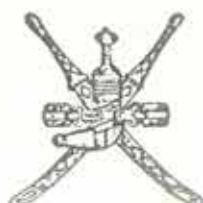


SULTANATE OF OMAN



FAMILY EXPENDITURE PILOT SURVEYS

(June - September, 1974)

DEVELOPMENT COUNCIL

NATIONAL STATISTICAL DEPARTMENT

POST OFFICE BOX 881, MUSCAT

SULTANATE OF OMAN

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FAMILY EXPENDITURE PILOT SURVEYS, 1974

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March, 1975.

4301/NSD.

Family expenditure pilot surveys, 1974

1) Introduction

Pilot surveys of family expenditure were conducted by the National Statistical Department (NSD) during the period June - September 1974. The field work for the surveys was carried out by secondary school students employed by the Department during their Summer vacation. The surveys covered only a small sub-section of the population - that is, PDO and Government employees in the capital area - and the sample sizes were small. A total of 77 families were covered over the period, each family providing details of their expenditure over four weeks.

The pilot surveys have illustrated the feasibility of, and problems with, expenditure surveys in Oman, and the results can be interpreted usefully.

2) Purpose of the surveys: measuring the cost of living

Family expenditure surveys are required, in conjunction with relevant price indices, as a basis for the development of cost of living index numbers. These index numbers are calculated by weighting together price indices covering the major items of family expenditure - food and beverages, clothing, rent, transport, etc. - according to the relative importance of each item in family budgets.

Families spend their incomes in different ways - that is, the constitution of family budgets differ - depending on a number of factors, including:

Income

Size of family

Householder status - whether home is owned, rented, etc.

Geographical location - owing to different life styles and the availability of commodities.

Price changes for particular commodities therefore affect the cost of living for different families by differing amounts, depending upon the importance of the commodities in relation to the families' total expenditure. For instance, a low-income family will spend a high percentage of its income on food, whilst a higher-income family will spend a smaller percentage. Also, the low-income family will spend a greater percentage

of its food expenditure on basic foodstuffs such as rice, fish, wheat flour, etc. and less on luxury food items. Increases in the price of rice, fish or wheat flour, or in food prices generally, would therefore increase the total expenditure of the low-income family by a greater percentage than the total expenditure of the higher-income family - that is, the cost of living of the low-income family would be affected more by the price increases.

Separate cost of living index numbers need therefore to be established to cover different sections of the population. Family expenditure surveys are required in order to establish the different expenditure patterns of each socio-economic and geographical grouping of families whose cost of living we wish to monitor. The surveys will establish for each grouping an average budget, taking account of the relative importance of rice, fish, wheat flour, etc. in their expenditure on food, and the relative importance of food and beverages, clothing, rent, etc. in their total expenditure. Price indices need to be developed to cover each major category of expenditure. The price indices would be weighted together according to the relative importance of each category of expenditure to each population grouping in order to produce cost of living indices. In this way, separate cost of living indices would be developed for families earning similar incomes in different localities, and for different income groupings. Separate indices would also be developed to differentiate between different categories of householder status and between different family sizes. In each case the different patterns of expenditure need to be established and utilised in conjunction with relevant price indices.

In order to develop a single cost of living index to represent the entire population it is necessary to determine an average budget for the population. This budget would be calculated by weighting together the average budgets of the different socio-economic and geographical groupings of the population, according to the relative importance of each grouping. Detailed population and income distribution data are required to establish the size of each grouping; such data are unlikely to be available for a number of years and in the short period an overall index will not be possible.

The pilot surveys were aimed primarily at a study of the feasibility of family expenditure surveys in Oman. Towards this end, only a small sub-section of the population was included - that is, PDO and Government employees earning less than R.O. 250 per month in the capital area - and a small sample was taken.

3) Methodology

The field work for the surveys was carried out by 12 female secondary school students who were about to embark upon their final secondary year. The students, who were supervised by Miss Fatheya Ali Mohsin of the NSD, conducted personal interviews in order to complete the forms appended to this report. The information sought in the surveys related to the household of which the interviewee was part, the household being defined as a group of people living and eating together.

