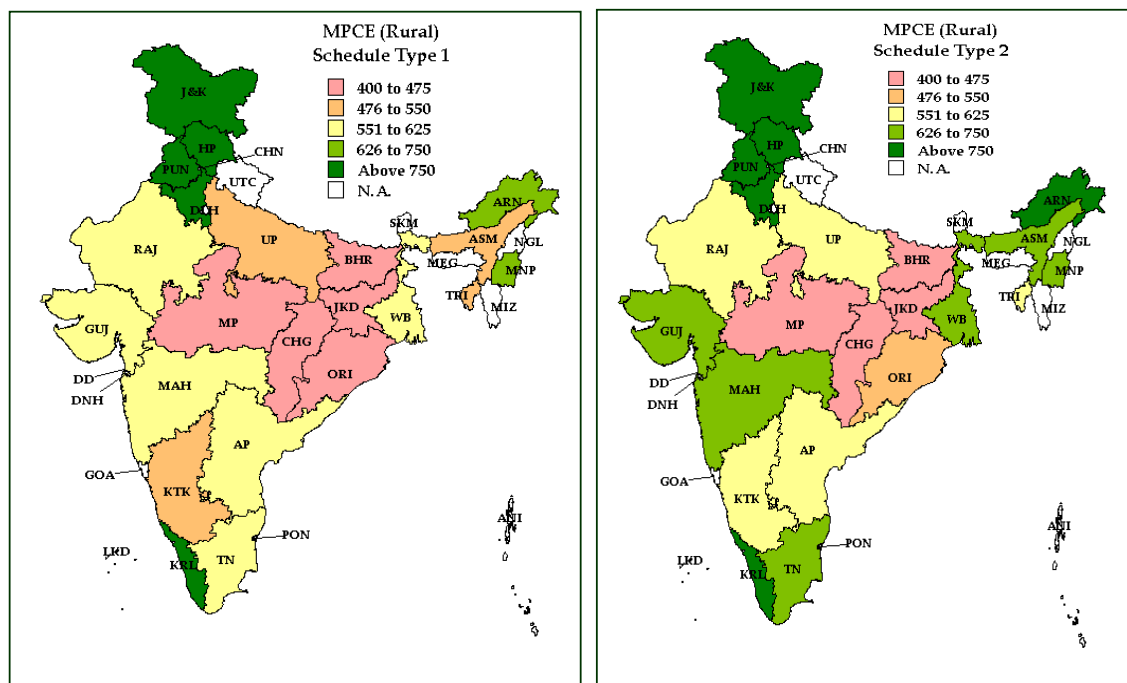


Table P3-1: Average rural and urban MPCE in selected States
Schedule Type 1

State	average MPCE		
	rural (Rs.)	urban (Rs.)	urban as % of rural
Andhra Pradesh	557	1102	198
Arunachal Pradesh	702	-	-
Assam	532	1019	192
Bihar	442	784	177
Chhattisgarh	417	812	195
Delhi	-	1301	-
Gujarat	613	1092	178
Haryana	879	1050	119
Himachal Pradesh	793	-	-
Jammu & Kashmir	802	1086	135
Jharkhand	405	969	239
Karnataka	502	937	187
Kerala	990	1372	139
Madhya Pradesh	437	793	181
Maharashtra	569	1259	221
Manipur	656	797	121
Mizoram	-	1329	-
Orissa	414	872	211
Punjab	947	1059	112
Rajasthan	580	995	172
Tamil Nadu	603	1131	188
Tripura	498	-	-
Uttar Pradesh	538	827	154
West Bengal	580	1133	195
All India	565	1060	188

Table P3-2: Average rural and urban MPCE in selected States
Schedule Type 2

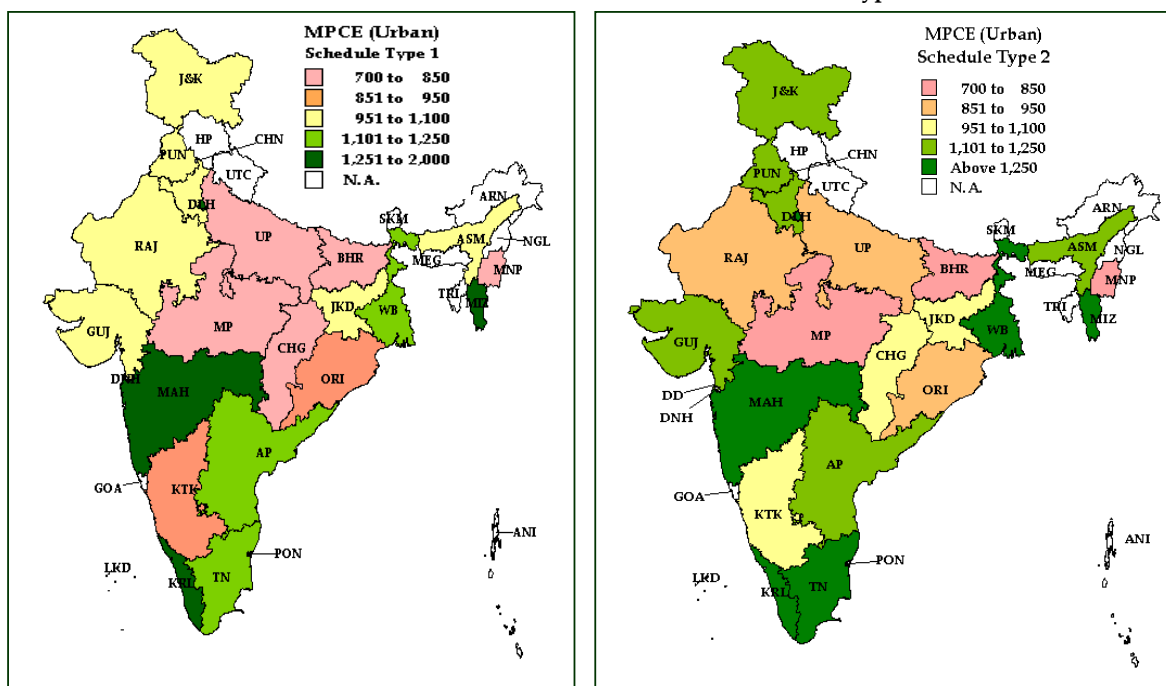
State	average MPCE		
	rural (Rs.)	urban (Rs.)	urban as % of rural
Andhra Pradesh	589	1147	195
Arunachal Pradesh	931	-	-
Assam	643	1108	172
Bihar	463	723	156
Chhattisgarh	444	974	219
Delhi	-	1303	-
Gujarat	653	1130	173
Haryana	791	1146	145
Himachal Pradesh	962	-	-
Jammu & Kashmir	837	1173	140
Jharkhand	446	1086	243
Karnataka	587	1066	182
Kerala	1059	1404	133
Madhya Pradesh	466	830	178
Maharashtra	672	1369	204
Manipur	738	830	112
Mizoram	-	1494	-
Orissa	494	907	184
Punjab	1015	1183	117
Rajasthan	604	947	157
Tamil Nadu	711	1254	176
Tripura	586	-	-
Uttar Pradesh	574	918	160
West Bengal	633	1375	217
All India	617	1150	186

Note that the comparisons based on figures in tables P3-1 and P3-2 ignore differentials in consumer price levels between rural and urban sectors and across States. Such differentials

have been studied in the literature¹. Urban price level may be 15% higher than rural price levels or even higher than that. So the true or real difference between the two sectors may be narrower than appears from the average MPCE's for the two sectors.

