

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
UNSTARRED QUESTION No. 858
TO BE ANSWERED ON 07.02.2018**

PER CAPITA INCOME AND EXPENDITURE

858. SHRI NALIN KUMAR KATEEL:

Will the Minister of PLANNING be pleased to state:

- (a) whether it is true that there is constant rise in the inequality in the country and if so, the details thereof;
- (b) whether the Government has any data indicating the growth of per capita income and expenditure of the country and if so, the details thereof;
- (c) whether the Government has maintained any data to indicate the expenditure made by the Government on education, health and other social services for every individual of the country;
- (d) if so, the details thereof separately on education and health during the last three years; and
- (e) whether it is also true that no significant progress has been made on the ground about the expenditure and if so, the reasons therefor and the action taken by the Government in this regard?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS**

(RAO INDERJIT SINGH)

(a) In India, the data on class distribution of income is not compiled centrally. However, information on Consumption inequalities (in terms of Lorenz ratio), separately for rural and urban area, based on last three quinquennial Household Consumer Expenditure surveys conducted by National Sample Survey Office (NSSO) in its 61st (July, 2004-June, 2005), 66th (July, 2009-June, 2010) and 68th (July, 2011-June, 2012) round) are available and are given at **Annexure-I**.

(a)to (e) The information on growth rate of per capita income is given at **Annexure II**. The Monthly per Capita Expenditure overall as well as on education and health on the basis of NSSO quinquennial Consumer Expenditure Surveys are given at **Annexure-III** and **Annexure-IV** respectively. Explanatory Note in respect of concepts, definitions etc. used for above information is given at **Annexure-V**.

Annexure-I

Annexure as referred in reply of part (a) of the Lok Sabha Unstarred Question No 858 to be answered on 07.02.2018

Lorenz ratios of distribution of MPCE (Uniform Reference Period), all-India

sector	Lorenz ratio of distribution of MPCE		
	2011-12	2009-10	2004-05
(1)	(2)	(3)	(4)
rural	0.307	0.291	0.30
urban	0.385	0.381	0.37

- Ref: i. NSS Report No. 555: Level and Pattern of Consumer Expenditure, 2011-12;
ii. NSS Report No. 538: Level and Pattern of Consumer Expenditure, 2009-10; and
iii. NSS Report No. 508: Level and Pattern of Consumer Expenditure, 2004-05*

Annexure-II

Annexure as referred in reply of part (b) to (e) of the Lok Sabha Unstarred Question No. 858 to be answered on 07.02.2018

Growth Rate of Per Capita Income

Period	Growth in per capita income
2012-13	3.3
2013-14	4.6
2014-15	6.3
2015-16	6.8
2016-17(Provisional Estimates)	5.7

Source: National Accounts Division, Central Statistics Office

Annexure-III**Annexure as referred in reply of part (b) to (e) of the Lok Sabha Unstarred Question No. 858 to be answered on 07.02.2018**

Estimates of all-India average MPCE_{URP} from last three quinquennial surveys of consumer expenditure done by NSS in its 61st(July, 2004-June, 2005), 66th(July, 2009-June, 2010) and 68th (July, 2011-June, 2012) round survey

Growth in MPCE_{URP} at current and constant prices since 2004-05, all-India

characteristic	Year		
	2004-05	2009-10	2011-12
MPCE: rural (Rs.): current prices	558.78	927.70	1278.94
Price deflator for rural sector*	319	494	580
MPCE: rural (Rs.) at 1987-88 prices	175.17	187.79	220.51
MPCE: urban (Rs.): current prices	1052.36	1785.81	2399.24
Price deflator for urban sector*	338	503	599
MPCE: urban (Rs.) at 1987-88 prices	311.35	355.03	400.54

* Price deflators for the years up to 2009-10 are taken from NSS Report No.538: Level and Pattern of Consumer Expenditure; they represent price indices for rural and urban India with base 1987-88=100. For 2011-12 indices have been computed as a continuation of this series, with the help of CPI-AL for the rural sector and CPI-IW for the urban sector.

Source: NSS Report No. 555: Level and Pattern of Consumer Expenditure, 2011-12

Annexure-IV

Annexure as referred in reply of part (b) to (e) of the Lok Sabha Unstarred Question No. 858 to be answered on 07.02.2018

Value of consumption (Rs) of items per person for a period of 30 days for MPCE (URP) using reference period of 30 days since 2004-05

Item group	Year		
	2004-05	2009-10	2011-12
rural			
education	14.90	26.51	39.84
health (institutional)	10.03	13.97	23.15
health (non-institutional)	26.93	39.26	64.52
urban			
education	52.69	92.91	135.73
health (institutional)	13.05	25.04	33.13
health (non-institutional)	41.54	64.74	98.85

Source: *NSS Report No. 555: Level and Pattern of Consumer Expenditure, 2011-12;*
NSS Report No. 538: Level and Pattern of Consumer Expenditure, 2009-10;
NSS Report No. 508: Level and Pattern of Consumer Expenditure, 2004-05

Annexure-V

The NSS concept of MPCE, therefore, is defined first at the household level (household monthly consumer expenditure \div household size). This measure serves as the indicator of the household's level of living.

Each *individual's* MPCE is defined as the MPCE of the household to which the person (man, woman or child) belongs. This assigns to each person a number representing his or her level of living. The distribution of *persons* by their MPCE (i.e., their household MPCE) can then be built up, giving a picture of the population classified by economic level.

The MPCE measure may be defined as follows.

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).

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. 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.

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. Medical expenditure reimbursed by employer or by insurance companies is included. Expenditure on all family planning devices is included, and also expenditure on medical termination of pregnancy. Medical insurance payments are excluded.

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.