



GOVERNMENT OF MAHARASHTRA

**A REPORT ON
'HOUSEHOLD CONSUMER EXPENDITURE'
BASED ON DATA COLLECTED IN STATE SAMPLE OF
62ND ROUND OF NATIONAL SAMPLE SURVEY
(JULY, 2005 – JUNE, 2006)**

VOL. I

**Directorate of Economics and Statistics, Planning Department,
Government of Maharashtra, Mumbai**

PREFACE

The Directorate of Economics and Statistics has prepared a report on 'Household Consumer Expenditure' based on the data of state sample collected in the 62nd round (July, 2005 – June, 2006) of National Sample Survey.

2. Vol. I of the report contains important results of the survey while estimation procedure, concepts & definitions and some statistical tables are given in vol. II. Both these volumes are available on the Directorate's website viz. <http://mahades.maharashtra.gov.in>.

3. I hope the results of this survey will be useful to senior officers of Government involved in policy framing, researchers, economists and academicians. Comments and suggestions on the report are welcome and may be sent to the Directorate.

April, 2010
Mumbai.

(Smt. S.R.Mehta),
Additional Director,
Directorate of Economics and Statistics,
Planning Department,
Government of Maharashtra.

P.H.Bhagoorkar,
Deputy Director.

Team associated with report:

S.R.Shingade, Statistical Officer
V.S.Potnis, Statistical Assistant
M.N.Pednekar, Statistical Assistant

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Chapter-1

Executive Summary

The monthly per capita expenditure on food items in rural areas was found to be Rs.309 in 2005-06 as against Rs.293 in 2004-05 showing an increase of 5.5 per cent. This increase was slightly more (6.3 per cent) in urban areas from Rs.489 in 2004-05 to Rs.519 in 2005-06. However, on non-food items the increase in monthly per capita expenditure was 9.8 per cent in rural and 13 per cent in urban areas.

Survey Findings:

1. The average monthly per capita expenditure (MPCE) was Rs.615 in rural areas and Rs.1361 in urban areas during 2005-06 which was 7.5 per cent higher in rural and 10 per cent higher in urban areas compared to the previous year.
2. Though the per capita consumption of cereals had not changed significantly during 2005-06 over the last years, the per capita expenditure on cereals had gone up by 6.5 per cent in rural and 6.2 per cent in urban areas.
3. As many as 91.7 per cent of households in rural areas were found to be living in owned houses as against 71.8 per cent in urban areas. About 85.4 per cent and 60.3 per cent households lived in pucca structures in urban and rural areas respectively.
4. A major proportion (about 82 per cent) of rural households are still dependent on firewood and chips for cooking. The next widely used source of energy for cooking in rural areas is LPG, which is used by about 14.6 per cent households. In urban areas, LPG is used by 69 per cent households.
5. The use of 'other' source of energy for lighting has increased from 0.2 to 0.3 in rural and from 0.0 to 0.8 in urban areas over last year indicating increased use of non-conventional energy sources like solar, wind, etc.
6. The average MPCE of households living in semi-pucca houses in urban areas was found to be Rs.813, which was more than the average MPCE (Rs.705) of households living in pucca houses in rural areas.
7. About 43.2 per cent households in urban areas lived in dwelling units with less than 25 sq.m. of area as compared to 20.7 per cent in rural areas. Exactly reverse picture was observed for dwelling units with more than 55 sq.m. area with 41 per cent rural and 19.9 per cent urban households living in them. The per-capita covered area of dwelling units was much higher in rural areas compared to urban areas. On an average, areawise, a rural dwelling unit was 1.5 times larger than a urban dwelling unit.

8. The fact that rural economy is mostly agriculture dependent is evident with about 44.9 per cent of households associated with agriculture activity as either self-employed in agriculture or agricultural labour. The next major economic activity of rural households is self-employment in non-agriculture. In urban areas, 50.8 per cent households are regular wage/salary earning.