3.4.3 Among the 22 States presented, average rural MPCE from Schedule Type 1 was below Rs.475 in five States, between Rs.476 and 750 in eleven States, and above Rs.750 in five States (see rural part of Map1). The average MPCE from Schedule Type 2 was below Rs 475 in four States, between Rs.476 and Rs.750 in eleven States and above Rs. 750 in six States (see Map1).

MAP 2: MPCE in different States in urban India from Schedule Types 1 and 2



3.4.4 In Urban India, the all-India average of MPCE was Rs. 1060 according to Schedule Type 1 and Rs. 1150 according to Schedule Type 2. Going by Schedule Type 1, there were five major States with urban MPCE below Rs. 900: Bihar, Madhya Pradesh, Chhattisgarh, UP and Orissa. Four of these States had urban MPCE below Rs 950 according to Schedule Type 2, and so had Rajasthan. As in case of rural India, Kerala had the highest average MPCE among the major states (Rs. 1372 according to Schedule Type 1 and Rs.1404 according to Schedule Type 2). The high average MPCE obtained by Schedule Type 2 for West Bengal (Rs. 240 higher than the Schedule Type 1 figure) has been investigated and found to be due to sampling errors².

1 See N. Bhattacharya and G.S. Chatterjee (1971), On rural-urban differentials in consumer prices and per capita household consumption in India, by levels of living. *Sankhya*, Series B, Vol. 33, pp. 355-370. See also S. S. Bhattacharyya, P. D. Joshi and A. B. Roychowdhury (1980), Regional price indices based on NSS 25th Round consumer expenditure data. *Sarvekshana*, Vol. 3, No. 4, pp. 107-21.

2 The high value of average MPCE for West Bengal from Schedule Type 2 was investigated and found to be due to an unusually large expenditure on meals provided to guests in one household during the 7-day reference period. It can be shown that if this household were excluded, the difference between the estimates of average MPCE for West Bengal from Schedule Type 1 and Schedule Type 2 would be approximately halved. However, the estimate has been kept unchanged as the expenditure, although unusual, was undoubtedly consumer expenditure (correct sampling methodology will sometimes yield samples with unusual observations), and also because the case of West Bengal could be an indicator of the higher variability of the estimator based on a 7-day reference period.

3.4.5 Among the 21 States for which estimates are presented, average urban MPCE from Schedule Type 1 was below Rs.850 in five States, between Rs.851 and 1250 in twelve States, and above Rs.1250 in four States (see urban part of Map1). The average MPCE from Schedule Type 2 was below Rs 850 in three States, between Rs.851 and Rs.1250 in twelve States and above Rs. 1250 in six States (see Map2).

3.4.6 Average urban MPCE exceeded average rural MPCE by 86-88% at the all-India level. Rural-urban disparity measured by percentage difference of urban MPCE over rural MPCE was lowest in Punjab (12% from Schedule Type 1 and 17% from Schedule Type 2) and was also comparatively low in Haryana (19% and 45%) and Kerala (39% and 33%). This percentage difference was relatively high for some other States like Chhattisgarh (95% and 119%), Jharkhand (139% and 143%), Maharashtra (121% and 104%) and West Bengal (95% and 117%).

3.5 Per capita expenditure on different items of consumption: all-India

3.5.1 Statements 3.3R and 3.3U (pages 35-43, 44-51) show the break-up of MPCE by item group at State and all-India level. Tables P4-1 and P4-2 below give the all-India picture in brief, focussing on rural-urban differentials in spending. Note that self-consumed home-produced food is included in "food expenditure".

3.5.2 *Difference due to schedule type:* Here we may recall, to begin with, that there were only a few categories of items for which the reference period used in Schedule Type 2 was different from that used in Schedule Type 1. They were edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, refreshments and processed food, and *pan*, tobacco and intoxicants.

3.5.3 We have also seen in Section 3.4 that average MPCE from Schedule Type 2 was higher by Rs.52 for rural India and by Rs.90 for urban India than from Schedule Type 1. Tables P4-1 and P4-2 now show that the difference in total MPCE between Schedule Type 1 and Schedule Type 2 is wholly accounted for by those item categories for which a 7-day reference period was used in Schedule Type 2 instead of the 30-day reference period used in Schedule Type 1.

Table P4-1: Break-up of MPCE by item group based on Schedule type 1: all-India

item group	monthly per capita exp. (Rs.)		item group	Schedule type 1	
	monthly per capita exp. (Rs.)			monthly per capita exp. (Rs.)	
	rural	urban		rural	urban
cereals & cereal substitutes	103	106	pan, tobacco & intoxicants	14	16
pulses & their products*	17	23	fuel and light	54	96
milk & milk products	48	83	clothing & footwear	45	74
edible oil	26	38	education	16	69
egg, fish & meat	19	28	medical	35	58
vegetables	33	44	misc. consumer goods	32	71
fruits	10	23	misc. consumer services	40	132
sugar and salt	13	16	rent	3	55
spices	12	15	taxes and cesses	1	10
beverages, refreshments & processed food	24	65	durable goods	19	38
food total	305	441	non-food total	260	619
			all items	565	1060

*includes gram

3.5.4 Among the food items, the important item groups for which both schedule types used the same reference period were cereals and cereal substitutes, pulses and pulse products, and milk and milk products. For all these item groups, it is seen from Tables P4-1 and P4-2 that the estimates from the two schedule types differ only by a rupee or two in each case. On the other

hand, the estimates from Schedule Type 2 are higher by around Rs.5 for edible oil, about Rs.10 (i.e. about 50% higher) for egg, fish and meat, Rs.15-17 for vegetables, about 60% higher for fruits (Rs.6 for rural and Rs.15 for urban), and about 50% higher for beverages, refreshments and processed food (as much as Rs.36 higher for the urban sector).

