THE PATTERNS OF CONSUMPTION EXPENDITURE IN RURAL HOUSEHOLDS OF WESTERN ODISHA OF INDIA: AN ENGEL RATIO ANALYSIS

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Abstract: The present paper analyses the pattern of consumption expenditure of rural households to show the frequent changes in both food and non-food consumption expenditure due to the changes in income and occupation of the people. Consumption expenditure is increasing due to increase in urbanisation, breaking up of the traditional joint family system, desire for quality food, lack of time which translates into an increased need for convenience. Increasing number of working women, rise in the per-capita income in forcible situations of other dominants, changing lifestyles and increasing level of affluence of the surroundings with lack of saving attitude and appropriate awareness brought a significant changes in the expenditure patterns among the rural communities. The paper defines the income elasticity of expenditure as proxy for income elasticity of quantity demanded for selected food and non-food commodities among different income and occupation class in Western Odisha through an Engel ratio analysis. To examine the impact, the actual distribution of monthly per capita incomes and other selected characteristics of different income classes have been taken into consideration. With this background in this paper an attempt has been made (i) to examine the impact of income and occupation on consumption expenditure among the rural population and (ii) to analyse the factors influencing the rural consumption pattern.

Keywords: Consumption Expenditure, MPCE, Engel Ratio, Rural Household, Western Odisha

INTRODUCTION

India is a developing country where low infrastructural development coupled with high population growth has made the lives of many poor people very difficult. Still there are wide ranges of variation on educational expenditure in different income groups of the households. The benefits of knowledge and education go to higher income groups of rural households. Similarly 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. The standard of living of a household can be understood from the consumption pattern, and the qualities of consumption budget which clearly indicate the level of welfare of the household. Food consumption pattern of household is an important barometer of individual welfare and well-being in any region. Human life is ultimately nourished and sustained by consumption (Vaidyanathan, 1985, Reddy 2004, Pavithra, 2008). Consumption clearly contributes to human development when it enlarges the capabilities and enriches the lives of people without adversely affecting the well-being of others.

Consumption pattern of the rural households depends on many factors like assets, level of education, occupation and demographic characteristics. Saving in any community depends on these factors. The sources of income in the rural household sector are various. In most of the households the main occupation is not the only source of income and in the cultivator households, more than 50 per cent of the household income originate from other sources. Study of Pavithra et al (2009) on the basis of primary data found that the consumption of cereals has declined in Karnataka over the periods. The monthly per capita consumption of pulses was almost stable over the two periods in rural and urban areas of Karnataka. The monthly per capita expenditure (MPCE) on food was Rs.167 during 1993-94 in rural areas and it increased to Rs.283 during 2004-05. In urban area, the MPCE increased from Rs.236 to Rs. 447. The expenditure elasticity for all food groups were less than unity in urban areas with the highest value being 0.96 for vegetables. A similar recent study by Chudali et al (2011) used primary data of five villages in Nepal. The study relates the consumption patterns with income and employment of Nepalese people at different topographical situation. They found that, income elasticity of demand for food overall is 0.40 which means that the 0.41 per cent change in demand for food, if 1 per cent change in the income.

Rout (2009) examined the variation in food consumption and nutritional status of women in the state of Orissa in rural and urban areas against different background variables by using the NFHS-II data on 4425 ever married women in the age group 15-49. He found that, 33 per cent of urban women and 48.6 per cent of rural women are in the low income group and urban women enjoy a better position in all the food items. So, nutritional status is positively related with education of respondent, education of husband, household standard of living, and occupation of husband. Another study of Gangopadhyay and Wadhwa (2004) examined the changing pattern of household consumption expenditure to examine the household behaviour which was purely a statistical exercise, suggesting what can be done, rather than what should be done. They have found a general growth in expenditure is sufficient to clear of poverty. They have suggested that, given our self-sufficiency in food availability, it is time to improve the availability of those services that improve the quality of life.

Jacoby and Skoufias (1998) in their study reported that households in some villages are largely vulnerable to aggregate risk, in that the magnitude of their seasonal consumption changes varies significantly from year to year, while households in the other village seen better able to use credit markets and informal exchange to absorb aggregate shocks. Also the study Andrew (2000) examined the relationship between average household living standard and inequality by using annual time series data for Indian state. Causality tests are applied to investigate the relationship between household consumption and subsequent inequality on the one hand and initial inequality and subsequent consumption on the other. Lower inequality has generally been associated with higher future consumption levels, but urban sectors of some state's consumption are positively correlated with subsequent inequality.