Other Survey Findings:

- The average household size was found to be 4.9 and 4.2 persons for rural and urban areas respectively.
- About 30.6 per cent of rural and 13.2 per cent of urban population was illiterate in 2005-06.
- Only 1.3 per cent households possessed land of size more than 5 hectares.
- About 63.4 per cent of rural population belonged to either of the social groups ST, SC or OBC. This proportion was 31.4 per cent in urban areas.

Chapter-2

Survey Findings

Introduction

2.1 The NSSO conducts regular consumer expenditure surveys as a part of the survey 'rounds', each round being normally of a year's duration and covering more than one subject of study. The present report is based on data collected through the 62nd round of NSS (July, 2005 – June, 2006). Since the 42nd round, every round of NSS includes a consumer expenditure survey (CES), thereby generating an annual series of consumption data. After every five years, i.e. quinquennially, a larger-than-usual-scale CES is conducted as the main enquiry of a round. This generates a 'quinquennial series' of CES's. (The 61st round CES, conducted in 2004-05, was the seventh quinquennial CES.) The other CES's, of which the 62nd round survey is one, are referred to collectively as the 'annual series' of CES's. The household consumer expenditure schedule used for the survey, collected information on quantity and value of household consumption with a reference period of 'last 30 days' for some items of consumption and 'last 365 days' for some less frequently purchased items. To minimize the recall errors, a very detailed item classification has been adopted to collect information on 148 items of food, 13 items of fuel, 28 items of clothing, bedding and footwear, 18 items of educational and medical expenses, 52 items of durable goods, and about 85 other items. The schedule also collected some other household particulars including age, sex and educational level of each household member.

About the survey

2.2

- The state sample for this round of survey covered the entire rural and urban area of the State.
- The period of the survey was of one year duration starting from 1st July, 2005 and ending on 30th June, 2006.
- This survey period was divided into four sub-rounds of three months duration each as follows:
 - Sub-round 1: July – September, 2005,
 - Sub-round 2: October – December, 2005,
 - Sub-round 3: January – March, 2006,
 - Sub-round 4: April – June, 2006.
- In each of these four sub-rounds, equal number of sample villages/blocks (First Stage Units i.e. FSUs) were allotted for survey with a view to ensure uniform spread of sample FSUs over the entire survey period.
- The first stage sampling units (villages/urban frame survey blocks) for the present survey have been selected on the basis of the requirement of the main subject of the survey i.e. 'Unorganised Manufacturing'.
- In all, 234 villages and 837 urban blocks were covered during the survey.
- In all 933 households from rural areas and 3,336 households from urban areas were surveyed.
- The total number of persons covered were 5,000 in rural areas and 13,977 in urban areas of the State.

Results of survey

2.3 The present survey results are compared with the 61st round (July, 2004 – June, 2005, which was a quinquennial round) results of household consumer expenditure. It may be noted that in the entire report whenever the survey period is not mentioned, that data pertains to the 62nd round (July, 2005 – June, 2006).

2.4 During the survey period of 62nd round conducted during July, 2005 – June, 2006, the average MPCE for households in rural areas was found to be Rs.615 while that for the households in urban areas was found to be Rs.1,361. The average MPCE according to earlier survey conducted during 2004-05 was Rs.572 in rural areas and Rs.1,234 in urban areas. Thus, the average monthly per capita expenditure shows 7.5 per cent rise over the previous year for households residing in rural areas while it shows 10 per cent rise for those residing in urban areas.

2.5 The most important characteristic of the population made available through the consumer expenditure surveys is the distribution of households/persons according to the monthly per capita expenditure classes. This facilitates comparison over time and location. Table 1R and 1U gives such percentage distribution of households and persons according to the monthly per capita expenditure (MPCE) classes for rural and urban areas of the State, respectively.

2.6 It is seen from the data on distribution of households according to MPCE that about 55 per cent households spent less than the average MPCE (Rs.615) in the rural areas, while about 57 per cent households had their MPCE less than the average (Rs.1,361) in the urban areas. According to the earlier survey these proportions were 60 per cent households in rural areas and 57 per cent households in urban areas.