Table P4-2: Break-up of MPCE by item group based on Schedule type 2: all-India

item group	monthly per capita exp. (Rs.)		item group	Schedule type 2 monthly per capita exp. (Rs.)	
	rural	urban		rural	urban
	cereals & cereal substitutes	101		103	pan, tobacco & intoxicants
pulses & their products*	17	23	fuel and light	51	93
milk & milk products	47	82	clothing & footwear	41	73
edible oil	31	43	education	16	65
egg, fish & meat	29	39	medical	34	56
vegetables	48	61	misc. consumer goods	30	67
fruits	16	38	misc. consumer services	39	125
sugar and salt	13	15	rent	2	55
spices	19	23	taxes and cesses	1	9
beverages, refreshments & processed food	37	101	durable goods	21	56
food total	357	529	non-food total	260	621
			all items	617	1150

*includes gram

3.5.5 It is interesting to note that the difference in the non-food component of MPCE between the two schedule types is practically negligible for both rural and urban sectors. Non-food expenditure per capita is Rs.260 for rural India according to both schedule types. For urban India, it is Rs.619 for Schedule Type 1 and only Rs.2 more for Schedule Type 2. One may recall that among non-food items, only the category “pan, tobacco and intoxicants” was given a 7-day reference period in Schedule Type 2. The remaining non-food items had the same reference period in both schedule types. The per capita average expenditure on pan, tobacco and intoxicants for schedule type 2 were higher by Rs 6 or 7 for the two sectors.

3.5.6 *Rural-urban differences:* Expenditure per person on cereals and cereal substitutes was not very different for rural and urban households. For all other item groups, the urban figure was higher than the rural figure. The differential was highest (understandably) for rent – Rs.2 to 3 (rural) vs. Rs.55 (urban). The differential was also high for education: Rs.16 for rural vs. Rs.65-69 for urban India. For consumer services, per capita urban consumption was more than three times the rural figure (the urban figure was Rs.125-130 against the rural figure of about Rs.40).

3.5.7 For most of the (nine) food groups shown here, per capita urban spending was within Rs.5-15 of per capita rural spending. The exceptions were “milk and milk products” (Rs.47-48 for rural and Rs.82-83 for urban), fruits (Rs.10 for rural vs. Rs.23 for urban in Schedule Type 1 and Rs.16 for rural vs. Rs.38 for urban from Schedule Type 2) and “beverages, refreshments & processed food” where the urban figure was 2.6 to 2.8 times the rural (Rs.25 for rural vs. Rs.65 for urban from Schedule Type 1 and Rs.37 for rural vs. Rs.101 for urban from Schedule Type 2).

3.6 Percentage break-up of MPCE by item group: all-India

3.6.1 Statements 3.4R and 3.4U (pages 52-60, 61-68) express the item-wise expenditure figures of Statements 3.3R and 3.3U as percentages of total MPCE, for selected States/UTs and all-India. Figures 1R-1 and 1U-1 present the percentage composition of all-India MPCE by

seven groups of items for schedule type 1 and Figures 1R-2 and 1U-2 present the percentage composition of all-India MPCE by seven groups of items for schedule type 2. The patterns are fairly similar for Schedule types 1 and 2. The following observations are made considering estimation from both schedule types.

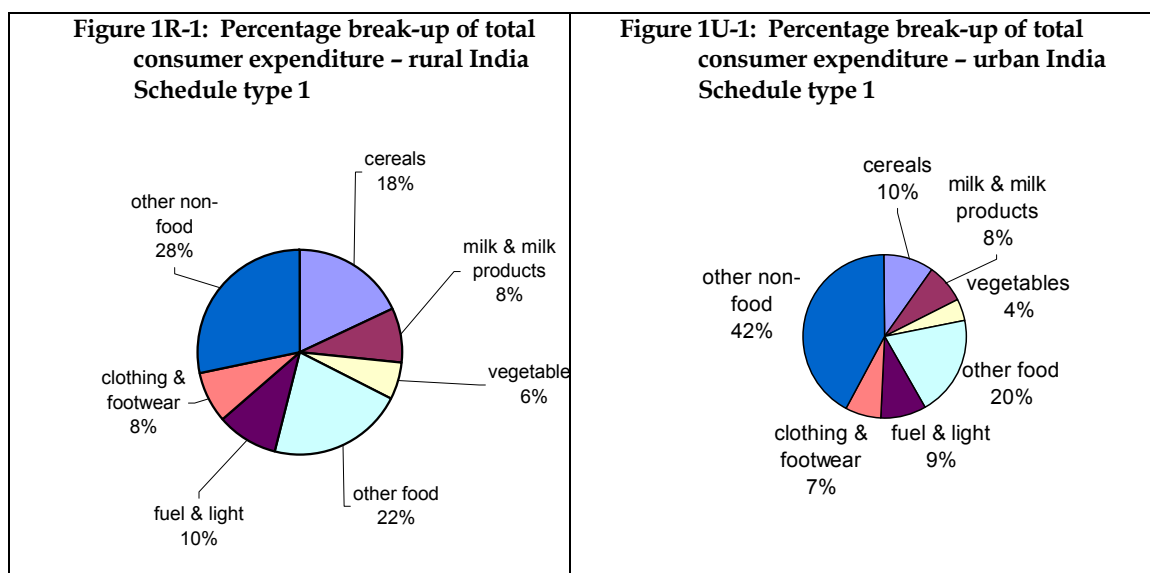
(a) There was little difference between rural and urban sectors in the shares of “milk & milk products”, “other food”, “fuel & light”, and “clothing & footwear”.

(b) Important rural-urban differences were present in the budget share of “cereals” (16-18% for rural vs. 9-10% for urban), “vegetables” (6-8% for rural vs. 4-5% for urban) and “other non-food” (26-28% for rural vs. 40-42% for urban).

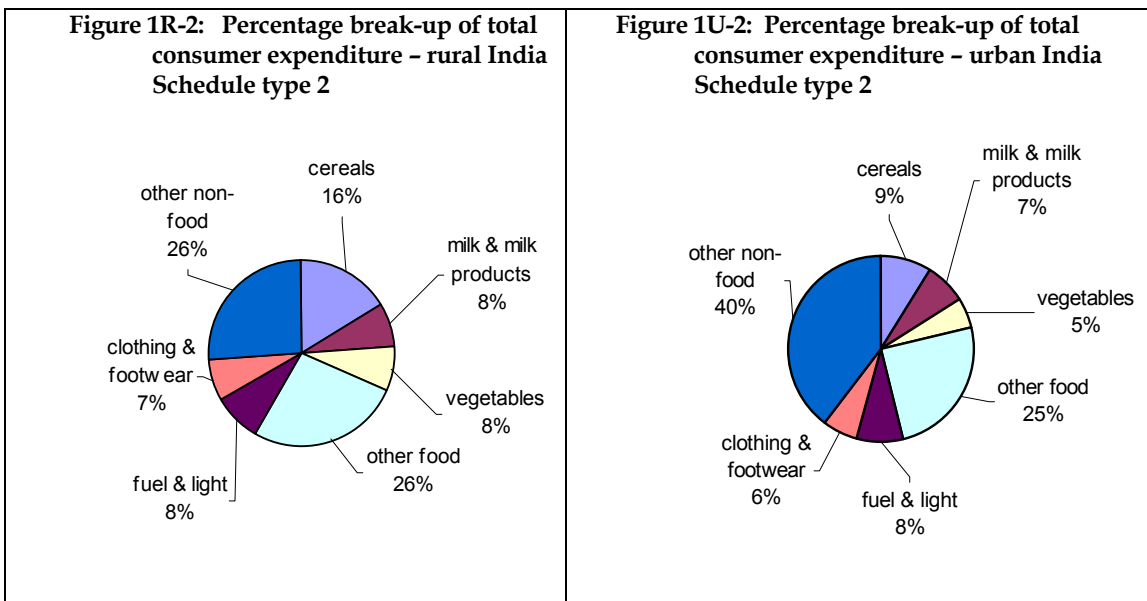
Table P4-3: Percentage break-up of MPCE by item category: all-India rural and urban by Schedule type

