



## Household Consumption Expenditure Survey 2022-23

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

**For Mains:** Highlights of the Recent Household Consumption Expenditure Survey

[Source: TH](#)

### Why in News?

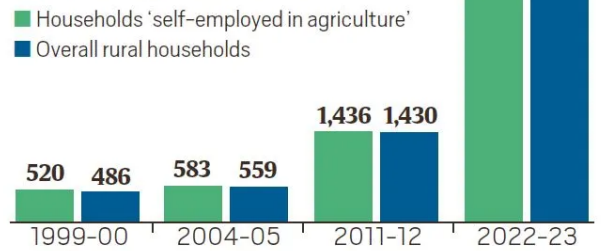
Recently, the [Ministry of Statistics and Program Implementation](#) disclosed the general results of the **All India Household Consumption Expenditure Survey** conducted from **August 2022 to July 2023**.

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

- **About:** The **Household Consumption Expenditure Survey (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 utilized for deriving various other macroeconomic indicators such as [Gross Domestic Product \(GDP\)](#), **poverty rates**, and [Consumer Price Inflation \(CPI\)](#).
    - [NITI Aayog](#) has stated that the latest consumer expenditure survey indicated that **poverty has come down to 5%** in the country.
  - 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 analyzing the distribution of households and individuals across different MPCE categories.
- **Highlights of the Recent Survey:** The estimates of average monthly per capita consumption **expenditure were generated without imputing the value figures of the items received free by the households** through various social welfare programmes such as [Pradhan Mantri Garib Kalyan Yojana](#).
  - **Increase in MPCE:** It reveals a **33.5%** increase in **MPCE** in urban households since 2011-12, reaching **₹3,510**, while rural India's MPCE increased by **40.42%** to **₹2,008**.
    - In 2022-23, **46%** of rural household expenditure and **39%** of urban household expenditure were on food items. [//](#)

## CONSUMPTION IN RURAL AREAS

Average monthly per capita expenditure (₹) in rural areas



- **Distribution of MPCE by Population Percentiles:** The **bottom 5% of India's rural population**, ranked by MPCE, has an average MPCE of Rs. 1,373 while it is Rs. 2,001 for the same category of population in the urban areas.
  - The **top 5% of India's rural and urban population**, ranked by MPCE, has an average MPCE of Rs. 10,501 and Rs. 20,824, respectively.
- **State-wise MPCE Variations:** Sikkim has the **highest MPCE** in both rural (₹7,731) and urban areas (₹12,105), while Chhattisgarh has the **lowest** with ₹2,466 for rural households and ₹4,483 for urban households.
  - The **rural-urban difference** in average MPCE, among the states is the highest in Meghalaya (83%) followed by Chhattisgarh (82%).
- **UT-wise MPCE Variations:** Among the UTs, **MPCE is the highest in Chandigarh** (Rural Rs. 7,467 and Urban Rs. 12,575), whereas, it is the **lowest in Ladakh** (Rs. 4,035) and Lakshadweep (Rs. 5,475) for rural and urban areas respectively.
- **Food Spending Trends:** Since the 1999-2000 survey, the **share of expenditure on food has gradually declined** and the share of non-food items has increased for both urban and rural households.
  - A decline in food spending is understood as an increase in incomes, which then means **having more money for other expenditures** like on medical, clothing, education, conveyance, durables, fuel, entertainment, among other things.
  - The recent survey result showed that the share of **cereals and pulses** within overall food consumption expenditure has been **reducing**, both in rural and urban households.
    - Among the non-food items, the share of spending on **conveyance** was the highest.
    - Till 2022-23, **fuel and light** used to see the highest consumption spending among the non-food items.

## What is the 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.

## UPSC Civil Services Examination, Previous Year Question:

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**

**2. 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 Reference URL: <https://www.drishtias.com/printpdf/household-consumption-expenditure-survey-2022-23>