Each survey commenced with a visit by the students to the place of work of each member of the sample allotted to them. Subsequent interviews were held either at the work place or at the home of the interviewee, depending on his preference.

During the first interview the purpose of the survey was explained, and as much information as possible was collected about the household on the "Particulars of Household" form. Income information was not generally available at this stage, and was collected at the time of receipt. Those interviewees who were literate were given the "Daily Survey" form which collected expenditure details for items purchased on a day-to-day basis - that is, food, beverages, tobacco, etc. Those interviewees who were illiterate or were unable to complete the daily survey form for any other reason were visited every few days by the enumerator who assisted them in completing the form.

Each "Daily Survey" form covered one week's expenditure. At the end of the first week, and of each subsequent week, each participant was interviewed again. The completed daily form was collected and a further one given to the interviewee. The enumerators also collected information about expenditure on other items during the preceding week, and entered this on

the "Weekly Survey" form. Any further information on the household was entered on the "Particulars of Household" form including income figures where relevant.

At the end of each week, the enumerators computed weekly totals for all items of expenditure from the daily and weekly forms and entered them as running totals on the "Monthly Analysis" form. At the end of the survey period, monthly totals were calculated and entered on the same sheet.

By the end of the survey period the following forms had been completed for each member of the sample:

- (a) one Particulars of Household form;
- (b) four Daily Survey forms;
- (c) four Weekly Survey forms;
- (d) one Monthly Analysis form.

The survey periods were as follows:

	<u>1st survey</u>	<u>2nd survey</u>	<u>3rd survey</u>
<u>PDO employees</u>	8/6/74 - 5/7/74	6/7/74 - 2/8/74	3/8/74 - 30/8/74
<u>Government employees</u>	--	13/7/74 - 9/8/74	10/8/74 - 6/9/74

4) Selection of samples

The sampling frame for the pilot surveys comprised lists of Omani nationals employed by Government ministries and departments, and by PDO. Only those employees who worked in the capital area and earned less than R.O. 250 per month were included. A comprehensive, up-to-date list was available for PDO staff, but it was necessary for the NSD to compile lists for the ministries and departments. When completed, the lists comprised 615 PDO employees and 2,840 Government employees - which excluded some ministries who did not provide lists, and teachers, doctors, nurses, etc. were deliberately excluded from the pilot surveys.

The samples were selected monthly using random number tables; the sample sizes were limited to the number of families that each enumerator could handle. Initially the sample sizes were also restricted by the unavailability of the lists of Government employees and the inexperience of the enumerators. The first survey included only PDO employees, and only a partial list of Government employees was available for the second survey. Other constraints were that the list of Government employees was out of date (many employees had left or changed departments, and were difficult to locate), many of the selected PDO and Government employees had gone on leave (a disadvantage of holding the surveys during the Summer months) and Government employees were dispersed throughout the Muscat, Mutrah and Ruwi areas, resulting in transport problems and a reduction in the number of interviewees that could be managed by each interviewer. Some refusals were encountered, but this was not such an important constraint.

It was intended to work towards a situation where each enumerator was dealing with ten families each month. The pilot surveys have indicated that five families is a more reasonable number for inexperienced interviewers. The number of families included in each survey is shown in the following table.

		Number of families			
Survey	Employer	I	II	III	Total
	PDO	14	10	11	35
	Government	-	16	26	42
Total		14	26	37	77

5) Results of the surveys

The analysis of the forms was arranged in such a way as to generate information on the expenditure patterns of the 77 families as a whole, in addition to breakdowns showing differences between different income groups and between different family sizes. The tables of results are appended.

Table I gives the breakdown of family expenditure, as recorded in the surveys, by broad categories. A more detailed breakdown is given in Table II. One feature which should be noted is the small percentage of family expenditure on "rent, house purchase and maintenance". This illustrates an important aspect of the life style of the sample; most of the families included in the survey were living in houses with low rents or no rent - presumably owned - and were spending little on maintenance. Very few families reported any saving and it should not be assumed that any additional expenditure could be diverted to housing. The rental of modern houses and flats at prevailing rates is certainly well beyond the reach of the families surveyed.