Item group	Schedule Type 1				Schedule Type 2			
	rural		urban		rural		urban	
	per capita exp (Rs)	% share	per capita exp (Rs)	% share	per capita exp (Rs)	% share	per capita exp (Rs)	% share
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
cereals and cereal substitutes	102.56	18	106.19	10	100.92	16	103.45	9
milk & milk products	47.60	8	82.98	8	46.78	8	81.79	7
vegetables	32.89	6	44.35	4	47.56	8	60.88	5
other food	121.55	22	207.96	20	162.09	26	282.61	25
fuel & light	54.15	10	95.62	9	51.83	8	92.76	8
clothing & footwear	45.40	8	74.46	7	44.14	7	72.66	6
other non-food	160.55	28	448.60	42	163.25	26	455.37	40
all	564.70	100	1060.16	100	616.57	100	1149.52	100

(c) Important contributors to the high share (42%) of “other non-food” for urban India were consumer services (12%), “miscellaneous consumer goods” and “education” (both between 6% and 7%) and “medical” (about 6%). (See Statement 3.4U, all-India columns, Schedule Type 1.) Because of the higher estimates for total food expenditure, the share of the non-food groups for Schedule Type 2 were on the average about 1 percentage point lower.

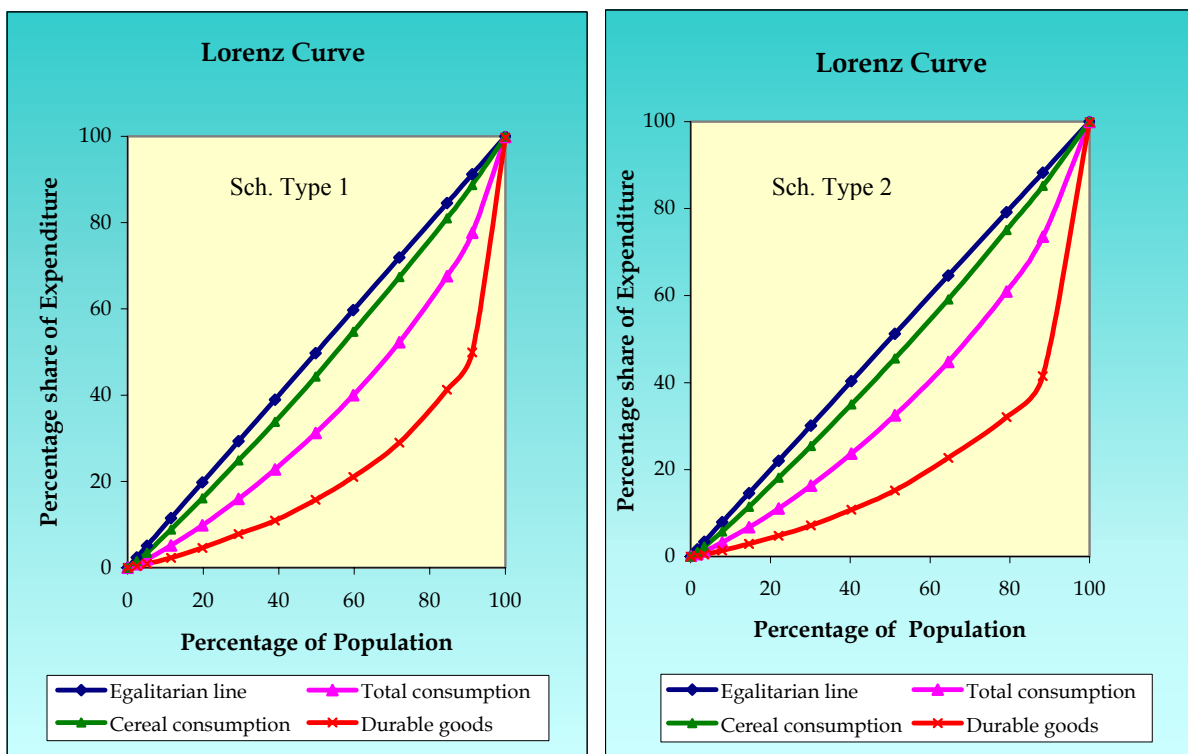


Please note in figures 1R-1, 1U-1, 1R-2 and 1U-2, ‘cereals’ include cereal substitute.



3.6.2 The Lorenz and concentration curves³ for total consumer expenditure, cereal consumption and expenditure on durable goods are shown in Figures 2-1 and 2-2 for Schedule Types 1 and 2 respectively. The concentration curve for cereals lies between the

Figure 2-1: Lorenz and concentration curves for total consumption, cereal consumption and expenditure on durable goods for rural India