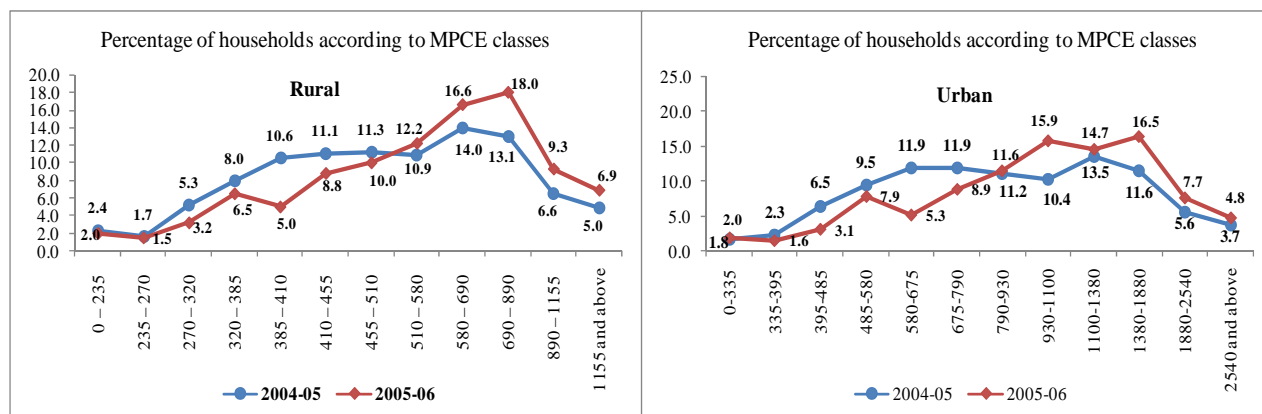
2.7 Average number of persons per household i.e. the average household size is found to be 4.97 persons and 4.2 persons for rural and urban areas respectively.

Table 1R: Percentage distribution of households and persons according to MPCE classes and average number of persons per household for Rural area

MPCE class (Rs.)	Percentage distribution of				Average no. of persons per household	
	Households		Persons			
	2004-05	2005-06	2004-05	2005-06	2004-05	2005-06
0 – 235	2.4	2.0	1.8	2.0	3.54	5.14
235 – 270	1.7	1.5	2.3	1.6	6.16	5.27
270 – 320	5.3	3.2	6.5	3.1	5.71	4.88
320 – 385	8.0	6.5	9.5	7.9	5.57	6.04
385 – 410	10.6	5.0	11.9	5.3	5.27	5.28
410 – 455	11.1	8.8	11.9	8.9	5.01	5.03
455 – 510	11.3	10.0	11.2	11.6	4.65	5.75
510 – 580	10.9	12.2	10.4	15.9	4.50	6.49
580 – 690	14.0	16.6	13.5	14.7	4.52	4.39
690 – 890	13.1	18.0	11.6	16.5	4.17	4.54
890 – 1155	6.6	9.3	5.6	7.7	3.93	4.09
1155 and above	5.0	6.9	3.7	4.8	3.54	3.41
All	100.0	100.0	100.0	100.0	4.68	4.97

Table 1U: Percentage distribution of households and persons according to MPCE classes and average number of persons per household for Urban area

MPCE class (Rs.)	Percentage distribution of				Average no. of persons per household	
	Households		Persons		2004-05	2005-06
	2004-05	2005-06	2004-05	2005-06		
0-335	1.5	0.5	2.2	0.7	6.02	5.60
335-395	2.3	1.4	3.2	2.1	5.94	6.46
395-485	4.7	2.7	6.6	3.6	5.95	5.52
485-580	6.4	6.0	7.6	8.0	6.00	5.66
580-675	6.4	5.1	8.1	6.0	5.38	4.97
675-790	8.0	8.0	9.9	8.2	5.27	4.28
790-930	9.8	9.2	11.5	10.5	5.00	4.77
930-1100	11.1	10.7	11.6	12.4	4.48	4.86
1100-1380	14.8	13.9	13.5	15.1	3.89	4.57
1380-1880	15.5	17.8	11.2	16.4	3.08	3.85
1880-2540	11.0	11.5	8.8	8.7	3.42	3.16
2540 and above	8.5	13.2	5.8	8.4	2.91	2.66
All	100.0	100.0	100.0	100.0	4.26	4.20