Tables III and IV break down family expenditure on foods and beverages. It should be noted that the major food items according to the survey are rice, fresh meat, fresh fish and fresh fruit. Other important items are fresh vegetables, wheat flour, bread, coffee, eggs, ghee substitute and sugar.

Table V illustrates the effect of size of income on family expenditure. Families earning less than R.O. 50 per month are shown to spend about 70% of their total expenditure on food and beverages, whilst families earning more than R.O. 150 are shown to spend little more than 50% on these items. Higher income families spend a greater percentage on rent and household expenses, on clothing, and on "Other", which includes entertainment, leisure and transfers.

Table VI shows how the size of family affects family expenditure. An attempt has been made to isolate to some extent this effect by selecting two income bands - under and over R.O. 100 per month. It can be seen that larger families spend a greater percentage of their total expenditure on food and beverages and less on rent and household expenses, and on clothing. The effect on other items of expenditure is not clear from the small sample.

The results are believed to represent a small sub-section of the population - that is, families of PDO and Government employees who earn less than R.O. 250 per month in the capital area - subject to the limitations of the small sample size. The general trends indicated are not unexpected and can be assumed to prevail within other socio-economic and geographical sub-sections of the population.

6) Recommendations

a) The family expenditure surveys should be extended to cover much larger, and wider ranging, samples. Government and PDO staff should continue to be included, in addition to samples of the staff of other major employers. Samples of households should be taken from the detailed maps being prepared for the pilot population surveys in Muscat, Mutrah, Ruwi, Sohar, Nizwa and Sur. Later, other towns should be included.

b) The surveys should be extended to cover a longer time span because expenditure patterns will vary at different times of the year.

c) Students and teachers should be employed during the 1975 Summer holiday, but a group of permanent staff should be recruited to undertake this, and other, field work in the long term.

d) Price indices need to be developed to cover the major items of expenditure indicated by the surveys. This will involve extending the existing food price surveys to cover other food items, such as fresh meat, fish, fruit and vegetables, together with other major categories such as clothing, transport and rent; these surveys should also be extended to other towns.

e) Separate cost of living index numbers should be compiled for different family size and householder status within different income groups in different locations, using the approach outlined in section 2. The development of an overall cost of living index is not possible until detailed population and income data are available. The development of this index needs therefore to be considered in the census programme.

APPENDICES

I Tables of results

- 1 Percentage of family expenditure by broad categories
- 2 Percentage of family expenditure by major sub-divisions
- 3 Family expenditure on foods and beverages
- 4 Details of family expenditure on foods and beverages
- 5 Family expenditure on broad categories by income grouping
- 6 Family expenditure on broad categories by income grouping
and family size

II Forms used in the surveys

- 1 Particulars of household
- 2 Daily survey form
- 3 Weekly survey form
- 4 Monthly analysis.

Table I : Percentage of family expenditure by broad categories

		% of total expenditure		
Item		PDO employees	Government employees	Overall
I	Food and beverages	59.5	55.4	57.3
II	Rent and household expenses	12.8	13.9	13.4
III	Clothing	9.4	10.4	9.9
IV	Transport	6.7	9.1	8.0
V	Other	11.6	11.2	11.4
Total		100.0	100.0	100.0