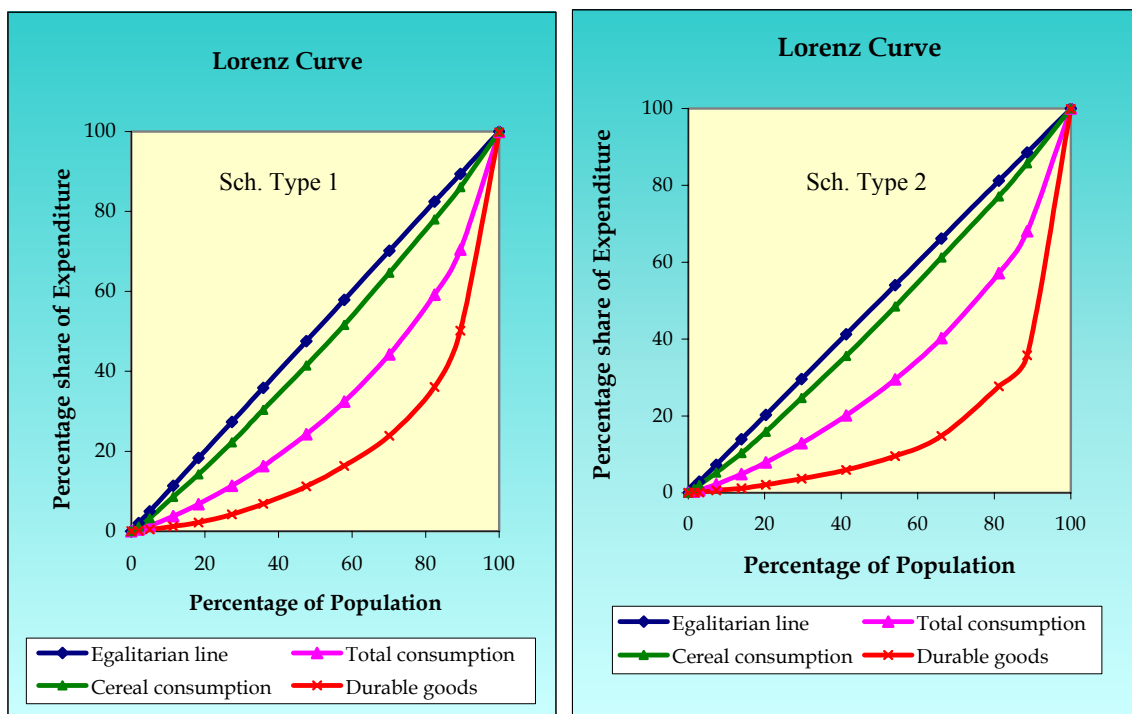
³ The Lorenz curve and Lorenz ratio are indicators of inequality. The theory and procedure of deriving Lorenz and concentration curves can be found in Kakwani, N.C. (1980), *Poverty and Inequality: Methods of Estimation and Policy Applications*, New York: Oxford University Press.

Lorenz curve and the egalitarian line, indicating that cereals are a necessity with Engel elasticity⁴ between 0 and 1, and disparities in cereal consumption are less marked than disparities in total consumption expenditure. On the other hand, the concentration curve for durable goods lies below the Lorenz curve, indicating that this category of goods is on the whole a luxury for the Indian population, and greater disparities exist in consumption of durable goods than in total consumption. For rural India, the Lorenz ratio for total consumption expenditure is 0.27, while a concentration ratio of 0.08 is obtained for cereal consumption and a concentration ratio of 0.55 or 0.57 is obtained for durable goods expenditure. For urban India, the estimates of Lorenz ratio for total consumer expenditure is 0.35, while the concentration ratio for cereal consumption is around 0.08-0.09 and a concentration ratio of 0.59 or 0.66 is obtained for durable goods.

Table P4-4: Lorenz ratio for total consumer expenditure, and concentration ratios for cereal consumption and expenditure on durable goods for rural and urban India by schedule type

Lorenz ratio	Schedule Type 1		Schedule Type 2	
	Rural	Urban	Rural	Urban
Total consumer expenditure	0.27	0.35	0.27	0.35
Cereal consumption	0.08	0.09	0.08	0.08
Expenditure on durable goods	0.55	0.59	0.57	0.66

Figure 2-2: Lorenz and concentration curves for total consumption, cereal consumption and expenditure on durable goods for urban India



⁴ Engel elasticity of an item is the percentage change in expenditure on the item in response to one percent change in total consumption expenditure or income.

3.7 Inter-State variation in broad consumption pattern

3.7.1 Details of inter-State differences in consumption pattern are available in Statements 3.3R and 3.3U (pages 35-43, 44-51) and also in Statements 3.4R and 3.4U (pages 52-60, 61-68). Table P5 shows per capita expenditure on cereals and on all food, and percentage shares of both cereals and total food in total expenditure, separately for major States.

3.7.2 For rural India, the national average of food expenditure per person per 30 days, as noted earlier, was Rs.305 from Schedule Type 1 and Rs.357 from Schedule Type 2. State-level rural food expenditure per person as obtained from Schedule Type 1 varied, generally, in the range Rs.225-350, the important exceptions being Kerala, Punjab, Haryana and Jammu and Kashmir, for all of which it exceeded Rs.400. According to Schedule Type 2 per capita rural food expenditure was above Rs.300 in all except three States – Madhya Pradesh, Jharkhand and Chhattisgarh – and above Rs.450 in two States – Kerala and Punjab. The share of food in total expenditure was 54% for rural India according to Schedule Type 1 and 58% according to Schedule Type 2. For Schedule Type 1 the share varied from 46-47% for the high-MPCE States of Punjab and Kerala to 60-62% for Assam, Jharkhand and West Bengal. For Schedule Type 2 it went up to 65-66% for Assam, Bihar and Jharkhand.

3.7.3 In urban India, the national average of food expenditure per person per 30 days was Rs.441 from Schedule Type 1 and Rs.529 from Schedule Type 2. For most States, the State average lay in the range Rs.400-500 for Schedule Type 1 and Rs.450-600 for Schedule Type 2. Low per capita food expenditures were observed in Madhya Pradesh, Chhattisgarh, Bihar, Uttar Pradesh and Manipur. The share of food expenditure varied from 38% to 48% for Schedule Type 1 and from 41% to 54% for Schedule Type 2, across the different States.

3.7.4 At State level, the share of cereals in total expenditure in rural India varied from 7-8% in Punjab and 9% in Haryana to 24-25% in Bihar and 27-30% in Chhattisgarh. Thus it was closely related (inversely) to average MPCE. In urban India, the share varied less, from 6-7% in Haryana to near about 15% in several States like Bihar and 22% in Manipur.

Table P5: Average consumer expenditure per capita per month (30 days) on cereals and food and their percentage shares in total consumer expenditure: selected States

