



Household Consumption Expenditure Survey 2022-23

For Prelims: [Household Consumption Expenditure Survey](#), [National Statistical Office](#), [Gross Domestic Product](#), [Consumer Price Index](#), [NITI Aayog](#), [Monthly Per Capita Consumer Expenditure](#), [C. Rangarajan Committee](#).

For Mains: [Highlights of the Recent Household Consumption Expenditure Survey](#)

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Why in News?

Recently, the detailed report of [Household Consumption Expenditure Survey \(HCES\) 2022-23](#) was released by **Ministry of Statistics and Programme Implementation (MoSPI)**.

- It provided valuable insights into the **spending habits** of rural and urban households across different states.

What is the Household Consumption Expenditure Survey?

▪ About:

- The HCES is conducted by the [National Statistical Office \(NSO\)](#) every **5 years**.
- It is designed to **collect information** on the consumption of goods and services by households.
- The data collected in HCES is also utilised for deriving various other macroeconomic indicators such as [Gross Domestic Product \(GDP\)](#), [poverty rates](#), and [Consumer Price Index \(CPI\)](#).
- The average MPCE has been calculated at **2011-12 prices**.
- The survey covered the **whole of the Indian Union** except a few inaccessible villages in the Andaman and Nicobar Islands.
- The findings of the last HCES, conducted in 2017-18 were not released after the government cited “data quality” issues.

▪ Information Generated:

- Provides information on the **typical spending on both goods** (including food and non-food items) and services.
- Additionally, assists in calculating estimates for **household Monthly Per Capita Consumer Expenditure (MPCE)** and analysing the distribution of households and individuals across different MPCE categories.

What are the Highlights of the Recent Household Consumption Expenditure Survey?

▪ Food Expenditure Preferences:

- **Beverages, Refreshments, and Processed Food:** This category was the most

significant part of the food expenditure across many states, particularly noticeable in **Tamil Nadu** with the **highest spending percentages** both in rural (28.4%) and urban (33.7%) areas.

- **Milk and Milk Products:** Predominantly favoured in rural and urban households of northern states like **Haryana** (rural 41.7%, urban 33.1%) and **Rajasthan** (urban 33.2%).
- **Egg, Fish, and Meat:** **Kerala** households showed the highest expenditure in this category, both in rural (23.5%) and urban (19.8%) setups.

▪ **Overall Food vs. Non-Food Expenditure:**

- **Food Expenditure:** In rural India, **food constitutes about 46%** of total household consumption expenditure, whereas in **urban areas, it is around 39%**.
- **Non-Food Expenditure:** There has been a **significant shift** towards higher spending on **non-food items**, with rural spending on non-food items rising from 40.6% in 1999 to 53.62% in 2022-23 and urban spending from 51.94% to 60.83% in the same period.

▪ **Major Non-Food Expenditure Categories:**

- **Conveyance:** Remained the **top non-food expenditure** in both rural and urban settings, with the highest percentages in Kerala.
- **Medical Expenses:** Particularly high in **Kerala, West Bengal, and Andhra Pradesh** for rural areas and West Bengal, Kerala, and Punjab for urban areas.
- **Durable Goods:** The highest expenditure on durable goods was noted in Kerala in both rural and urban areas.
- **Fuel and Light:** West Bengal and Odisha showed significant spending in rural and urban settings, respectively.

▪ **Regional Variations:**

- Different states showed varying preferences for spending on specific food and non-food items, reflecting **cultural and regional economic differences**.

▪ **Growth in Consumption Expenditure:**

- The survey indicates a substantial increase in consumption expenditure over the past decade. Rural monthly consumption per person increased by 164% from 2011-12 to 2022-23, while urban monthly consumption per person grew by 146%.
- The rural monthly per capita consumption has seen a faster growth when compared to the urban sector in India.
- The difference **between the urban and rural MPCE** has seen a **decrease over the years**, with the differential reducing from 90 percent in 2009-10 to 75 percent in 2022-23.

MPCE IN RURAL AREAS ROSE 40% AND 33% IN URBAN AREAS IN 2022-23



MPCE is Monthly Per Capita Consumption Expenditure

National Statistical Office

- **About:** Formed in **2019** by merging the Central Statistical Office (**CSO**) and the National Sample Survey Office (**NSSO**).
- **C. Rangarajan Committee** first suggested the establishment of **NSO** as the nodal body for all core statistical activities.
- It **currently works under** the Ministry of Statistics and Programme Implementation (**MoSPI**).
- **Function:** Collects, compiles, and disseminates reliable, objective, and relevant statistical data.

Drishti Mains Question:

Q. In the light of, Household Consumption Expenditure Survey (HCES) 2022-23 examine the potential implications of changing consumption patterns on India's economic planning and development strategies.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. As per the NSSO 70th Round "Situation Assessment Survey of Agricultural Households", consider the following statements: (2018)

1. Rajasthan has the highest percentage share of agricultural households among its rural households.
2. Out of the total agricultural households in the country, a little over 60 percent belong to OBCs.
3. In Kerala, a little over 60 percent of agricultural households reported to have received maximum income from sources other than agricultural activities.

Which of the statements given above is/are correct?

- (a) 2 and 3 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: c

Q. In a given year in India, official poverty lines are higher in some States than in others because (2019)

- (a) poverty rates vary from State to State
- (b) price levels vary from State to State
- (c) Gross State Product varies from State to State
- (d) quality of public distribution varies from State to State

Ans: (b)

PDF Refernece URL: <https://www.drishtiiias.com/printpdf/household-consumption-expenditure-survey-2022-23-1>