2.8 The main aim of the survey was to judge the level of expenditure made during last 30 days on different components of consumption by household such as food/non-food items. Due to smaller sample size in the annual series of consumer expenditure surveys, the results based on them need to be cautiously studied and used.

2.9 The values of consumption for broad groups of items per person for rural and urban areas of the State are given in Table 2. It is observed that on an average the monthly per capita expenditure on food items has increased by 5.5 per cent in rural and 6.3 per cent in urban areas in one year (i.e. in 2005-06 over 2004-05). For the state, the increase was 15.4 per cent. However, on non-food group the increase in monthly per capita expenditure was 9.8 per cent for rural, 13 per cent for urban and 17.1 per cent for the state. The total consumption expenditure has gone up by 13.3 per cent in the state compared to the previous year

Table 2: Monthly per capita values (Rs.) of consumption for broad groups of items

Broad group of items	2004-05			2005-06		
	Rural	Urban	State	Rural	Urban	State
Cereals	80.74	102.35	89.07	85.95	108.70	95.74
Gram	0.76	1.19	0.93	0.76	1.14	0.92
Cereal substitutes	2.53	2.25	2.41	2.69	2.30	2.52
Pulses & products	20.36	26.67	22.79	21.21	27.38	23.87
Milk & products	33.91	82.07	54.47	40.38	85.45	59.78
Edible oil	35.12	45.52	39.13	32.78	43.97	37.60
Meat, egg & fish	17.46	29.90	22.25	19.30	33.84	25.56
Vegetables	30.29	45.73	36.24	32.67	50.22	40.22
Fruits & nuts	18.60	36.74	25.59	19.86	38.48	27.87
Sugar	17.15	17.28	17.20	18.48	18.59	18.53
Salt & spices	14.28	17.33	15.46	13.97	16.26	14.96
Beverages & refreshments	22.14	82.31	45.33	20.82	92.28	51.58
Food sub-total	293.34	489.30	368.86	308.87	518.61	399.15
	(51.3)	(39.7)	(44.6)	(50.2)	(38.1)	(42.6)
Pan, tobacco & intoxicants	13.60	19.38	15.83	12.89	20.04	15.97
Fuel & light	65.74	121.99	87.42	70.04	127.28	94.68
Clothing and bedding	23.66	36.59	28.64	42.20	65.16	52.08
Footwear	3.98	7.05	5.16	6.91	12.01	9.11
Education	7.57	45.31	22.11	14.18	68.88	37.72
Medical	30.61	52.98	39.23	31.12	101.48	61.40
Miscellaneous goods & services	106.55	373.14	209.28	116.55	402.12	239.47
Durable goods	27.00	88.02	50.51	12.01	45.25	26.32
Non-food sub-total	278.72	744.45	458.19	305.90	842.22	536.74
	(48.7)	(60.3)	(55.4)	(49.8)	(61.9)	(57.4)
Total consumption expenditure	572.05	1,233.76	827.05	614.77	1360.83	935.89
	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)

2.10 Table 3 gives monthly per capita quantities and values of consumption of different cereals for rural and urban areas of the State. No significant change in the consumption pattern of cereals is observed. However, the per capita expenditure on cereals has increased by 15.9 per cent in rural and 6.5 per cent in urban areas over the previous year.

Table 3: Monthly per capita quantities and values of consumption of different cereals.

