

AN INTRODUCTION TO INDIAN HOUSEHOLD BUDGET SURVEYS, 1890-1960

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1. Introduction

This is a brief report on the collection of documents and data pertaining to household budget surveys in the early 20th century by the Global Income Inequality Project¹ at the University of Sussex². Initially we discuss the quantity and quality of the surveys, and then give a brief historical background in Section 2. Section 4 is an initial investigation into some of the statistics that can be derived from these data sets. This preliminary excursion into the data suggests India's labour market of the period was more highly segmented than any studied in this project to date.

2. Scope of Bibliography & Data

Within our period of 1890 – 1960, there are 187 Indian surveys listed in the database.³ Of these, there are 69 with good quality data attached. Twenty-six of these datasets form part of a **time-series** of individual household data relating to the Punjab between 1932 and 1971.⁴ This series is discussed in another working paper.

Of the 43 datasets that do not form part of the Punjab individual time-series, all have been produced from reports that present **grouped household data**, with only two further individual datasets: one as a subset of **220 individual households** from a wider report of 2,473 grouped households (1921-22) and a single report of **30 individual households** (1941).⁵

The following breakdown of digitised datasets across the period gives a good indication of the growing publication record in relation to household budget surveys and the growing concern with Indian living standards:

<i>Period</i>	Excluding Punjab time-series, 1890-1960				All including Punjab, 1890-1960	
	With Digitised GII Data		All Bibliographical Entries		<i>Surveys</i>	<i>Households</i>
	<i>Surveys</i>	<i>Households</i>	<i>Surveys</i>	<i>Households</i>	<i>Surveys</i>	<i>Households</i>
1890-1919	0	0	7	342,415	7	342,415
1920s	6	12,304	12	13,006	12	13,006
1930s	5	8,192	50	19,869	58	19,951
1940s	26	18,746	71	35,713	81	35,829
1950s – 1960	6	62,156	18	106,991	29	107,229
Totals:	43	101,398	158	517,994	187	518,430

¹ <http://www.sussex.ac.uk/globalincomeinequality/index>

² Funded by ESRC grant ES/L002523/1 'Global Income Inequality, 1880-1960', February 2014-January 2018.

³ There are a further thirteen bibliographical entries between 1961 and 1975 and 9 of these have good quality data that have been digitized (as part of the Punjab time series – see below).

⁴ This time-series, conducted by the Punjab Board of Economic Enquiry, reaches beyond 1960 to include further years until 1970-71. Including the years to 1971, there are thirty-five digitized surveys in all. The Punjab time-series is reported in an appendix to this document.

⁵ With the survey of 2,473 households in 1921-22, in addition to the subset of 220 working family households, there is also an additional subset of 90 individual, single working mens' budgets. The individual dataset of 30 households (1941) comes from a survey that took place in the Punjab but was not part of the Punjab time-series.

3. History

3.1 Famine & Propaganda

Indian household budget surveys were not conducted very much in any official capacity until the early 20th century. The first significant item in the 19th century record is not a household budget survey but a report published by The Famine Commission in response to the 'Great Famine' of 1876-78.⁶ It contains some information comparable to household budget surveys, including examples from households from each of the 18 districts reported on. Rather than being suitable for calculating the distribution of income, however, it is concerned with documenting catastrophe.

by a British civil servant conducted an early 20th century survey. between 1906 and 1910. He, in the words of Williams & Zimmerman, 'was anxious to vindicate the British Government of the charge that it had milked the [Bengal] district dry'.⁷ Williams & Zimmerman also state that the figures used must have been only estimates. There is certainly no useful data on living standards and so, other than noting it as a bibliographical entry of historical significance, it is not utilised by the GII project. From these early accounts, as well as from observing the frequency of household budget surveys over the subsequent first half of the 20th century, a critic of imperialism might be inclined to conclude that British interest in Indian standards of living only counted when the national, or 'imperial', interest of consolidating the Empire became an increasingly pertinent issue.

3.2 Academics & Ethnography

Before the 1920s, the small-scale household budget surveys across India that did take place were conducted by individuals (often academics) who were interested in anthropological and/or economic surveys of rural/village economies and ways of life and, broadly, contexts other than family income/expenditure. As a result, the limited number of surveys we are aware of for the period up to the 1920s are, in each case, limited to a very small number of households that were selected with little regard to representativeness of anything other than the immediate locale. Typical of these is an edited collection published as a monograph in 1918 by Gilbert Slater, an English economist who, after serving as principal of Ruskin College, Oxford, moved to India to take up the first post of Professor of Economics at the University of Madras. His monograph, *Some South Indian Villages*, was concerned mostly with such issues as crop yields and other topics of the local rural economy/society.⁸ In passing, 10 household budgets were provided in some detail that were, nevertheless, only 'rough approximations' of income and expenditure.

