

Appendix A

Concepts and Definitions

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1.1 Household: A group of person 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 that 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. Under-trial prisoners in jails and indoor patients of hospitals, nursing homes, etc., are considered as members of the households to which they last belonged.

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

1.3 Uniform Reference Period MPCE (or $MPCE_{URP}$): This is the measure of MPCE obtained by the NSS consumer expenditure survey (CES) when household consumer expenditure on each item is recorded for a reference period of "last 30 days" (preceding the date of survey).

1.4 Mixed Reference Period MPCE (or $MPCE_{MRP}$) This is the measure of MPCE obtained by the CES when household consumer expenditure on items of clothing and bedding, footwear, education, institutional medical care, and durable goods is recorded for a reference period of "last 365 days", and expenditure on all other items is recorded with a reference period of "last 30 days".

1.5 Modified Mixed Reference Period MPCE (or $MPCE_{MMRP}$) This is the measure of MPCE obtained by the CES when household consumer expenditure on edible oil, egg, fish and meat, vegetables, fruits, spices, beverages, refreshments, processed food, pan, tobacco and intoxicants is recorded for a reference period of "last 7 days", and for all other items, the reference periods used are the same as in case of Mixed Reference Period MPCE ($MPCE_{MRP}$).

1.6 Deciles and decile classes of MPCE: The first decile of the distribution of MPCE over the population of any region or domain is the level of MPCE below which 10% of the population lie, the second decile, the level below which 20% of the population lie, and so on. Thus the population can be divided into 10 "decile classes of MPCE" as follows: those with MPCE below the 1st decile of the MPCE distribution (the bottom 10% of the population ranked by MPCE), from the 1st decile to the 2nd decile (the next 10%), from the 2nd decile to the 3rd decile (the next 10%), and so on. Averages of other variables of interest, computed separately for the 10 decile classes, help to portray the variation of such variables with variation in MPCE. In line with usual NSS practice, decile classes of MPCE are formed separately for the rural and the urban sector, both for India as a whole and for the States.

1.7 Categories of consumption items (in alphabetical order)

Beverages, refreshments, etc.: This stands for “beverages, refreshments and processed food”. It includes tea, coffee, mineral water, soft drinks, fruit juice (not prepared at home), soda water, other beverages such as cocoa, biscuits, cakes, pastries, pickles, sauce, jam, jelly, and other salted refreshments and sweets not prepared at home. Refreshments prepared at home are not included here. Instead, the ingredients of the refreshments (such as flour, sugar, milk, etc.) are accounted under “cereals”, “sugar”, etc. Food purchased in the form of cooked meals is also included in “processed food”.

Cereals: Note that household consumption of cereals does not include consumption of cereals by livestock belonging to the household. Such expenditure, being part of farm expenditure, is excluded from household consumer expenditure altogether.

Cereal substitutes: Cereals are usually a person's staple food in India. But sometimes, by choice or due to scarcity, a person may consume little or no cereal. The food requirement is partially or wholly met in such cases by consumption of food items which could be treated as substitutes for cereals. Tapioca, for example, is consumed in some parts of the country as a substitute for cereals. Similarly, jackfruit seed, *mahua*, etc. are also consumed as substitute for cereals. Potato or sweet potato consumed as substitutes for cereals are not, however, shown here. These are included in “vegetables”.

Clothing and bedding: This category includes bedding (pillows, quilts, mattresses, mosquito nets, etc.), as well as rugs, blankets, curtains, towels, mats, cloth for upholstery, etc. It excludes footwear and raincoats. Expenditure on tailor-made clothing excludes tailoring charges, which are accounted in “consumer services”. Consumption of an article of clothing is considered to take place when it is brought into first use. However, clothing purchased second-hand is considered as consumed as soon as it is purchased. Livery supplied by the employer is taken into account in household consumption of clothing even if used during duty hours only.

Conveyance: This includes expenditure incurred on account of journeys undertaken and/or transportation of goods made by any means of conveyance. The expenditure is the actual fare paid except in case of railway season tickets, for which expenditure is calculated as the cost of the ticket divided by the number of months for which it is valid. Expenditure on journeys undertaken by household members as part of official tours is not considered as consumer expenditure of the household. But journeys to commute to and from place of work are included here. The expenditure incurred on journeys undertaken under Leave Travel Concession, etc., even if reimbursed, is included. In case of owned conveyance, the cost of fuel (petrol, mobile oil, diesel, etc.) for power-driven transport and animal feed for animal-drawn carriage is considered.

