

A Study Of Consumption Expenditure Discrepancy Of Scheduled Caste Households Of Drought Prone Area And River Basin Area Of Satara District

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Abstract:

This paper is holistically maps the consumption expenditure discrepancy of scheduled caste households of drought prone area and river basin area of Satara District. Using primary data on consumption expenditure, this paper focus on consumption expenditure discrepancy of the scheduled caste households of drought prone area and river basin area of Satara District. Examination of the consumption expenditure discrepancy on each food and each non-food has been done by estimating Engel ratios based on primary data for drought prone area and river basin area sample households in Satara District. This paper revealed that the disparity is more pronounced in the food component than in the non-food. It is observed that consumption expenditure discrepancy is relatively smaller in terms of percent distribution of MPCE in River basin area and Drought prone area of Satara District.

Keywords: Consumption, Engel ratio, Expenditure, MPCE, Households

I) Introduction:

Consumption expenditure and its relation to economic activity and social welfare have become one of the main interests of numerous theoretical and empirical studies over the last three decade. Household expenditures and consumption patterns is considered to be key for monitoring and explanation of inequalities and changes in material living standers and socio-economic welfare. To uplifting of scheduled caste, Government of India has been launching various programme time to time. These includes Pradhan Mantri Adarsh Gram Yojana (PMAGY), Indira Awas Yojana, Pre-Matric scholarships, Post-Matric scholarship, NSFDC, NSKFDC, SCSP, SCDCs etc. As well as others programmes has been launching for alleviating poverty in rural area. These programmes includes Integrated Rural Development Programme, Employment set of stipulated rural development activities like water watershed development, road connectivity, construction and repair of embankments, digging of new tanks/ ponds, construction of percolation tanks, check dams, etc. Up to the end of 2010-11, various schemes under MGNREGA have provided employment to 54.7 million rural households with around 2564 million person-days' work. Despite of so many programme launched by government for uplifting scheduled caste population we found discrepancy in their consumption expenditure.

II) Research Problem:

India is a developing country where low infrastructural development coupled with high population growth has made the lives of many poor people very difficult. Although India has been "reforming" since 1991, almost nobody seems to be satisfied with either the progress or the outcome. In spite of liberalization, privatization and globalization there are wide ranges of variation in consumption expenditure in different income group of households. The benefits of LPG go to higher income group of household in rural India. In case of medical expenses and other necessary expenses are far away from these deprived masses which show a direct relationship with level of income.

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Hence the researcher has selected the topic for his study entitled "A Study of Consumption Expenditure Discrepancy of Scheduled Caste Households of Drought Prone and River Basin Area of Satara District"

III) Objectives:

- 1. To study the consumption expenditure discrepancy of scheduled caste households of drought prone area and river basin area of Satara District"
- 2. To suggest various methods or policies to increase income and standard of living.

IV) Research Methodology:

- a) Sample Size: Total 600 sample households were randomly selected for study. Out of 600 sample households, 300 sample households were selected from drought prone area and 300 from river basin area. This sample size constitute of 2.05% rural scheduled caste households from study area.
- b) Methodology and Tools of Analysis: Examination of the consumption expenditure discrepancy on each food and each non-food has been done by estimating Engel ratios based on primary data for drought prone area and river basin area sample households in Satara District.

V) Data Interpretation And Analysis:

Allocation of average monthly per capita consumer expenditure (MPCE) on broad groups of food and non-food item

Table 1.1 indicates item wise distribution of average MPCE separately for drought prone area and river basin area. For the drought prone area, average monthly per capita consumption expenditure of \gtrless 617.32 is split up into \gtrless 325.29 for food and \gtrless 292.02 for non-food. Of food expenditure, $\end{Bmatrix}$ 174.49 was spent on cereal and cereal substitutes, \gtrless 22.63 For pulse and pulse product \gtrless 14.55 For milk and milk product, \gtrless 9.94 for sugar, $\end{Bmatrix}$ 17.37 For edible oil, \gtrless 21.52 For meat, fish and eggs, $\end{Bmatrix}$ 22.02 For vegetable, \gtrless 7.12 for beverage, $\end{Bmatrix}$ 9.31 for cooked food. The least consumption expenditure item in this group is salt \gtrless 1.07.