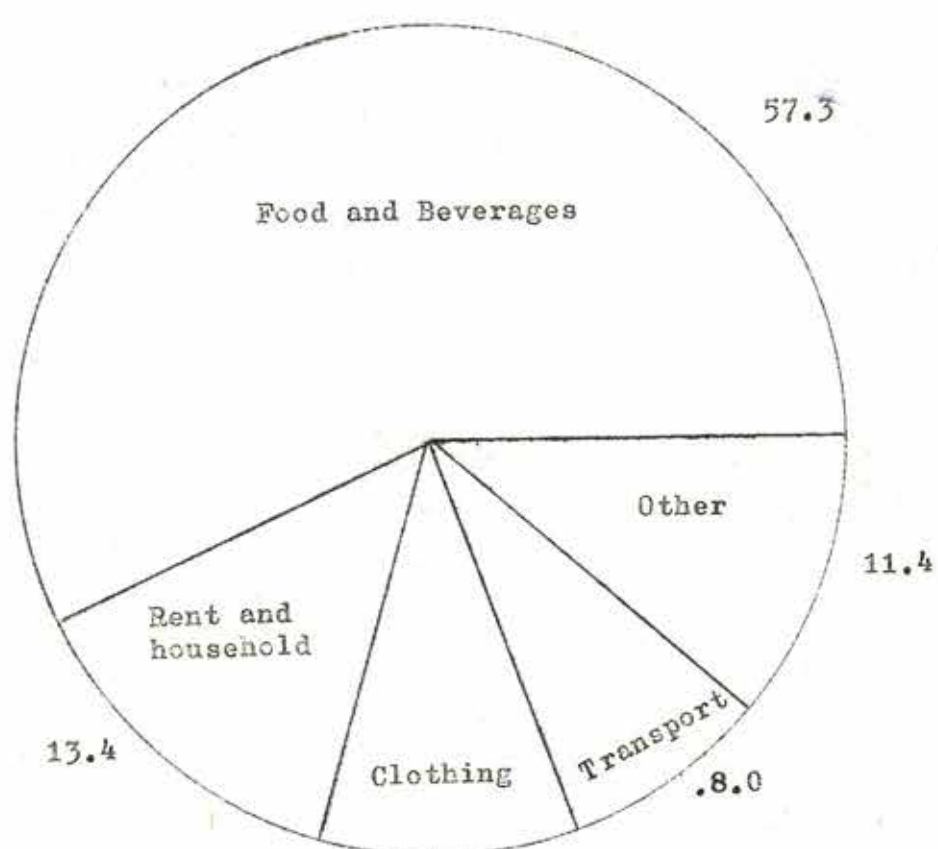


Table II : Percentage of family expenditure by major sub-divisions

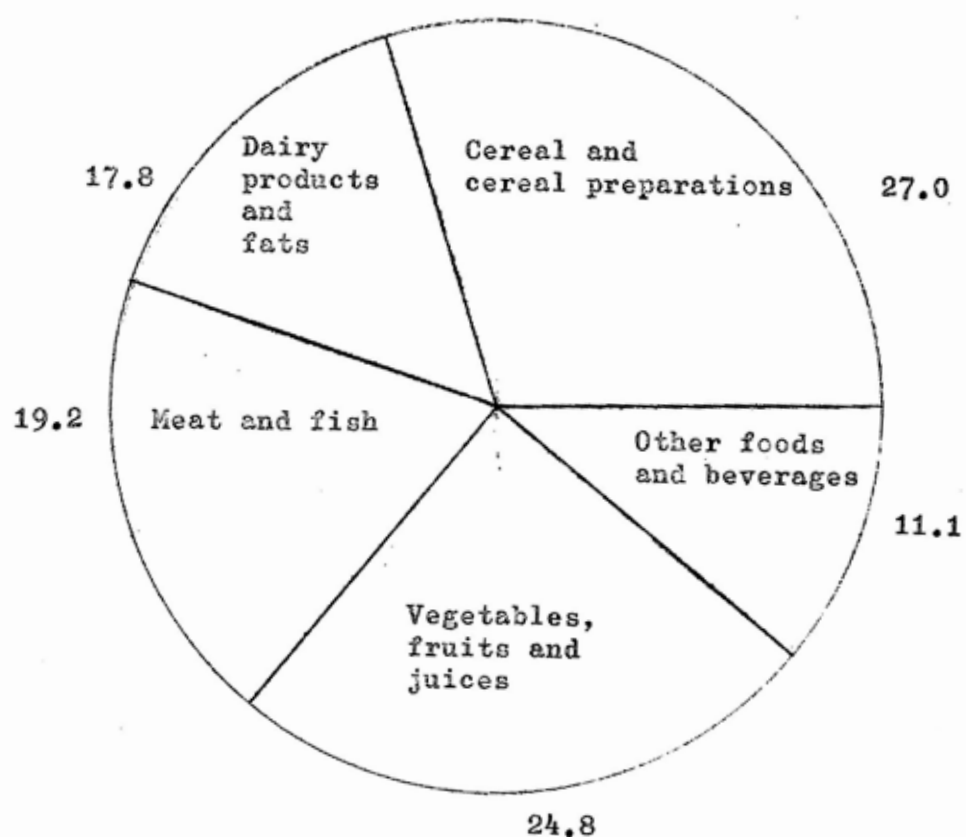
% of total expenditure

Item		PDC employees	Government employees	Overall
I	<u>Food and beverages</u>	<u>59.5</u>	<u>55.4</u>	<u>57.3</u>
	Cereal and cereal preparations	18.0	13.3	15.5
	Dairy products and fats	10.3	10.1	10.2
	Meat and fish	10.8	11.2	11.0
	Vegetables, fruits and juices	14.1	14.3	14.2
	Other foods and beverages	6.3	6.5	6.4
II	<u>Rent and household expenses</u>	<u>12.8</u>	<u>13.9</u>	<u>13.4</u>
	Rent, house purchase and maintenance	3.6	2.9	3.2
	Household services	3.3	4.5	3.9
	Furniture and other durable goods	3.3	3.6	3.5
	Soaps, washing powder, etc.	2.6	3.0	2.8
III	<u>Clothing</u>	<u>9.4</u>	<u>10.4</u>	<u>9.9</u>
IV	<u>Transport</u>	<u>6.7</u>	<u>9.1</u>	<u>8.0</u>
	Taxis and petrol	4.8	3.9	4.3
	Car ownership and other travel	1.9	5.3	3.7
V	<u>Other</u>	<u>11.6</u>	<u>11.2</u>	<u>11.4</u>
	Entertainment & leisure (includes cigarettes and tobacco)	2.5	5.1	3.9
	Animal feed	1.2	0.9	1.1
	Health and education	1.8	1.3	1.5
	Transfers and savings	2.7	1.3	2.0
	Other	3.3	2.6	2.9
TOTAL		100.0	100.0	100.0

Table III : Family expenditure on foods and beverages

% of expenditure on foods and beverages

Item		PDO employees	Government employees	Overall
1.	Cereal and cereal preparations	30.3	24.0	27.0
2.	Dairy products and fats	17.4	18.3	17.8
3.	Meat and fish	18.1	20.2	19.2
4.	Vegetables, fruits and juices	23.6	25.8	24.8
5.	Other foods and beverages	10.6	11.7	11.1