Cereal	2004-05				2005-06			
	Quantity (kg)		Value (Rs.)		Quantity (kg)		Value (Rs.)	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Rice	3.01	2.97	28.66	41.93	3.43	3.13	31.25	45.04
Wheat	3.62	4.57	28.42	50.83	3.64	3.35	28.61	54.40
Jowar	2.57	0.95	17.42	8.14	2.66	2.58	18.71	7.64
Bajra	0.92	0.19	5.55	1.33	0.75	0.65	5.74	1.44
All cereals	10.12	8.68	80.74	102.35	10.72	10.19	85.91	108.69

2.11 During 2005-06 about 39.4 per cent of female population in rural areas is found to be illiterate. This proportion is 17.7 in urban areas. Only 2.8 per cent of population aged 7 years and above in rural areas is found to have above higher secondary education as against 14 per cent in the urban areas.

Table 4: Percentage distribution of persons of age 7 years and above by level of education

Education level	Rural			Urban		
	Male	Female	Persons	Male	Female	Persons
Not literate	22.2	39.4	30.6	9.3	17.7	13.2
Literate below primary	11.7	11.4	11.5	8.5	10.2	9.2
Primary	16.0	16.7	16.4	12.9	12.4	12.7
Middle	26.7	22.7	24.9	27.1	26.7	27.0
Secondary	13.5	5.7	9.6	16.5	13.6	15.1
Higher secondary	5.3	3.0	4.2	9.8	7.7	8.8
Above higher secondary	4.6	1.1	2.8	15.9	11.7	14.0
All	100.0	100.0	100.0	100.0	100.0	100.0

2.12 As many as 91.7 per cent of households in rural areas are found to be living in owned houses as against 71.8 per cent in urban areas. The proportion of households occupying hired dwelling units in urban areas is four times higher than that in rural areas.

Table 5: Percentage distribution of households by occupancy status of the dwelling units

Occupancy status	2005-06	
	Rural	Urban
Owned	91.7	71.8
Hired	6.8	25.7
Others	1.5	2.5
All	100.0	100.0

2.13 About 82 per cent of rural households are still dependent on firewood and chips for cooking. About 14.6 per cent rural and 69 per cent urban families make use of LPG as primary source of energy for cooking. As many as 10.2 per cent of urban households do not have any cooking arrangements as against 0.7 per cent in rural areas.

Table 6: Percentage distribution of households by primary source of energy for cooking

Primary source of energy for cooking	2005-06	
	Rural	Urban
No cooking arrangement	0.7	10.2
Coke, coal	0.0	0.3
Firewood and chips	82.2	12.4
LPG	14.6	69.0
Gobar gas	0.8	0.0
Dung cake	0.2	0.0
Kerosene	1.5	7.7
Electricity	0.0	0.4
All	100.0	100.0

2.14 It is interesting to note that the households with 'other' sources of energy for lighting have increased from 0.2 per cent to 0.3 per cent in rural and from 0.0 per cent to 0.8 per cent in urban areas in one year. This indicates increased use of non-conventional energy sources like solar, wind etc for lighting.

Table 7: Percentage distribution of households by primary source of energy for lighting

Primary source of energy for lighting	2004-05		2005-06	
	Rural	Urban	Rural	Urban
Kerosene	19.7	2.7	21.2	2.9
Gas	0.0	0.1	0.0	0.1
Electricity	79.8	97.1	78.5	96.2
No lighting	0.3	0.1	0.0	0.0
Others	0.2	0.0	0.3	0.8
All	100.0	100.0	100.0	100.0

2.15 As expected, the average MPCE of households corresponding to the type of structures is observed to be increasing from katcha to semi-pucca to pucca structures. However, it may be noted that the average MPCE of households for semi-pucca structure in urban areas is more than the average MPCE for pucca structure in rural areas.

Table 8: Percentage distribution of households and average MPCE by type of structure

Type of structure	Rural		Urban	
	Percentage of hhds	Avg. MPCE (Rs.)	Percentage of hhds	Avg. MPCE (Rs.)
Katcha	12.9	398.0	1.6	627.1
Semi-Pucca	26.8	495.4	13.0	812.6
Pucca	60.3	705.4	85.4	1462.7
No Structure	N.A.	N.A.	0.0	800.8
All	100.0	614.8	100.0	1360.7

2.16 About 43.2 per cent households in urban areas live in dwelling units with less than 25 sq.m. of area as compared to 20.7 per cent in rural areas. Exactly reverse picture is observed for dwelling units with more than 55 sq.m. area with 41 per cent rural and 19.9 per cent urban households living in them.