For the river basin area, average monthly per capita 30 days consumption expenditure of $\overline{\mathbf{x}}$ 794.09 is split up into $\overline{\mathbf{x}}$ 439.07 on average for food and $\overline{\mathbf{x}}$ 355.02 for non-food. Of food expenditure, $\overline{\mathbf{x}}$ 222.39 was spent on cereal and cereal substitutes, $\overline{\mathbf{x}}$ 35.29 for pulse and pulse product $\overline{\mathbf{x}}$. 24.56 For milk and milk product, $\overline{\mathbf{x}}$ 16.26 for sugar, $\overline{\mathbf{x}}$. 18.42 For edible oil, $\overline{\mathbf{x}}$ 32.40 for meat, fish and eggs, $\overline{\mathbf{x}}$. 30.45 For vegetable, $\overline{\mathbf{x}}$ 18.34 for fruits, $\overline{\mathbf{x}}$ 16.63 for spices $\overline{\mathbf{x}}$ 9.19 for beverage, $\overline{\mathbf{x}}$ 13.94 for cooked food. The least consumption expenditure item in this group is salt $\overline{\mathbf{x}}$ 1.15. The study indicate that the consumption expenditure on food item is not common for every item in both area namely drought prone area and river basin area. There is variation in consumption expenditure on some items in both areas. The range of food item except than salt, spices, beverage, and edible oil has diversified with the greater significance of milk and milk product, sugar, meat, fish and eggs along with vegetable and fruits. Per capita consumption level of river basin area sample households for certain product.

Average consumption expenditure pattern of drought prone area and river basin area dwellers is diversified. A study indicates resemblance in the consumption level of the both areas. Drought prone area and river basin area differential in food consumption expenditure is ₹ 111.78 (column 5 of table no 1.1). It is revealed that high diversification in consumption of food item in both areas. As regards the non-food items, consumption expenditure such as pan, tobacco, intoxicate, fuel and light,

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clothing, footwear, education, medical, entertainment, personal care, traveling and durable goods have been considered. The composition of food basket of drought prone area and river basin area consumer indicate significant changes. This is not true of the non-food items. The composition of non-food basket of drought prone area and river basin area consumers does not show significant changes. Hence, among the commodity basket, fuel and light, clothing, education, medical and durable goods gained relative important as well as consumer from both areas spent high amount of MPCE on pan, tobacco and intoxicate. Durable goods taking largest share of consumption expenditure in non-food consumption basket followed by clothing, fuel and light, education, medical expenditure. Clothing is most important item while medical expenses at fifth place.

Pan, tobacco and intoxicate in drought prone area and river basin area amounted ₹ 16.46 and ₹ 25.20 respectively. Expenditure on fuel and light amounted to ₹. 37.09 And ₹ 48.73 monthly in drought prone area and river basin area. Households spending on clothing averaged ₹ 53.98 and ₹ 63.01 in drought prone area and river basin area monthly. Expenditure on footwear amounted to ₹ 27.17 and ₹ 32.22 monthly in drought prone area and river basin area. Households spending on education averaged ₹ 30.17 and ₹ 34.35 in drought prone area and river basin area monthly. Average households expenditure on other significant broad groups of goods and services covering items such as medical charges ₹ 21.29 and ₹ 20.05, entertainment ₹. 14.20 And ₹ 18.22, personal care ₹ 9.94 and ₹ 10.98, traveling ₹ 20.23 and ₹ 27.37 in drought prone area and river basin area.

It is indicate that there is no significance differences among the non-food basket in the both areas namely drought prone area and river basin area. The differences in the expenditure on education, medical, entertainment, personal care goods, traveling, durable goods, footwear and other non-food item are only marginal.

MPCE and Engel ratio

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Table no 1.1 indicate estimated Engel ratio for all food and non-food items. It may be noted that the Engel ratio for food total (55.29%) is higher for river basin area and low for (52.69%) drought prone area. regarding non-food items the Engel ratio of non-food total is higher in drought prone area (47.30%) than river basin area (44.70%). The estimated value of Engel ratio indicate that drought prone area and river basin area differences in MPCE is only marginal for various items is only marginal for various items. Among food items Engel ratio on the items pulse and pulse product, milk and milk product, sugar, meat, fish and eggs, vegetable, fruits and cooked food purchased, river basin area sample households expenditure exceeded drought prone area. For food items cereal, edible oil, spices, salt drought prone area sample households expenditure exceeded in both areas. Engel ratio for beverages in both areas is found to be similar. There is no significance difference in food expenditure in both areas.

Table 1.1 Average MPCE (in ₹) of food and non-food items and
Engel ratio for drought prone area and river basin area