Durable goods: Items included here all have a lifetime of one year or more. However, some petty durables such as spectacles, torches, locks, umbrellas, etc., are excluded. Note that glassware, earthenware and plastic goods such as buckets are excluded from durable goods and included in “other household consumables”. Consumption expenditure on durable goods includes both expenditure on purchase (both first-hand and second-hand) and expenditure on repair and construction of household durables. For land and residential building, only expenditure on repair and construction is included. Durable goods include furniture and fixtures, “entertainment” durables such as radios, TV, VCR/VCP/DVD players, tape

recorders and CD players, cameras, musical instruments, jewellery and ornaments, crockery and utensils, cooking and other household appliances such as fans, air conditioners, air coolers, sewing machines used for household work, washing machines, stoves, pressure cookers, fridges, water purifiers, electric irons, heaters, toasters and ovens, household transport equipment including two-wheelers, four-wheelers and their parts, therapeutic appliances, clocks, watches, computers for household use, mobile phone handsets, and bathroom and sanitary equipment.

Edible oil: Edible oils used for toilet purpose by the household are not included here.

Education: This includes expenditure on goods purchased for the purpose of education, viz., books and journals (first-hand or second-hand), newspapers, stationery, educational CD, etc, and also magazines, novels and other fiction. It also includes fees paid to educational institutions (e.g., schools, colleges, universities, etc.) on account of tuition and other fees like game fees, library fees, etc., and payment to private tutors. Fees for shorthand and typing courses, fees for music, dancing and swimming lessons, and fees for training in nursing, physiotherapy, etc., are included. Expenditure on Internet other than telephone charges is also included. Occasional payments to the school fund made on account of charities, and “donations” generally, are not included here, unless they are charged by the educational institution as compulsory payments.

Entertainment: This includes expenditure on cinemas, theatres, *melas*, fairs and picnics, expenditure incurred on processing, developing, etc., of photographic film, charges paid for hiring of video cassette/VCD/DVD players, and charges for viewing a video show. Expenses incurred on subscription to dish antenna, cable TV facilities, etc. are also included. Club fees are included here.

Footwear: This includes charges paid to a cobbler for getting a pair of shoes or other footwear made. It excludes the cost of straps purchased separately.

Gram: This includes gram products such as *sattu* obtained by frying and powdering of gram (whole grain). *Besan* made out of gram is, however, not included here, but in “other pulse products”.

Medical expenses: This includes expenditure on medicine of different types and on medical goods; also, payments made to doctor, nurse, etc., as professional fees and those made to hospital, nursing home, etc. for medical treatment, and expenditure incurred for clinical tests, including X-rays, ECG, pathological tests, etc. Expenditure on all family planning devices is included.

Medical: institutional and non-institutional expenditure: The distinction between institutional and non-institutional medical expenses lies in whether the expenses were incurred on medical treatment as an in-patient of a medical institution (institutional), or otherwise (non-institutional). Medical institution here covers private as well as Government institutions such as hospitals and nursing homes.

Milk and milk products: Milk products include ghee, butter, curd, etc. Milk used in home preparation of sweetmeats, etc., is also accounted here. This category also includes those baby foods of which the principal constituent is milk. Further, milk (liquid) includes ice-

cream of which the major component is milk. Ice with syrup but without milk sold under the name of ice-cream is not included in this category.

Minor durable-type goods: These include spectacles, torches, locks, umbrellas, raincoats, gas lighters, etc. These are not included in “durable goods” but in “miscellaneous goods and services”.

Miscellaneous goods and services: This is a residual category covering all items *other than* food, pan, tobacco, intoxicants, fuel and light, clothing, footwear, and durable goods. It includes, among other things, expenditure on education, medical care, entertainment, conveyance, rent, and consumer taxes and cesses. (Note, however, that in Schedule 1.0, collection, education and institutional medical care are separated out from the “miscellaneous goods and services” block to form a separate block.)

Other consumer services: This includes expenditure on domestic servants, cooks, attendants, sweepers, barbers and beauticians, laundry, ironing, tailors, priests, legal services, telephone charges, postal charges, grinding charges, and repair charges for non-durable goods. Apart from conveyance, it excludes the consumer services coming under “entertainment”.

Other household consumables: These include electric bulbs, tubelights, batteries, earthenware, glassware, plastic goods such as buckets, water bottles and feeding bottles, coir and rope, washing soap, washing soda, other washing requisites, incense, room fresheners, flowers, acid and insecticides.

Pan: This includes, *pan* (betel leaves), *supari*, lime, *katha*, other ingredients of “finished” *pan*, and *pan* purchased in finished form.

Rent: Rent includes house and garage rent, residential land rent and other consumer rent.