Studies during this period were infused with an anthropological/ethnographic approach: so much so, that the author of an introduction to the 1921 census report of Bombay Presidency wrote that as from that point onwards (in regards to collecting census data) 'there should be a sort of ban on ethnographic writing, and that any side-line enquires on this occasion should be rather of an economic type'.⁹ One such 'side-line' with the census of 1921 was a household budget survey of 6,011 households.¹⁰

⁶ See entry (1400) in: F. M. Williams & C. C. Zimmerman, *Studies of Family Living in the U.S.A. and other Countries* (Washington: U.S.A. D.A., 1935), p. 426.

⁷ Williams & Zimmerman, (1935), p. 426. J.C. Jack, *The Economic Life of a Bengal District* (Oxford: Clarendon Press, 1916).

⁸ Gilbert Slater, *Some South Indian Villages*, (London, Bombay, Nadras, New York: H. Milford, Oxford University Press, 1918)

⁹ L. J. Sedgwick, *Census of India, 1921, Volume III: Bombay Presidency* (Bombay: Gov. Central Press, 1922), p. vi.

¹⁰ *ibid.*, Appendix W, Family Budgets, p. xcvi.

3.3 The 1920s

With increasing industrialisation in India after the First World War, accompanied by a growing body of workers and union membership, concern with the living conditions of workers became increasingly significant to the administrations of various Indian states. The survey of 6,011 households, sampled (poorly) across 5 regions in 1921-22, was, nevertheless, conducted alongside the census without any budget. It examined household types of various occupational groups in **rural villages and small towns**. It had been planned to also sample more built-up urban areas, but when the organisers became aware of another survey being conducted in Bombay City & Island, it was decided to limit the enquiry to 'the mofussil', the rural areas beyond the city.¹¹

The other major Indian survey of the same year, taking place within Bombay City was, like most other surveys of the 1920s that have been digitised by GII, conducted by the **Bombay Labour Office**. It reports grouped data across 2,473 **working class households of Bombay City & Island** and, as a subset of those 2,473 households, provides 220 'representative' households individually. Furthermore, another 90 'representative' single mens' budgets were recorded. Perhaps the most significant finding was that households across the entire sample devoted, on average, 56% of all household expenditure on food. The Bombay Labour Office soon conducted a further survey of **middle-class households** in Bombay City in order to compliment the working-class survey (1922-24, 1,748 households). As with the working-class survey, the report provided good quality income-distributed data with comprehensive details of household composition alongside monthly household income and basic categories of expenditure. Other surveys conducted by the Bombay Labour Office included cotton mill workers of Sholapur City (1,055 households in 1925) and working-class families in Ahmedabad (872 households in 1926). These also provided composition, income and expenditure data in the same manner.

3.4 The 1930s

The Third International Conference of Labour Statisticians, held at the International Labour Organisation in 1926, passed a resolution contending that 'in order to provide adequate information with regard to the actual standard of living, enquiries should be conducted at intervals generally of not more than ten years into the income, expenditure and conditions of living of families'.¹²

This was cited as the reason for conducting a second working-class survey in the state of Bombay by the Labour Office. This time, in 1932-33, 1,469 households were reported on (distributed across 8 income groups and with almost the same level of household composition and income/expenditure detail as was reported for the 1921-22 Labour Office survey). Another similar survey (once again) took place in Ahmedabad (1933-35, 1,293 working-class budgets).

The same decade also witnessed several studies concerned exclusively with diet/nutrition. In 1931 the **Indian Statistical Institute** was founded in Calcutta. By the end of the decade it undertook a variety of surveys on behalf of various government departments.¹³

¹¹ Idem.

¹² Bombay Labour Office, Report on an Enquiry into Working Class Family Budgets in Bombay City (Bombay: Government Central Press, 1935).

¹³ See Ramkrishna Mukherjee, 'Economic Structure of Rural Bengal: A Survey of Six Villages', *American Sociological Review*, Vol. 13, No. 6 (Dec. 1948).

3.5 During and After the Second World War

Urban/Industrial Studies

By the early 1940s, the Indian Statistical Institute was conducting several household budget surveys – such as that of industrial workers at Nagpur, 1941-42, of 997 households.¹⁴ However, the government of India was aware that wide variations of methods used in previous studies from various sources put into question the reliability of cost-of-living indexes. It therefore decided to set up the **Cost of Living Index Scheme**, devoted to running larger-scale household budget surveys with a view to producing a more trustworthy index.

From 1943 – 1946, sample surveys were run in urban centres across India in a systematic way.¹⁵ In total, 28 areas were covered during this time, with an approximate total of 27,000 household budgets collected. All of these are reported with good quality household composition data (number of adult men & women; number of male & female children; number of dependants living away from the home) and cover income and five or six basic items of expenditure. All the surveys are reported as income-group data and the number of groups ranges between 9 and 14.