Table 9: Percentage distribution of households by covered area of dwelling unit

Sector	Covered area (Sq. m) of dwelling unit											
	<10	10 – 14	15 – 20	21 – 24	25 – 29	30 – 39	40 – 54	55 – 69	70 – 89	90 – 119	120 & above	All
Rural	1.2	3.5	11.0	5.0	11.9	13.7	12.7	12.6	12.3	8.8	7.3	100.0
Urban	4.1	12.7	16.0	10.4	8.4	14.6	14.0	7.7	6.5	3.1	2.6	100.0

2.17 About 72.5 per cent rural and 51 per cent urban population have per capita covered area of dwelling unit of more than 30 sq.m. The urban population has much less per capita area of dwelling units compared to the rural population.

Table 10: Percentage distribution of persons by Per capita covered area of dwelling unit

Sector	Covered area (Sq. m) of dwelling unit											All
	<2	2 – 3	3 – 4	4 – 5	5 – 6	6 – 8	8 – 10	10 – 15	15 – 20	20 – 30	30 & above	
Rural	0.0	0.0	0.0	0.0	0.0	0.1	0.9	1.9	5.9	18.7	72.5	100.0
Urban	0.0	0.0	0.0	0.0	0.1	0.4	2.2	10.8	10.9	24.6	51.0	100.0

2.18 On an average, the area covered by rural dwelling units is 1.5 times than that in the urban areas. Only the flats in rural areas are smaller than those in urban areas.

Table 11: Average covered area of dwelling units for households occupying different types of dwelling

Sector	Average covered area (sq. m) of dwelling unit				All
	Independent house	Flat	Others		
Rural	58	20	50		57
Urban	47	46	22		38

2.19 Highest proportion(32.2 per cent) of households belong to the land possessed category of upto 0.01 ha. in the State. Only 1.3 per cent households possess land more than 5.00 ha.

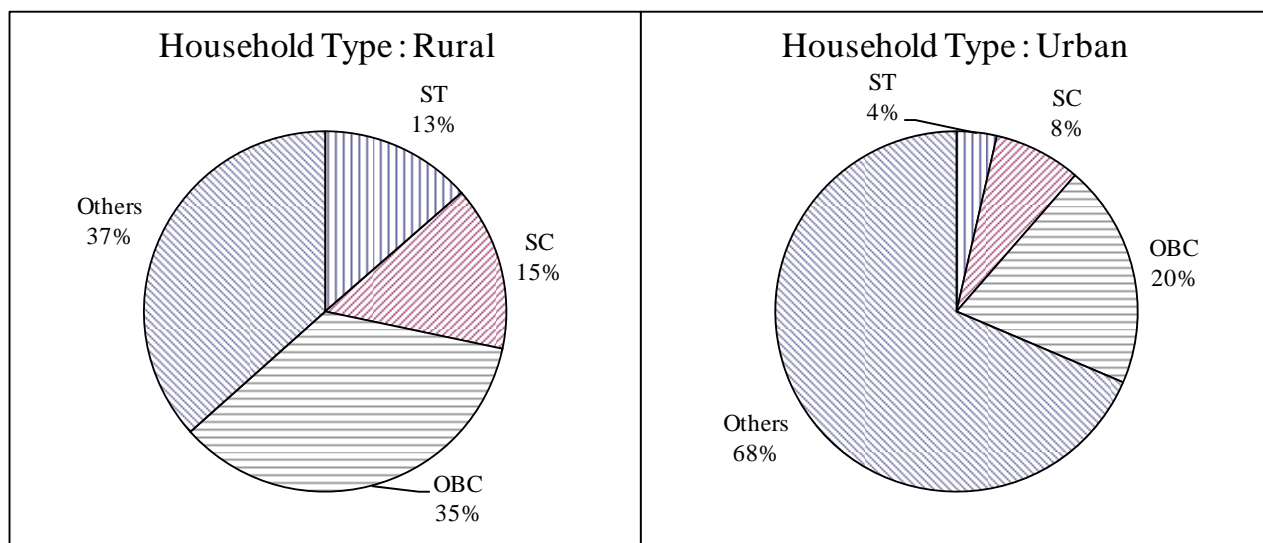
Table 12: Percentage distribution of households by size class of land possessed