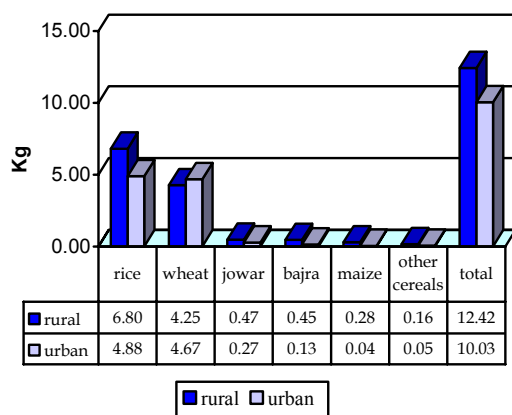
State	monthly PCE on cereals (Rs.)		monthly PCE on food (Rs.)		share of cereals in total exp. (%)		share of food in total exp. (%)		
	S1	S2	S1	S2	S1	S2	S1	S2	
	Rural								
Andhra Pradesh	119	112	311	358	21	19	56	61	
Arunachal Pradesh	148	139	390	605	21	15	56	65	
Assam	132	138	332	425	25	21	62	66	
Bihar	112	110	261	303	25	24	59	65	
Chhattisgarh	125	121	238	272	30	27	57	61	
Gujarat	79	75	334	372	13	11	54	57	
Haryana	81	71	439	421	9	9	50	53	
Himachal Pradesh	105	110	401	502	13	11	51	52	
Jammu & Kashmir	121	123	430	486	15	15	54	58	
Jharkhand	112	110	248	291	28	25	61	65	
Karnataka	92	96	273	350	18	16	54	60	
Kerala	112	112	461	532	11	11	47	50	
Madhya Pradesh	84	81	234	259	19	17	54	56	
Maharashtra	88	88	290	373	15	13	51	56	
Manipur	174	181	329	410	27	25	50	56	
Orissa	112	110	242	312	27	22	58	63	
Punjab	78	73	432	484	8	7	46	48	
Rajasthan	81	78	316	336	14	13	54	56	
Tamil Nadu	94	97	316	399	16	14	52	56	
Tripura	114	115	294	374	23	20	59	64	
Uttar Pradesh	94	92	280	323	17	16	52	56	
West Bengal	139	138	347	406	24	22	60	64	
India	102	101	305	357	18	16	54	58	
	Urban								
Andhra Pradesh	122	125	417	499	11	11	38	44	
Assam	149	146	477	592	15	13	47	53	
Bihar	118	112	375	389	15	15	48	54	
Chhattisgarh	117	130	358	461	14	13	44	47	
Delhi	94	93	510	614	7	7	39	47	
Gujarat	87	88	477	550	8	8	44	49	
Haryana	72	73	438	503	7	6	42	44	
Jammu & Kashmir	149	130	529	627	14	11	49	53	
Jharkhand	136	132	454	560	14	12	47	52	
Karnataka	112	118	407	486	12	11	43	46	
Kerala	120	111	559	574	9	8	41	41	
Madhya Pradesh	86	82	336	376	11	10	42	45	
Maharashtra	104	95	494	574	8	7	39	42	
Manipur	178	181	376	449	22	22	47	54	
Mizoram	151	159	587	832	11	11	44	56	
Orissa	134	120	416	478	15	13	48	53	
Punjab	75	81	418	542	7	7	39	46	
Rajasthan	92	85	431	453	9	9	43	48	
Tamil Nadu	109	110	437	562	10	9	39	45	
Uttar Pradesh	93	90	364	457	11	10	44	50	
West Bengal	133	128	516	693	12	9	46	50	
India	106	103	441	529	10	9	42	46	

N.B. S1 and S2 stand for Schedule type 1 and Schedule type 2 respectively.

3.8 Consumption of cereals

3.8.1 Tables 2 (R&U) of Appendix A show monthly per capita *quantity* of consumption of specific cereals at all-India level for households in different MPCE classes. Tables 3 (R&U) of the Appendix show corresponding *values* of consumption for different MPCE classes, again at all-India level. Statements 3.5R and 3.5U (pages 69-72) show quantity of consumption of cereals at *State* as well as all-India level, though not separately for MPCE classes. The

Figure 3-1: Average per capita consumption (kg) of cereals over a period of 30 days based on Schedule Type 1: All-India rural and urban



corresponding per capita values of consumption of cereals per person at State and all-India level are shown in Statements 3.6R and 3.6U (pages 73-76). Note here that the value of consumption of home produce is imputed at ex farm prices. As usual, per capita consumption of cereals was consistently higher in the rural areas than in the urban areas of each State. As the schedule type does not affect the estimates much, so the salient features of the estimates obtained from Schedule Type 1 are discussed below.

(a) For rural India, average per capita monthly consumption of cereals was 12.42 kg, while for urban India, it

was 10.03 kg. The break-up by different cereals is depicted in Figure 3-1.

(b) Rice and wheat together accounted for 11.05 kg of monthly per capita cereal consumption in the rural sector and 9.55 kg in the urban.

(c) Among the major States, the largest per capita consumption of rice occurred in rural Orissa (13.78 kg). The largest per capita consumption of wheat occurred in rural Haryana (10.17 kg per month) and Punjab (9.51 kg).

(d) Of the total value - Rs.101 - of per capita cereal consumption in rural India, Rs.63 consisted of rice and Rs.30 of wheat. In urban India, value of per capita cereal consumption was Rs.106, of which rice accounted for Rs.58 and wheat, Rs.44.

(e) As usual, per capita expenditure on cereals was highest in the eastern part of the country. It was lowest in the predominantly wheat-consuming States.

3.9 Trends in all-India average per capita consumption expenditure, and in consumption pattern at all-India level, since 1987-88

3.9.1 The composition of household MPCE at the all-India level is shown for three quinquennial consumer expenditure surveys of NSS (43rd, 50th and 55th rounds) along with the 56th, 57th, 58th, 59th and 60th rounds of NSS in Statements 3.7R and 3.7U (pages 77-78). These statements thus permit a comparison over time of level and pattern of rural and urban consumption (using estimates from Schedule Type 1 for the 60th round). Apart from average MPCE at current prices, the second line from bottom of each table presents indices of average MPCE using the 43rd round figure as base (=100). The corresponding consumer price indices, (CPI for agricultural workers for rural areas and CPI for non-manual employees for urban areas), again with 1987-88 as base, are shown in the last row of the statement.

3.9.2 Statements 3.8R and 3.8U (pages 79-80) give the percentage composition of household MPCE corresponding to the figures given in Statements 3.7R and 3.7U. The following are among the noticeable features of the data:

(a) The index of all-India rural MPCE in money terms has increased to 357 in this round from 100 in 1987-88 (43rd round). Consumer prices in rural India have increased during the same period from 100 to 291 (index values). This would indicate a rise in real per capita consumption expenditure of the order of 23%.

(b) For urban India, the index of average MPCE in money terms rose from 100 in 1987-88 to 424 in 2004, indicating a real increase of 27% with the consumer price index having increased from 100 to 333 over the same period.

(c) In 2004 the average rural Indian spent 18 paise on cereals out of every rupee he spent on household consumption, compared to 26 paise in 1987-88. The average urban resident spent 10 paise of his rupee on cereals compared to 15 paise in 1987-88.

(d) In both rural and urban India, the share of food in total expenditure continued to fall throughout the period 1987-2004. The overall fall judging by schedule type 1 was from 64% to 54% in rural areas and from 56% to 42% in urban areas. The fall was spread over nearly all food groups for urban areas. In rural areas, such fall was not clear for a number of food groups.

(e) The share of fuel and light in household consumer expenditure rose from about 7% to 9-10% in both sectors. The share of the "pan, tobacco and intoxicants" group fell noticeably in the urban sector from 2.6% to 1.6% and from 3.2% to 2.5% in the rural sector.

