



Household Consumer Expenditure Survey

For Prelims: Household Consumer Expenditure Survey, NSSO, NSO

For Mains: Significance of conducting Household Consumer Expenditure Survey

Why in News?

The **All-India Household Consumer Expenditure Survey** is set to resume this year (2022) after a prolonged break.

- The results will **include separate data sets for rural and urban parts, and splice spending patterns** for each State and Union Territory, as well as different socio-economic groups.

Why has the Government Stopped Conducting the Survey?

- The government had **discontinued the findings of the last Survey**, conducted in 2017-18, citing **“data quality” issues**.
 - In 2019, **the government had dismissed reports that the 2017-18 Survey findings** were being withheld due to adverse outcomes reflecting a decline in consumer spending.
- It was also noted that **there was a significant increase in the divergence in not only the levels in the consumption pattern** but also the direction of the change when compared to the other administrative data sources like the actual production of goods and services.
- There were also concerns about the **“ability/sensitivity of the survey instrument** to capture consumption of social services by households especially on health and education.

What is a Household Consumer Spending Survey?

- **Time Interval:**
 - Traditionally, a **quinquennial (recurring every five years) survey** conducted by the [National Sample Survey Office - NSSO](#) (comes under the [National Statistical Office](#)), Ministry of Statistics and Programme Implementation.
- **Scope:**
 - **Collects information on the consumption spending patterns** of households across the country, both urban and rural.
- **Information Generated:**
 - **Reveals the average expenditure** on goods (food and non-food) and services.
 - **Helps generate estimates of household Monthly Per Capita Consumer Expenditure (MPCE)** as well as the distribution of households and persons over the MPCE classes.
- **Significance in General:**
 - **Helps in calculating the demand dynamics** of the economy.
 - **Helps in understanding the shifting priorities** in terms of baskets of goods and services, thus providing pointers to the producers of goods and providers of services.
 - **To assess living standards** and growth trends across multiple strata.

▪ **Significance for Policymakers:**

- The **CES is an analytical as well as a forecasting tool** which helps the Government in planning required interventions and policies.
- **To spot and address possible structural anomalies** that may cause demand to shift in a particular manner in a specific socio-economic or regional division of the population.
- To rebase the [Gross Domestic Product \(GDP\)](#) and other macro-economic indicators.

[Source: TH](#)

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