State	Households possessing land (in ha)										All
	Upto 0.01	0.02 – 0.20	0.21 – 0.40	0.41 – 1.00	1.01 – 2.00	2.01 – 3.00	3.01 – 4.00	4.01 – 5.00	> 5.00		
Maharashtra	32.1	7.9	9.3	16.8	17.3	7.4	4.1	3.8	1.3		100.0

2.20 It may be observed that the social group ST, SC and OBC are more concentrated in rural areas while the 'other' social group is prominent in urban areas.

Table 13: Percentage distribution of households by social group\

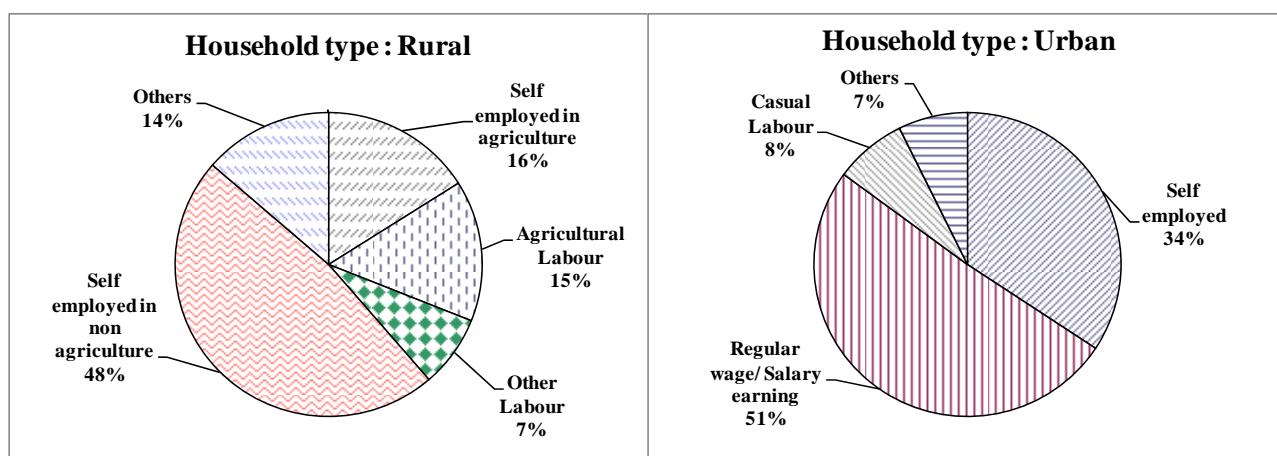
Sector	ST	SC	OBC	Others	All
Rural	13.6	14.7	35.1	36.6	100.0
Urban	3.6	7.8	20.0	68.6	100.0



2.21 The fact that rural economy is mostly agriculture dependent is evident from the table 15 with about 44.9 per cent of households associated with agriculture activity as either self-employed in agriculture or agricultural labour. The next major economic activity of rural households is self-employment in non-agriculture. In urban areas, 50.8 per cent households are regular wage/salary earning.

Table 14: Percentage distribution of households by household type

Household Type	Rural	Household Type	Urban
Self-employed in agriculture	12.8	Self-employed	34.3
Agricultural labour	32.1	Regular wage/Salary earning	50.8
Other labour	6.1	Casual labour	7.6
Self-employed in non-agriculture	38.1	Others	7.3
Others	10.9		
All	100.0	All	100.0



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