3.9.3 Trends in average household size, average MPCE and selected percentiles of the distribution of persons by MPCE may be studied from Statement 3.9 (page 81), which gives estimates for the 43rd, 50th, and 55th to 59th rounds. This statement also shows average MPCE at constant (1987-88) prices. For rural areas, the price index number used is the CPI for agricultural labourers with base 1986-87=100 and for urban areas, the CPI for urban non-manual employees with base 1984-85=100. Average MPCE at constant prices (a measure of "real per capita consumption") is seen to have increased from Rs.158 to Rs.194 during 1987-2004 in rural India and from Rs.246 to Rs.318 in urban India. But per capita quantity of consumption of cereals showed a declining trend over the period 1987-2004 in both sectors especially the rural sector, indicating that whatever rise there was in real consumption took place in items of consumption other than cereals.

Other aspects of living conditions

3.10 Literacy

3.10.1 Statement 3.10 (page 82) gives per thousand distribution of males, females and total 7+ population for all-India by five broad education levels. The distributions are given for five rounds in addition to the present one. State-level distributions - using ten different levels of education are provided in Tables 5R and 5U of Appendix A. The overall literacy rates for rural and urban in different States are presented in the following Figures 4R and 4U. Figures 5R and 5U in the next page give the literacy rates (in percentage form) at all-India level for different rounds.

Figure 4R: Literacy rates in Rural India

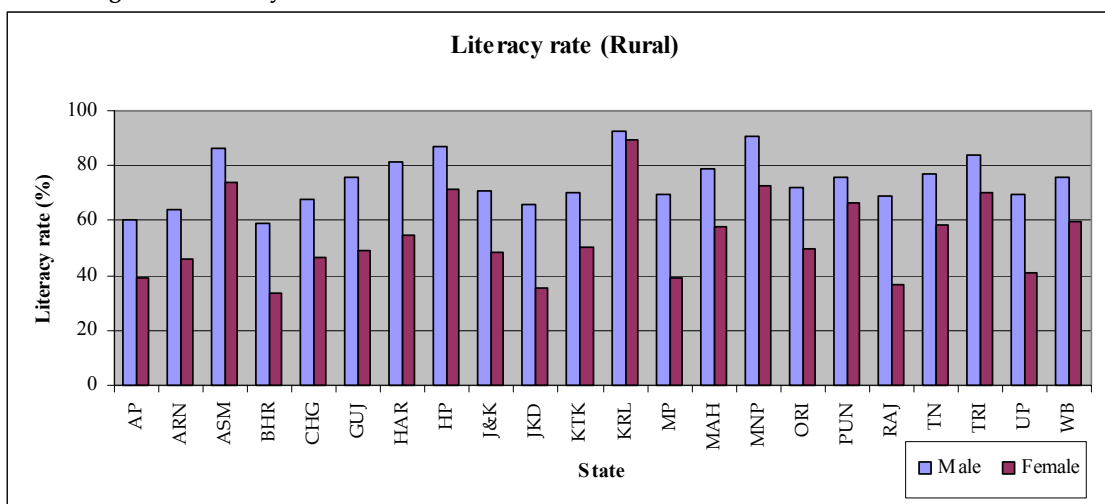
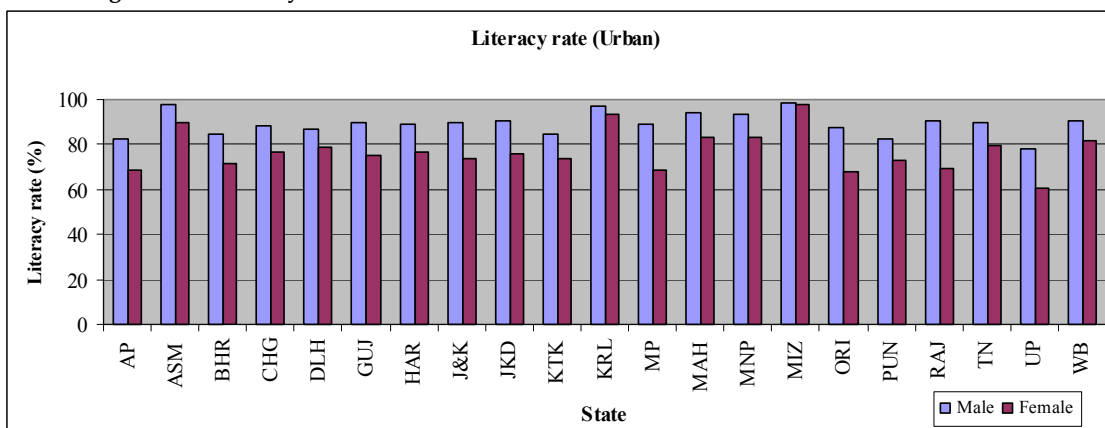
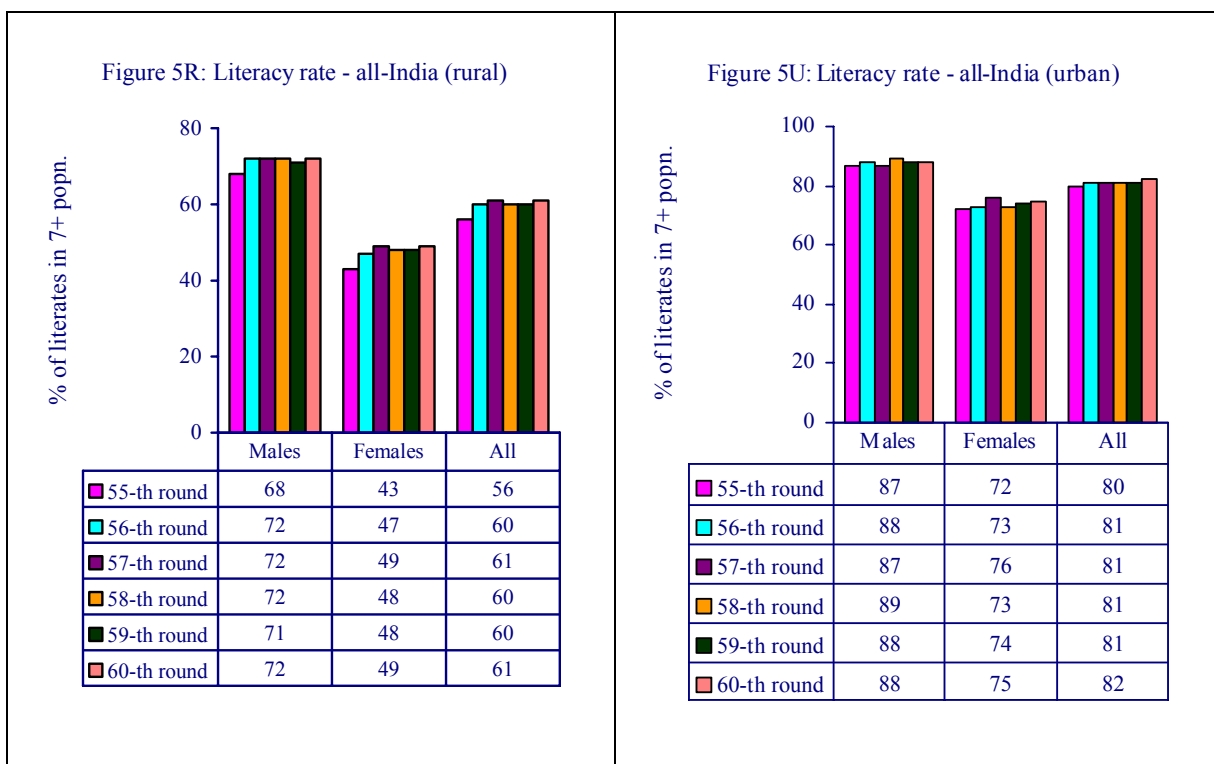