Total		100.0	100.0	100.0



Overall (PDO and Government employees).

Table IV : Details of family expenditure on foods and beverages

% of expenditure on foods & beverages

Item		PDO employees	Government employees	Overall
1.	<u>Cereal and cereal preparations</u>	<u>30.3</u>	<u>24.0</u>	<u>27.0</u>
	Rice	16.8	11.5	14.1
	Whole wheat	2.0	1.2	1.6
	Wheat flour	5.1	3.1	4.1
	Bread	2.7	4.4	3.6
	Vermicelli	1.2	1.0	1.1
	Biscuits	2.5	2.8	2.6
2.	<u>Dairy products and fats</u>	<u>17.4</u>	<u>18.3</u>	<u>17.8</u>
	Ghee substitute/cooking oil	3.1	3.4	3.3
	Pure ghee	2.4	2.9	2.6
	Butter	2.1	2.1	2.1
	Cheese	1.6	1.9	1.8
	Milk powder	1.9	2.5	2.2
	Evaporated milk	2.9	2.1	2.5
	Eggs	3.4	3.4	3.4
3.	<u>Meat and fish</u>	<u>18.1</u>	<u>20.2</u>	<u>19.2</u>
	Meat - fresh/frozen	8.1	10.1	9.1
	- tinned	1.1	1.6	1.3
		9.2	11.7	10.4
	Fish - fresh/frozen	8.1	7.6	7.8
	- tinned	0.9	1.0	0.9
		9.0	8.6	8.7
4.	<u>Vegetables, fruits and juices</u>	<u>23.6</u>	<u>25.8</u>	<u>24.8</u>
	Vegetables - fresh	3.8	4.8	4.3
	- frozen	1.0	0.6	0.8
	- tinned	2.7	2.4	2.5
	- dried	1.9	1.8	1.9
	Fruit - fresh	6.3	7.9	7.1
	- tinned	2.3	1.7	2.0
	- dried	1.0	1.8	1.4
		9.6	11.4	10.5
	Fruit juice - tinned	2.4	3.0	2.7
	Squash	2.3	1.8	2.1
5.	<u>Other foods and beverages</u>	<u>10.6</u>	<u>11.7</u>	<u>11.1</u>
	Sugar	3.1	3.3	3.2
	Coffee - beans	2.1	2.4	2.3
	- powder	1.3	1.2	1.2
		3.4	3.6	3.5
	Tea	1.5	1.2	1.3
	Aerated drinks	0.9	1.3	1.1
	Salt	0.3	0.3	0.3
	Spices	0.5	1.0	0.8
	Other foods and beverages	0.9	1.0	0.9
Total		100.0	100.0	100.0

