

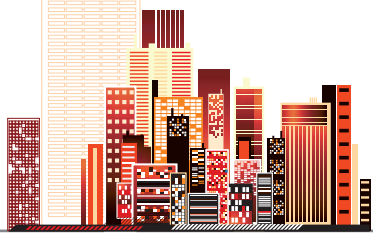
# Rural-urban divide in spending patterns

Only about 10 per cent of the rural population reports a household MPCE above Rs.2,296. In the cities, only 10 per cent report a household MPCE above Rs.4,610.

The National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation, released the key indicators of household consumer expenditure in India, generated from data collected between June 2011 and June 2012 in its 68th round survey, in June 2013. The data form crucial inputs for the Planning Commission in estimating poverty levels. For people living in cities, the survey shows, a lower percentage of spending is dedicated to food, about 42.6 per cent, whereas for those in villages it is about 52.9 per cent. With the rupee now falling drastically, spending on food is likely to come down further, though that might not be immediately reflected in

the statistics because of inflation. Consumer spending in general is likely to plummet if the rupee continues to fall. The all-India estimate of the average monthly per capita expenditure (MPCE) was Rs.1,430 in rural areas and Rs.2,630 in urban India. So the average urban MPCE is 84 per cent higher than the average rural MPCE. The differential varies widely between States. Only about 10 per cent of the rural population reported a household MPCE above Rs.2,296; only 5 per cent reported MPCE above Rs.2,886. Only 10 per cent of the urban population reported a household MPCE above Rs.4,610 and only 5 per cent reported MPCE above Rs.6,383.

## Urban areas



### Employment pattern:

In urban India, Muslim households formed the highest proportion (46%) of those that had self-employment as the major source of earnings. Christian households formed the highest proportion (43%) of those that

depended on earnings on wage/salried jobs. Unemployment rate was the highest among Sikhs: men (6%) and women (8%). Among urban Hindus, about 44% of the men and 40% of the women were engaged in regular wage/salaried employment.



### Absolute and percentage break-up of MPCE by item group, all -India

| Item group                               | Monthly per capita expenditure (Rs.) |              | Percentage to total MPCE |              |
|--|--------------------------------------|--------------|--------------------------|--------------|
|  | rural                                | urban        | rural                    | urban        |
| Cereals & cereal substitutes             | 154                                  | 175          | 10.8                     | 6.7          |
| Pulses & their products*                 | 42                                   | 54           | 2.9                      | 2.0          |
| Milk & milk products                     | 115                                  | 184          | 8.0                      | 7.0          |
| Edible oil                               | 53                                   | 70           | 3.7                      | 2.7          |
| Egg, fish & meat                         | 68                                   | 96           | 4.8                      | 3.7          |
| Vegetables                               | 95                                   | 122          | 6.6                      | 4.6          |
| Fruits                                   | 41                                   | 90           | 2.8                      | 3.4          |
| Sugar, salt and spices                   | 76                                   | 94           | 5.3                      | 3.6          |
| Beverages, refreshments, processed food# | 113                                  | 236          | 7.9                      | 9.0          |
| <b>Food total</b>                        | <b>756</b>                           | <b>1,121</b> | <b>52.9</b>              | <b>42.6</b>  |
| Pan, tobacco & intoxicants               | 46                                   | 42           | 3.2                      | 1.6          |
| Fuel and light                           | 114                                  | 176          | 8.0                      | 6.7          |
| Clothing** & footwear                    | 100                                  | 167          | 7.0                      | 6.4          |
| Education                                | 50                                   | 182          | 3.5                      | 6.9          |
| Medical                                  | 95                                   | 146          | 6.7                      | 5.5          |
| Conveyance                               | 60                                   | 171          | 4.2                      | 6.5          |
| Consumer services excl. conveyance       | 57                                   | 147          | 4.0                      | 5.6          |
| Misc. goods, entertainment               | 76                                   | 152          | 5.3                      | 5.8          |
| Rent                                     | 7                                    | 164          | 0.5                      | 6.2          |
| Taxes and cesses                         | 4                                    | 22           | 0.2                      | 0.8          |
| Durable goods                            | 65                                   | 139          | 4.5                      | 5.3          |
| <b>Non-food total</b>                    | <b>673</b>                           | <b>1,509</b> | <b>47.1</b>              | <b>57.4</b>  |
| <b>All items</b>                         | <b>1,430</b>                         | <b>2,630</b> | <b>100.0</b>             | <b>100.0</b> |

\*includes gram #includes purchased cooked meals; \*\*excludes tailoring charges

Source: National Sample Survey Office

## Rural areas



### Employment pattern:

In villages, self-employment is the mainstay for all religious groups. Self-employment in

agriculture is the highest among Sikh households (about 36%). Among rural male workers, self-employment was the highest among Sikhs (55%) followed by Hindus (54%) Unemployment rate in rural areas was the highest for Christians, for both men (3%) and women (6%). For households cultivating

portions of land between 0.001 and one hectare, the figure for landowners among different communities was 43% for Christian households, 38% for Muslim households, and 37% for Hindus. For households cultivating more than four hectares of land, the figure for landowners was the highest for Sikhs (6%), followed by Hindus (3%).

### Gender Factor:

In rural areas, the proportion of self-employment among male workers was about 54% compared with 56% among women, with a significant number of them engaged in casual labour.