Jones and Martin (1997) examined that patterns of consumption are affected by changes in economic status and domestic responsibility, as young people become independent of their parents and set up homes of their own. The research was based on the Family Expenditure survey annual data on over 2000 young people aged 16 to 25 years. They take 1992, 1987 and 1982 data sets, and examined the ways in which patterns of spending have changed over the decade and found that there are different dimensions of consumption expenditure. Another Study of Sooryamoorty (1993) identified the significance of certain socio-economic and geographical variables that have an enhancing role in the new trend of consumption in Kerala. The study found that the role of the independent variables on influencing the expenditure pattern of the respondents varied from item to item. The variables like income, occupation and education were found to enhance the expenditure on all the chosen items. Except in the purchase of beverages, refreshments and processed food; the level of consumption in both rural and urban areas of Kerala remains similar. The study identifies the middle income class, the employed in regular salaried jobs and the well educated as the category of consumers who spend noticeably on the items under study. Fernandez et al. (2007) have reported from consumer expenditure survey data and stated that both expenditures on nondurables and durables have a sizable hump, around 50 per cent of which is accounted for by changes in household demographics.

The relevant household characteristics considered were occupational pattern of the head of the household, which included (1) those with the head self-employed in non-agricultural activities, (2) agricultural labourers, (3) non-agricultural labourers and (4) self-employed in agriculture. Religion of the household including (1) Hindu (2) Muslim and dummy indicating that household head belongs to

scheduled caste or tribe also included. In facts the same was true for both agricultural and non-agricultural labourer households of the same size and same budget (Subramanian and Deaton, 1991).

One of the important studies Mukhopadyay (1987) examined the nature of interstate differences in the expenditure patterns of rural households. The analysis has covered three item groups i.e. cereals substitutes, all food and all non-food. To examine the nature of interstate differences in expenditure patterns pair-wise analysis of covariance test has been applied to item specific Engel curves for each pair of States. The state-wise average elasticity's for different items have also been examined. The study has revealed that the expenditure patterns of rural households in India for cereals and cereals substitutes and all food items as reflected by Engel elasticity's and ratios are considerably different across states. In another study of Gupta (1986) examined the aggregate consumption behaviour and trends in consumer expenditure using C.S.O estimates of private final consumption expenditure for the time periods 1950-51 through 1978-80. The study has applied the Ordinary Least Square (OLS) to estimate various parameters of different consumption functions. In the conclusion of the above literature, we found that consumption does not depend upon income alone as made out by Keynes's psychological law of consumption function. It shows that, there is no surety that the influence of many socio-economic and religious factors will be enough to shift or to drift the consumption function upward at the rate necessary to give a long run proportionally between income and consumption.

The present study relates the consumption patterns of rural households to show the frequent changes in both food and non-food consumption expenditure due to the changes of standard of living, income of the people and modernity of the society, especially due to the impact of Liberalization Privatization Globalization (LPG) plans and policies. The traditional Monthly Percapita Consumption Expenditure (MPCE) of the rural masses has been largely influenced and affected by the grip of modernity. The present study tries to analyse the changing pattern of rural household consumption expenditure under various changing situations of the society and its surroundings. Majority of consumption expenditure is still at household. For instance, out of household expenditure, consumption expenditure is increasing due to increase in urbanisation, breaking up of the traditional joint family system, desire for quality food, lack of time which translates in to an increased need for convenience. Increasing number of working women, rise in the per-capita income in forcible situations of other dominants, changing lifestyles and increasing level of prosperity of the surroundings with lack of saving attitude and appropriate awareness brought a significant changes in the expenditure patterns among the rural communities (Rout, 2009, Andrew, 2000, Gopalakrishna, 1990). The study also examines the impact of rapid urbanisation and some sociological changing factors influencing consumption expenditure whether they are radical or remedial. The study also defines the income elasticity of expenditure as proxy for income elasticity of quantity demanded for total food, non-food and selected food group commodities among the rural households. To examine the impact, the actual distribution of monthly per capita incomes and other selected characteristics of the four income classes as identified in the rural region. In fact, better quality of life is an important indicator of economic development and consumption pattern has changed with acceleration in quality of life, proving its significance. But here the question arises, how rewarding is today's pattern of consumption in terms of human satisfaction especially for the poor rural households? With this background in this paper an attempt has been made (i) to examine the impact of income and occupation on consumption expenditure among the rural population (ii) to analyse the factors influencing the rural consumption pattern.