Table V : Family expenditure on broad categories by income grouping

% of total expenditure

Broad category \ Salary range in Rials Omani	-50	51-100	101-150	151 +
Food and beverages	69.9	61.4	56.0	52.4
Rent and household expenses	8.8	11.1	15.2	15.4
Clothing	4.5	10.3	12.1	9.6
Transport	9.0	7.1	3.6	10.2
Other	7.8	10.1	13.1	12.4
Total	100.0	100.0	100.0	100.0
(Number of families)	(9)	(31)	(14)	(23)

Table VII : Family expenditure on broad categories by income grouping and family size

Income less than R.O. 100 per month			Item	% of total expenditure Income more than R.O. 100 per month	
Family size				Family size	
1,2,3,4,5	6,7	8+		1,2,3,4,5	6+
51.3	60.8	70.4	Food and beverages	49.5	57.7
9.9	13.8	7.5	Rent and household expenses	17.2	13.4
12.7	8.8	7.1	Clothing	12.1	8.3
7.8	7.8	6.6	Transport	8.8	7.9
12.2	8.8	8.4	Other	12.4	12.8
100.0	100.0	100.0	Total	100.0	100.0
(14)	(14)	(12)	(Number of families)	(18)	(19)

PARTICULARS OF HOUSEHOLD

Notes

1. All the information apart from 'income' and 'outgoing' should be filled in at the beginning of the survey.
2. Income and outgoing information should be entered during the survey period whenever it occurs: you should ask each member of the household for this information on every visit.
3. 'Other' income includes private earnings, interest on savings, income from sales, borrowed money.
4. 'Transfer'=payments to other persons e.g. relatives.
5. 'Total for household' should be completed at the end of the survey period.

EXPENDITURE SURVEYS
1974

Survey No.

Interviewee No.

Enumerator No.

Period of Survey _____

PARTICULARS OF HOUSEHOLD

Enter name of each member of the household - that is, all persons living and eating in the same house

No.	Name	Relation to interviewee	Sex Age	Marital status	Nationality	Main Occupation	Income		Outgoing		
							Salary	Other*	Transfers**	Savings	Expenditure
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											

Is the house owner occupied?

Type of house, construction, etc _____

See note 3

See note 4

Expenditure Surveys

DAILY SURVEY FORM

Notes:

1. These forms will be completed daily by each household: One will be given to the householder at the beginning of the week and it will be collected at the end of the week. When the first form is collected a second one will be left etc. for 4 weeks, so that each household will complete 4 of these daily forms.
2. If nobody in the household is capable of completing this form you should arrange to visit the house 2 or 3 times in the week so that you can complete it for them.
3. Expenditure by each member of the household should be entered.
4. For each item total expenditure should be entered under the appropriate day of the week in the column 'R.O./BZ'. The quantity bought for this price should also be entered: i.e. if one 400g tin of Ghee substitute cost 300 BZ and was purchased on Monday, '300' should be entered under the column headed R.O. BZ under Monday and '400g' should be entered in the row marked 'Quantity' underneath.
5. At the end of the week the total expenditure and quantity purchased for each commodity must be calculated and entered in the column marked 'Total'.
6. At the end of the week the total expenditure for each of the sections 01, 02 -----10 should be calculated and entered on the Monthly Analysis Form.
7. For any Food item not noted the name of the item, the price and the quantity should be entered under 'Other' in section 05. For non-food items which are purchased on a daily basis enter the name, price and quantity in section 10 - Other.