Figure 4UR: Literacy rates in Urban India





3.11 Energy for cooking

3.11.1 Statement 3.13 (page 84) shows the distribution of rural and urban households by primary source of energy used for cooking, as obtained on the basis of this round and the previous five rounds. The most striking change, of course, is in the proportion of urban households using LPG as fuel. This would appear to have increased by six and a half percentage points since the 57th round (2001-02), which means in less than three years. Apparently around 50 urban households per 1000 have switched over from kerosene to LPG over this period. The proportion of urban kerosene users, in fact, has been declining all through since 1999-2000 (55th round) and has dropped from 22% to 10% in this period of less than five years.. In rural India, the proportion of LPG users has increased from 54 per 1000 in 1999-2000 to around 90 per 1000. The use of nearly all other fuels has declined. However, firewood and chips continued to dominate the rural scene with three-quarters of households using it as principal cooking fuel.

3.11.2 State-level data on source of energy for cooking are presented in Tables 8R and 8U of Appendix A. Table 8R shows that the use of LPG in rural areas was most common in Punjab (around 36% households). About 12-22% households used LPG in rural areas of Andhra Pradesh, Maharashtra, Gujarat, Tamil Nadu, Himachal Pradesh, Haryana, Kerala, Jammu & Kashmir and Manipur. In all other major States, the proportion was below the national average of 9%.

3.11.3 Table 8U shows that of the 21 States for which estimates for the urban sector are presented separately, the proportion of urban households using LPG for cooking exceeded 50% in as many as 15 States. Over 43% of urban households in Kerala used firewood and chips, which was twice the all-India average of 21.5%.

3.12 Energy for lighting

3.12.1 Statement 3.14 (page 84) shows the distribution of households by primary source of energy for lighting for India as a whole over the last five rounds and the 60th round, separately for rural and urban areas. The number of rural households using electricity for lighting, by the evidence of the recent rounds, now outstrips the number using kerosene. The proportion using electricity was estimated from this round to be 54% and the proportion using kerosene, 46%. In urban areas, the proportion using electricity has marginally increased from 91% to 92% over the last four years. State-level data are provided in Tables 9R and 9U of Appendix A.

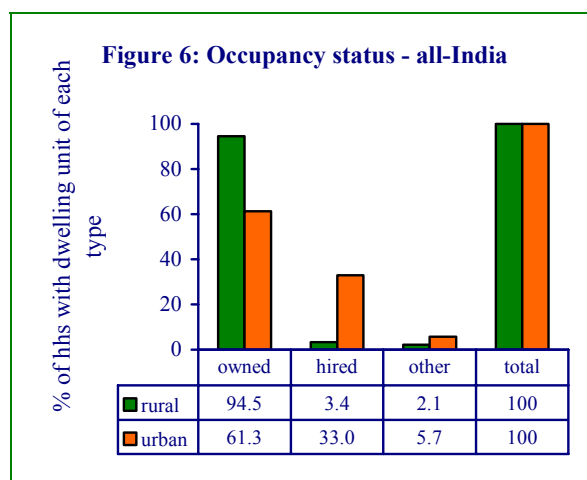
3.13 Type of structure

3.13.1 Statement 3.12 (page 83) shows the per 1000 break-up of rural and urban households by type of structure: katcha, semi-pucca and pucca – as obtained from the present round and the four preceding rounds of NSS. The proportion of rural households living in katcha structures is seen to have sharply fallen from 30% to 17% over this period of less than five years. The proportion of rural households in pucca structures has increased. In the urban sector also, the same pattern is observed and the proportion of semi-pucca structures also declined.

3.14 Covered area of dwelling unit

3.14.1 Tables 10R and 10U in Appendix A give per thousand distribution of households by covered area of dwelling unit together with the average covered area in rural and urban areas of different States and all- India. The average covered area is found to be 51 sq. m. in rural and 46 sq. m. in urban India. Tables 11R and 11U provide per thousand distribution of persons by covered area besides average per capita covered area in rural and urban areas of different States and all-India. The average per capita covered area is seen to be 10 sq. m. in rural and 11 sq. m. in urban India. Tables 12R and 12U provide per thousand distribution of households by per capita covered area in rural and urban areas of different States and all-India.

3.15 **Occupancy position:** Figure 6 gives the percentage break-up of households according to whether they owned, rented or otherwise occupied their dwelling units, for all-India - rural and urban. The proportion of households living in hired dwelling units was about 33% in urban India and only about 3.4% in rural India. Statement 3.11 (page 83) gives corresponding figures for recent rounds. The State-level break-ups of per 1000 rural and urban households by occupancy status are given in Tables 6R and 6U of Appendix A. The proportion of urban households occupying rented dwelling units was as low as 7% in Manipur and 14 -16 % in Kerala and Jammu & Kashmir, but nearly 46% in Andhra Pradesh and Tamil Nadu, 45% in Orissa, and 39-40% in Chhattisgarh and Jharkhand.



Other characteristics of households

3.16 Land possessed

3.16.1 The distribution of rural households over different size classes of land possessed at State and all-India level is given in Table 14R of Appendix A. The all-India average MPCE for each size class is also shown.

3.17 Social group

3.17.1 All-India distributions of rural and urban households over social groups, as estimated from this survey, are shown in Statement 3.15 (page 85). The corresponding estimates from the past five rounds are also presented alongside, and provide a means of assessing the validity of the data.

3.18.1 Household (occupational) type

3.18.2 The distributions of rural and urban households by household (occupational) type (based on major means of livelihood over the previous year) are given in Statements 3.16R and 3.16U, along with corresponding estimates from the past five rounds.