Item	Drought prone area		River basin area			
	Average	Engel ratio	Average	Engel	Column 5	Column 6
	MPCE		MPCE	ratio	(1)-(3)	(2)-(3)
	(in ₹)		(in ₹)			
Cereal	174.49	28.26	222.39	28.00	- 47.9	0.26
Pulse & pulse	22.63	3.66	35.29	4.44	- 12.66	- 0.78
product						
Milk & milk	14.55	2.35	24.56	3.09	-10.01	- 0.74
product						
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	Sug	ar	9.94		1.61	16.26	2.04	- 6.32	- 0.43	
	Edibl	e oil	17.37	7	2.81	18.42	2.31	- 1.05	0.5	
	Meat, fis	sh, eggs	21.52	2	3.48	32.40	4.08	- 10.88	- 0.6	
	Veget	able	22.02	2	3.56	30.45	3.83	- 8.43	- 0.27	
	Fru	its	9.58		1.55	18.34	2.30	- 8.76	- 0.75	
	Spic	es	15.63	3	2.53	16.63	2.09	- 1	0.44	
	Bever	rage	7.12		1.15	9.19	1.15	2.07	00	
	Sal	lt	1.07		0.17	1.15	0.14	- 0.08	0.03	
	Cooked	l food	9.31		1.50	13.94	1.75	- 4.63	- 0.25	
	Food	total	325.2	9	52.69	439.07	55.29	-113.78	2.6	
	Pan, tol	bacco,	16.46	5	2.66	25.20	3.17	- 8.74	- 0.51	
	intoxi	cate								
	Fuel &	light	37.09)	6.00	48.73	6.13	-11.64	- 0.13	
	Cloth	ning	53.98	3	8.74	63.01	7.93	- 9.03	0.81	
	Footv	vear	27.17	7	4.40	32.22	4.05	- 5.05	0.35	
	Educa	ation	30.17	7	4.88	34.35	4.32	- 4.18	0.56	
	Medi	ical	21.29	Ð	3.44	20.05	2.52	1.24	0.92	
	Entertai	inment	14.20)	2.30	18.22	2.29	- 4.02	0.01	
	Persona	al care	9.94		1.61	10.98	1.38	-1.04	0.23	
	Trave	eling	20.23	3	3.27	27.37	3.44	- 7.14	- 0.17	
	Durable	goods	61.47	7	9.95	74.85	9.42	- 13.38	0.53	
	Non-foo	d total	292.0	2	47.30	355.02	44.70	- 63	- 2.6	
	Tot	al	617.3	2	100	794.09	100	- 176.77	9	
	expend	liture								
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Source: Compiled by Researcher

Among non-food items Engel ratio on the item pan, tobacco and intoxicant, fuel and light, travelling river basin area sample house households expenditure exceed drought prone area sample household's expenditure. Engel ratio on the items clothing, footwear, education, medical, entertainment, personal care goods and durable goods drought prone area sample household's expenditure exceed river basin area sample house household's expenditure. Engel ratio for other food and non-food items does not exhibit much variation in river basin area and drought prone area.

Drought prone area and River basin area discrepancy

A comparison of average MPCE (column 5 and 6) in drought prone area and river basin area levels indicate that the disparity is more pronounced in the food component than in the non-food. For food in river basin area sample households per capita expenditure exceeded drought prone area sample household's per capita expenditure by ₹ 113.78 (2.6%). As well as per capita expenditure on non-food in drought prone area sample households exceeded river basin area by ₹ 63 (2.6%). River basin area and Drought prone area consumption expenditure discrepancy is relatively smaller in terms of percent distribution of MPCE.

VI) Finding:

• It is observed that the consumption expenditure on food item is not common for every item in both area namely drought prone area and river basin area. Per capita consumption level of river basin area sample households exceeded drought prone area sample households for certain product.

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- High diversification in consumption of food item is found in both areas. The composition of non-food basket of drought prone area and river basin area consumers does not show significant changes.
- Sample respondents from both areas spent high amount of MPCE on pan, tobacco and intoxicate.
- It is observed that there is no significance differences among the non-food basket in the both areas namely drought prone area and river basin area. The differences in the expenditure on education, medical, entertainment, personal care goods, traveling, durable goods, footwear and other non-food item are only marginal.
- The estimated values of Engel ratio indicate that a drought prone area and river basin area difference in MPCE is only marginal for various items.
- There is no significance difference in food expenditure in both areas.
- Engel ratio for other food and non-food items does not exhibit much variation in river basin area and drought prone area.

VII) Conclusion:

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A comparison of average MPCE in drought prone area and river basin area levels indicate that the disparity is more pronounced in the food component than in the non-food. For food in river basin area sample households per capita expenditure exceeded drought prone area sample household's per capita expenditure. As well as per capita expenditure on non-food in drought prone area sample households exceeded river basin area. It is observed that consumption expenditure discrepancy is relatively smaller in terms of percent distribution of MPCE in River basin area and Drought prone area of Satara District.

VIII) Suggestions:

- It is suggested that there is need for taking some special drive on the part of the Nongovernment Organization (NGOs) and Voluntary organization to motivate the intoxicate addicted to give up such kind of habits. This will not only help to improve standard of living but also goes a long way in the process of welfare maximization of the society.
- It is suggest that establish small scale and cottage industries at central places of Khatav and Man Tehsil it will help to get employment opportunities to people from Khatav and Man Tehsil.
- Jihe Khatapur lift irrigation project is stopped before few years back if it is completed majority part of Khatav Tehsil will come under irrigation hence it help to increase agricultural productivity.
- Marginal farmers from drought prone and river basin area need training in agriculture best practices and access to inputs, credit, storage and technology to increase their productivity in a sustainable way, which raise their won living standard and produces surpluses to nourish others.

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