



**ISSN 2349-638X**

**REVIEWED INTERNATIONAL JOURNAL**

**AAYUSHI  
INTERNATIONAL  
INTERDISCIPLINARY  
RESEARCH JOURNAL  
(AIIRJ)**

**MONTHLY PUBLISH JOURNAL**

**VOL-I**

**ISSUE-VI**

**Nov.**

**2014**

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## **Income and Consumption Expenditure Pattern of Scheduled Caste Households in Drought Prone Area And River Basin Area of Satara District: A Micro Perspective**

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### **Abstract:**

*The micro level study, conducted in the drought prone area and river basin area of Satara District to examine the source of income and consumption expenditure pattern of scheduled caste households, indicate that the agricultural and allied agricultural activities are the main source of income in drought prone and river basin areas and service and business activities contributes only negligible part of their income on consumption expenditure. It is observed that the average monthly per capita consumption expenditure on food and non-food of sample households from river basin area is higher than sample households from drought prone region. The purpose of this study was to examine the relation between income and consumption expenditure patterns in 600 sample scheduled caste households from drought prone and river basin area to determine whether a higher income was related to higher consumption expenditure.*

**Keywords:** Consumption, Expenditure, Food, Income, Non-food, MPCE

### **Introduction:**

The analysis of relation between income and consumption expenditure pattern overtime would help in designing appropriate policies related to food and non-food. Family lifestyle has been change in response to change in income level due to increasing impact of liberalization, privatization and globalization. Foods and non-foods are the most important item of the consumption basket; an analysis of the consumption expenditure pattern over time has a special significance which is the most important component for deprived section of society. Income and consumption expenditure pattern is an excellence indicator of economic well-being of society. If the society is rich will be made on comfort, luxury commodity as well as, if the society is at substance level, people will spend more on food rather than non-food. According to Engels law, the poorer the household greater proportion of its total income spend on consumption of food items.

### **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. Hence the researcher has selected the topic for his study entitled “INCOME AND CONSUMPTION EXPENDITURE PATTERN OF SCHEDULED CASTE HOUSEHOLDS IN DROUGHT PRONE AREA AND RIVER BASIN AREA OF SATARA DISTRICT: A MICRO PERSPECTIVE”

**Objectives:**

1. To examine the relationship between consumption expenditure and determinants of consumption such as income.
2. To suggest various methods or policies to increase income and standard of living.

**Hypothesis:**

- There is significant relationship between consumption expenditure and determinants of consumption such as income.

**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 region and 300 from river basin region. This sample size constitute of 2.05% rural scheduled caste households from study area
- b) Methodology and Tools of Analysis: Examination of consumption expenditure pattern of scheduled caste households from drought prone region and river basin region of the Satara district is done by analysing distribution of population by Monthly Per Capita Consumption Expenditure. Chi-square test was carried out to find out relationship between consumption expenditure and factors such as income.

**EXAMINE THE RELATION BETWEEN CONSUMPTION EXPENDITURE AND DETERMINANTS OF CONSUMPTION SUCH AS INCOME.**

**A) Income and Expenditure on food items**

Table 1.1 indicates relation between income and expenditure on food. 600 sample households classified into five per capita income classes. The 600 sample households have been grouped into four per capita expenditure classes. The classes are below 10000, 1000-1200, 1200-1300 and above 1300.

129 sample households fall in below 1000 income group. Among the group of below 1000 100% households spent less than ₹ 1000 per month on food. No one sample household found to be spent more than ₹ 1000 on food from below 1000 income group due to less Monthly per capita income.

**Table 1.1 Income and Expenditure on food items**

Income class	Number of households spending on food items in each MPCE class				Total
	Below 1000	1000-2000	1200-1300	Above 1300	
<b>Below 1000</b>	129	0	0	0	129
<b>1000-2000</b>	73	62	43	32	210
<b>2000-3000</b>	30	37	29	27	123
<b>3000-4000</b>	15	18	22	30	85
<b>Above 4000</b>	4	12	16	21	53
<b>Total</b>	251	129	110	110	600

Source: Compiled by Researcher

d.f 12, 5% significant level

210 sample households fall in 1000-2000 income groups. Among the group of 1000-2000 34.76% households spent less than ₹ 1000 per month on food, 29.52% households spent between ₹ 1000-1200 per month on non-food, 20.47% households spent between ₹ 1200-1300 per month on food, 15.23% households spent more than ₹ 1300 per month on food.

123 sample households fall in 2000-3000 income groups. Among the group of 2000-3000 24.39% households spent less than ₹ 1000 per month on food, 30.08% households spent between ₹



1000-1200 per month on food, 23.57 % households spent between ₹ 1200-1300 per month on food, 21.95% households spent more than ₹ 1300 per month on food.