Date:

[illegible]

I continued

Average spent per day

[illegible]

I continued

Average spent per day

[illegible]

I continued

Average spent per day

[illegible]

Expenditure Surveys

WEEKLY SURVEY FORM

Notes:

1. For each household one of these forms will be completed each week by you (i.e. 4 forms for each household): the forms will not be left with the household but will be taken with you at the end of the week.
2. You will ask the householder to tell you how much has been spent by the household under each item on the form. You will enter the expenditure in the column 'R.O./BZ'. Quantities of goods purchased are not required.
3. The total amount spent under each sector II, III -----X should be calculated each week and entered in the space provided; these totals should also be entered on the Monthly Analysis form.
4. If some items of expenditure are not listed, the name of the item and the price should be written under 'Other' in the appropriate section. If there is no appropriate section the name and price should be entered under section X Other.
5. The items marked * will normally be once-monthly expenses. You should check carefully if expenditure on these is reported more than once in the month.

End of week

Survey No.

Interviewee No.

Amount spent each week

No.	ITEM	R.O.	BZ
II	CLOTHING/SHOES <u>Man/Boy Readymade</u> Dishdasha Loonghi/other Caps/other head cover Shirts Trousers/Suits/Jackets Underwear/Socks Flip Flops/Sandals Other readymade clothes/shoes <u>Woman/Girl Readymade</u> Abba Local dress, shirt " " , trousers Head cover Dresses/blouses/skirts Underwear/socks Flip Flops/sandals Other readymade clothes/shoes <u>Clothing not readymade, Man/Woman/Child</u> Fabric Tailoring Other		
II	TOTAL		
III	RENT/HOUSING COSTS * Rent * Mortgage/Loan repayment Maintenance, repairs - Burasti etc.		
III	TOTAL		

* Normally once a month only.

No.	ITEM	L.C.	BZ
IV	HOUSEHOLD SERVICES		
*	Water		
*	Electricity		
	Gas		
	Kerosene for cooking/lighting or either fuel		
	Dhobi		
	Servant		
	Telephone/stamps etc.		
	Other		
IV	TOTAL		
V	FURNITURE/HOUSEHOLD GOODS		
	Furniture		
	Bed Linen/Blankets/Towels		
	Carpets		
	Soft Furnishings - Curtains/covers etc.		
	Electrical Appliances, all types including electrical kitchen equipment and repairs		
	Crockery/Glasses/Eating Utensils		
	Kitchen equipment/Saucepans/dishes etc.		
	Other		
V	TOTAL		
VI	TRANSPORT/TRAVEL		
*	Car/Other vehicle monthly payments or purchase		
	Accessories		
*	Insurance and other fees		
	Air tickets		
	Other		
VI	TOTAL		
VII	HEALTH/MEDICAL		
	Doctors/hospital expenses/Dentists		
	Medicines		
	Pharmaceutical Products including cosmetics, spectacles, etc.		
	Other medical/health expenses		
VII	TOTAL		

* Normally once a month only

No.	ITEM	E.O.	BZ
VIII	EDUCATION		
*	Tuition fees (school/college/university)		
*	Other fees		
	Books etc.		
	Other		
VIII	TOTAL		
IX	ENTERTAINMENT/LEISURE		
	Radio/TV/Stereo Equipment/record player/ records/cassettes etc.		
	Cameras/Films/other photographic equipment		
	Books/Newspapers		
	Restaurant Expenses		
	Clubs/Cinema/Sport		
	Other		
X	OTHER EXPENSES		
X	TOTAL		

* Normally once a month only.

