

# APPENDIX

## Introduction

### Background and Objective

The first Socio-Economic Survey was conducted by the National Statistical Office (NSO) in 1957, known as "The Household Expenditure Survey". This name was changed to the Socio-Economic Survey in 1968 - 1969 and the survey was conducted every five years. Due to the rapid economic expansion and the importance of the survey in order to set the anti-poverty policy, the Ministerial Cabinet passed an approval on September 8, 1987 for the NSO to carry out the survey every two years. This 2000 survey is the fifteenth survey of this kind.

The primary objective of the survey is collecting information on household income and household expenditures, household consumptions, changes in assets and liabilities, durable goods ownerships, and housing characteristics including other living conditions of households.

### Coverage

The survey covered all private, non-institutional households residing permanently in municipal areas and non-municipal areas of all regions. However, it excluded that part of the population living in transient hotels and rooming houses, hostels, boarding schools, temples, military barracks, prisons, welfare institutes, hospitals and other such institutions. It also excluded households of foreign diplomats and other temporary residents.

### Concept and Definitions

#### 1) The private household was referred to as:

(1) One-person households, i.e. a person who made provision for his own food and other essentials of living without combining with any other persons.

(2) Multiperson households, i.e. a group of two or more persons who made common provision for food and other essentials of living. They might be either related or unrelated such as:

2.1 a household comprised a group of related persons by blood, marriage or adoption

2.2 a household comprised a group of unrelated persons, not exceeding five who live together sharing the lodging. (included as one private household)

2.3 a household comprised a group of employees living together, not exceeding five persons. (included as one private household)

2.4 a household comprised a group of six or more persons, among them at least four persons who are relatives, or not exceeding three relatives where one among them is responsible for all expenses. (included as one private household)

**Remarks:** Item 2.2 and 2.3 were different from the previous surveys which was conducted before the year 1998, in that each person was treated as one-person household.

## 2) Household Membership

Private household members are persons who usually live in a particular household, including persons who were temporarily absent at the time of interviewing (but do not normally live somewhere else permanently) but fit into one of the following categories, i.e.

(1) those living away from home temporarily for less than three months, such as in-patients, priests (excluding the members who moved away for education or occupation and therefore have another permanent residence, prisoners, soldiers and psychiatric patients.)

(2) those living away from home for more than three months without permanent residence, such as crews, salesman, etc.

(3) those going abroad for less than six months for education or training.

(4) those who work away from home temporarily for less than 30 days per year, such as sugar-cane harvesters.

Household members included unrelated boarders or lodgers who had lived at the address temporarily for more than three months.

## 3) Household Head

The head of household was the person recognized as such by other members, whether he or she was responsible for financial support or welfare of the household members or not.

## 4) Dwelling Unit

The dwelling unit was defined as all the living space occupied by one household, without regard to physical arrangement or facilities available. It may be one room occupied by a boarder or a lodger, or it may be one, two or more houses occupied by an extended household, or a row of houses, apartment units or boats, rafts, etc..

## 5) Occupation

Occupation was defined as the type of work performed by a person at his place of work. Generally, a person held only one job. During the last 52 weeks if the person had more than one job, the job at which he worked for the greater number of weeks was recorded. If the number of weeks worked for each job were the same, the job which gave him the highest income was recorded.

## 6) Work Status

Work status was classified into 9 different categories as follows:

(1) an employer was defined as a person who operated his or her own enterprise for profit or dividends and hired one or more person as his or her employee(s).

(2) An own-account worker was a person who operated an enterprise on his or her own account, or operated it jointly with others in the form of a partnership either for profit or dividends and hired no employees.

(3) An unpaid family worker was a person who worked without pay on a farm or in a business owned or operated by the household head or other household members.

(4) An employee was a person who worked for a public or private employer and received remuneration in wages, salary, commission, tips, piece-rate or payment in kind. Employees were classified as government, state enterprise and private employee.

(5) A member of producers' cooperatives was a person who hold a " self-employment " job in a cooperative producing good and services, in which each member takes part on an equal footing with other members in determining the organization of production, sale and/or other work of the establishment, the investment and the distribution of the proceeds of the establishment amongst their members.

(6) A person looking for work was a person who did not work at all during the last 52 weeks but had applied for work either at business establishments or by mailing letters of application.

(7) An economically inactive person was one of the following:

- a) a housewife or person who worked around the house,
- b) a student,
- c) a retired person or old person,
- d) a disabled person who was unable to work because of physical or mental disability or because of chronic illness,
- e) a person doing nothing who was voluntarily idle, and
- f) a beggar.

### 7) Earner and Income Receiver

The earners were referred to as household members who were economically active. Self-employed workers, employees, and unpaid family workers were counted as earners.

The income receivers were household members who received money income from profits, wages and salaries, rents, or transfer payments from non-household member persons. Income receivers may be either economically active or economically inactive.

### 8) Household Income

Total household income includes:

- (1) wages and salaries, tips, and bonuses, etc.,
- (2) net profits from farming and from non-farming,
- (3) property income such as property rent, land rent, royalties, interest, and dividends,
- (4) current transfer received such as assistance payments, pensions, etc.,
- (5) non-money income (income in-kind) such as the value of goods and services received as part of pay, home-produced and consumed (including the rental value of owner occupied dwellings), or received free from other sources, and
- (6) other money receipts such as insurance proceeds, lottery winnings and other windfall receipts.

Current income is the total household income excluding other money receipts.

### 9) Household Expenditures

Total household expenditure includes:

- (1) the amount spent on purchasing goods and services needed for living essential,
- (2) the value of goods and services received as part of pay, home-produced and consumed (including the rental value of owner occupied dwellings), or received free from other sources, and
- (3) the amount spent on taxes, contributions, insurance premiums, lottery tickets, interest on debts, and other non-consumption items.

Consumption expenditures are total household expenditures, excluding non-consumption expenditures described in (3).

Household expenditures exclude the capital formation expenditures such as purchase or hirepurchase of house and land, purchase of jewelry, savings - life insurance premiums and providend funds, etc.

#### 10) Socio-economic Class

The classification of households into socio-economic groups was based on the main source of livelihood, employment status, kind of economic activity and occupation. This classification divided households into 9 major classes which are:

- (1) farm operators mainly owning land,
- (2) farm operators mainly renting land,
- (3) non-farm businesses,
- (4) professional, technical and administrative workers who worked for pay,
- (5) farm workers,
- (6) general workers,
- (7) clerical, sales and service workers,
- (8) production workers, and
- (9) economically inactive households.

In general the household class was based on the principal source of livelihood and employment status of the chief income receiver, usually the household head. However, if the combined earnings of several members of the household represented the main source of livelihood, the classification was determined on the basis of the employment status of those members. For example, if a household operated a small farm but the earnings of the household members working off the farm as common labourers exceeded farm profits (including the value of home-produced and consumed products), the household was classified in the general workers group.

#### 11) Per Capita Monthly Consumption Decile and Quintile Group

To study the socio-economic characteristics of households living at different economic levels, it was necessary to choose an appropriate criterion which would distinguish those who might be classified as "poor" from those who were "better off" to a varying degree. Thus, the per capita monthly consumption expenditures decile group was adopted. For this, households were ranked from low to high according to the per capita monthly consumption expenditures. Then they were divided into 10 groups. Each group contained the same number of households.

Households were sometimes classified by the per capita monthly consumption expenditures quintile group. The method of classifying the quintile group was the same as the decile one except that households were divided into 5 groups.