85 sample households fall in 3000-4000 income groups. Among the group of 3000-4000, 17.64% households spent less than ₹ 1000 per month on food, 21.17% households spent between ₹ 1000-1200 per month on food, 25.88% households spent between ₹ 1200-1300 per month on food, 35.29% households spent more than ₹ 1300 per month on food.

53 sample households fall in above 4000 income groups, Among the group of above 4000, only 7.54% sample households spent less than ₹ 1000 per month on food, 22.64% households spent between ₹ 1000-1200 per month on food, 30.18% households spent between ₹ 1200-1300 per month on food, 39.62% households spent more than ₹ 1300 per month on food.

#### **To test the hypothesis:**

- H<sub>0</sub>: There is no significant relationship between consumption expenditure on food and determinant of consumption such as income.

#### **Against the alternative**

- H<sub>1</sub>: There is significant relationship between consumption expenditure on food and determinant of consumption such as income.

The estimated chi-square test value (245.88) is found to be greater than chi-square table value (21.0) at 5 per cent significant level. Hence H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. Thus there is relationship between income and consumption expenditure on food.

#### **B) Income and expenditure on non-food**

Table 1.2 indicates relation between income and expenditure on non-food. 600 sample households classified into five per capita income classes. The 600 sample households have been grouped into three per capita expenditure classes. The classes are below 600, 600-1200 and above 1200.

129 sample households fall in below 1000 income group. Among the group of below 1000 63.56% sample households spent below ₹ 600 per month on non-food items, 36.43% sample households spent between RS 600-1200 on non-food, no one spent above ₹ 1200 on non-food.

210 sample households fall in 1000-2000 income groups. Among the group of 1000-2000 34.76% sample households spent below ₹ 600 per month on non-food items, 42.38% sample households spent between RS 600-1200 on non-food, 22.8% sample households spent above ₹ 1200 on non-food.

123 sample households fall in 2000-3000 income groups. Among the group of 2000-3000 39.02% sample households spent below ₹ 600 per month on non-food items, 31.70% sample households spent between RS 600-1200 on non-food, 29.26% sample households spent above ₹ 1200 on non-food.

85 sample households fall in 3000-4000 income groups. Among the group of 3000-4000 20% sample households spent below ₹ 600 per month on non-food items, 35.29% sample households spent between RS 600-1200 on non-food, 44.70% sample households spent above ₹ 1200 on non-food.

53 sample households fall in above 4000 income groups, among the group of above 4000, 15.09% sample households spent below ₹ 600 per month on non-food items, 37.73% sample households spent between RS 600-1200 on non-food, 47.16% sample households spent above ₹ 1200 on non-food.

**Table 1.2 Income and Expenditure on non-food items**

Income class	Number of households spending on non-food items in each MPCE class			Total
	Below 600	600-1200	Above 1200	
<b>Below 1000</b>	82	47	00	129
<b>1000-2000</b>	73	89	48	210
<b>2000-3000</b>	48	39	36	123
<b>3000-4000</b>	17	30	38	85
<b>Above 4000</b>	8	20	25	53
<b>Total</b>	228	225	147	600

Source: Compiled by Researcher d.f 8, 5% significant level

**To test hypothesis:**

- $H_0$ : There is no significant relationship between consumption expenditure on Non-food and determinant of consumption such as income.

**Against alternative hypothesis:**

- $H_1$ : There is significant relationship between consumption expenditure on Non-food and determinant of consumption such as income.

The estimated chi-square test value (106.66) is found to be greater than chi-square table value (15.5) at 5 per cent significant level. Hence  $H_0$  is rejected and  $H_1$  is accepted. Thus there is relationship between income and consumption expenditure on non-food.

**Findings:**

- Majority of sample scheduled caste households from drought prone area and river basin area of Satara District spending more on food-items rather than non-food items.
- Result of chi-square test indicates that there is significance relation between monthly per capita expenditure and factors such as income for sample scheduled caste households and this finding validates our hypothesis.
- It is observed that higher MPCE levels are related with higher income.

**Conclusion:**

- It is conclude that consumption expenditure pattern highly associated with level of income. Higher the income levels higher the rate of consumption expenditure.

**Suggetions:**

- It is suggest that establish small scale and cottage industries at central places of Khatav and Man tahsil it will help to get employment opportunities to people from Khatav and Man tahsil.
- Jihe Khatapur lift irrigation project is stopped before few years back if it is completed majority part of Khatav Tehsil will come under irrigation.
- Smallholder farmers 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.
- Drought prone region farmers need access to crop insurance so they can rebound from crop failure.

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