The National Sample Survey was setup after independence. Notable was the 1957-8 round, 10,321 households.

The first available survey we have from the **Indian Labour Bureau** is in 1958-9, 23,446 households.

Rural/Plantation Studies

Large-scale **rural household budget surveys** were also run in the 1940s. One of the first was conducted as an off-shoot of the Indian census of 1941 (1,704 households). It took place in Ajmer-Merwara and the design as well as the reporting followed, as much as possible, standards outlined by the I.L.O.¹⁶ Other large surveys included those of tea-plantation workers in the north-east (2,506 households of Jalpaiguri District, West Bengal, 1947-8) and a survey of the 'agriculturist classes' across a sample of 326 villages of Assam (1948-9).¹⁷ The Cost of Living Index Scheme ran surveys of plantation workers in Assam and Bengal (1947, 760 households) as well as in southern India (1947, 274 households). In 1950-51, a large 'Agricultural Labour Enquiry' was run by the Indian Ministry of Labour across the country, covering 11,004 households.¹⁸ Such rural surveys were important because, as the forward to this 1950-51 survey report stated, 'agricultural labour forms the largest single sector of India's labour force'.¹⁹

¹⁴ The only copy of the report discovered, however, exists in the library of the Indian Statistical Institute in Kolkata. Since there are other high-quality surveys by the Cost of Living Index Scheme at this time, it has not been considered worth retrieving.

¹⁵ We currently have five of this series digitised, covering almost 2,000 family budgets. However, I have just located 18 of these high-quality group-data survey reports at IDS library and will be visiting soon to see if they can be retrieved from 'closed access'.

¹⁶ A. W. T. Webb, *Census of India, 1941. Volume XXIV. [Part 2 or 4?: Tables] Rajputana and Ajmer-Merwara (1941)*.

¹⁷ This is mentioned in Ramamurti (1951) (p. 13) but no reference is given and we have not managed to track down a report of this survey.

¹⁸ B. Ramamurti, *Report on Intensive Survey of Agricultural Labour: Employment, Underemployment, Wages and Levels of Living* (Delhi: 1954).

¹⁹ *Ibid.*, p. iii.

4. An initial statistical investigation

To illustrate a key characteristic of these data sets we show the distributions of income in some of these studies. We present three tables. First, we compare the household income distributions in the 1921-2 and 1932-3 studies of working class households in the city of Bombay. Next, in Table 4, we do the same thing for the two Ahmedabad surveys. Finally, in Table 3 we give Gini coefficients calculated from the grouped data tables in some of the other studies. The overwhelming picture seems to be of very compacted income distributions that mostly do not sit well with received wisdom on Indian inequality in the period²⁰. Though sampling methods may well be part of the reason for this, the most likely reason is the targeting of certain social groups by the survey designers.

Table 1 Percentages of sampled Bombay working class households by monthly income groups, and a Gini coefficient

Monthly income groups (rupees)	< 30	30-40	40-50	50-60	60-70	70-80	80-90	90+	Gini (%)
1921-2	2.7	11.0	33.7	21.8	19.5	6.8	2.8	1.5	13.9
1932-3	12.2	20.2	26.2	16.3	10.0	5.2	4.0	5.7	22.1

Table 2 Percentages of sampled Ahmedabad working class households by monthly income groups, and a Gini coefficient

Monthly income groups (rupees)	< 20	20-30	30-40	40-50	50-60	60-70	70-80	80+	Gini (%)
1926	2.0	16.7	20.9	25.2	18.0	8.3	5.2	3.6	19.4
1933-5	3.1	16.1	23.9	23.4	13.6	6.7	5.5	7.8	23.7

Table 3 Other Gini coefficients

Survey	Gini coefficients (%)
1921-2 rural and village survey	42.2
1922-4 Bombay middle class households	22.2
1947-8 Jalpaiguri tea plantation workers	20.4
1958-9 National working class cost of living survey	20.5

For instance, the 1921-2 working class Gini coefficient of 13.9% is very low. But then so is the Bombay middle class inequality of a proximate year, at 22.2%. Comparing these two distributions, they are almost totally distinct from each other. Only 1.5% of the working class households have an income above 90 rupees per month, while only 1.4% of middle class respondents report a monthly income below 100 rupees. The average incomes of the two groups also reflect this almost perfect segmentation: 52 rupees for the working class and 168 rupees for the middle class.

²⁰ For instance, the Chartbook of Economic Inequality gives a Gini coefficient of per capita expenditure for between 30 and 40% from 1950 to 2014. See <https://www.chartbookofeconomicinequality.com/inequality-by-country/india/>.

5. Conclusion

Much more investigative work on these surveys and their data is required. However, having recently studied similar document and data from other continents in this time period, the initial impression of India suggests a much higher degree of segmentation in the income distribution than observed, so far, anywhere else. These data sets will reward careful study.