STUDY AREA

As per census of India 2011, in Odisha rural population constitute 83.32 per cent of total population and Sundargarh is one of the district where 64.50 per cent of total population of the district live in rural areas. As per 2011 census the rural literacy rate of the district is 67.27 per cent with a male literacy of 76.63 per cent and female literacy of 58.02per cent. Female literacy of Sundargarh district is low as compared to other. Whereas the urban literacy rate of the district is 86.28 per cent with a male literacy of 91.41per cent and female literacy of 80.68 per cent.

Jaratoli, Pahadtoli and Militoli villages from Sundargarh district of Odisha purposively selected for this study. These three villages are belonging to the Santoshpur Panchayat of Bisra block of Sundargarh District. The sample selected included 200 households. These villages are 10 km away from the industrial city Rourkela, where the number of small, medium and large scale industries are located. Each of these villages has its own agro climatic and socio economic conditions and hence, the samples selected also tell these socio economic features. In terms of area and population Pahadtoli is the smallest whereas with almost double the area and population Militoli is the largest of the sample villages. Though

agriculture is the main occupation of the people but due to lack of rain and interest among the people, they prefer only one time paddy cultivation throughout the year, and in rest times they played as non-agricultural labour. In Pahadtoli and Jaratoli the nature of land and agro climatic conditions have favoured cash crops like ground nut and some other vegetable but due to the uncertainty of weather during the study period, people cultivated only paddy. In Militoli people prefer some cereal kind cultivation like Mug dal, black gram including the paddy cultivation. This village is a kind of multi religious village and most of the villagers those who are belongs to Muslim community having no land. Around 48per cent household heads of the total sample are illiterate.

The selected sample is a representation of the total population. As far as possible all the different occupation groups are given proportional representation in the sample. As such, the sample consisted of 41 per cent non-agricultural labour, 14 per cent self employed having business also, 11 per cent owner cultivator, 5per cent agricultural labour, and 10 per cent salaried households. The occupation of the head of the household is considered as the main occupation of the household.

METHODOLOGY AND SAMPLE DESIGN

The present study is mainly based on the primary data on income, expenditure, family size; occupational structure and consumption collected from the villages through interviewing the head of the selected household and used a separate questionnaire for each household. The household survey was conducted during December 2011 to February 2012 in the selected villages. The Monthly Per-capita Consumption Expenditure both on food and non-food were calculated on the basis of interview schedules and taken averages. Besides this, local team leaders of daily workers are also consulted to get more accurate and qualitative data.

Jaratoli village is inhabited by 92 household, Pahadtoli village is inhabited 12 households and Militoli village is inhabited 106 households. Both Jaratoli and Pahadtoli are considered as one village. These three village constitute 210 households and the number of sample household selected are 200 i.e. 95 per cent from each category of households from each villages with the total head count population of 903. Totally 200 households from these three villages are selected on the basis of Random Sampling and total sample households are classified on different occupation groups, different age groups, income earners and non-earners groups. Firstly, the selected sample is a representation of the total population. As far as possible all the different occupation groups are given proportional representation in the sample. As such, the sample consisted of 41 per cent non-agricultural labour, 14 per cent self employed having business also, 11 per cent owner cultivator, 5 per cent agricultural labour, and 10 per cent salaried households as shown in the chart 3.2. The occupation of the head of the household is considered as the main occupation of the household. Secondly, the average size of the family is 4.96. As much as 85 per cent of the head of the household belongs to the age group of 15-59 which may be natural in any population group as shown in the chart 3.3 below. Population above 60 years and below 14 years are supposed to be unproductive. Thirdly, the ratio of earners to non-earning dependents indicates to the work participation ratio and the division of the society into productive and unproductive members. There are 270 income earning members in a total of 903 members and thus, the ratio of earners to non-earning dependents is 1:2.34. The earning member per household is only 1.48 which leads to a fair dependency ratio. The irregular work participation rate of the younger age groups and the proportion people above 60 probably explains this dependency ratio.

An Engel ratio for each item of expenditure to total expenditure has been estimated for each item of food and non-item separately. Then sample households have been grouped into different comparable expenditure class. Engel ratio for each item of food, non-food is estimated for each expenditure class. Examination of the differences in the expenditure on non-food as well as food items among the households belonging to different income levels, education levels, occupation categories and size of the family has been taken and done by finding out the association between Monthly Per Capita Consumption Expenditure (MPCE) and its categorisation derived from total annual expenditure in all items. Sample households have been grouped into different expenditure classes and income classes for better understanding. Similarly for finding out the association between expenditure pattern and occupation sample households are grouped in to different occupation groups. Per capita expenditure on each food and non-food item has been studied for identifying necessary and luxury items in the consumption baskets. Possession of durable goods by the households has been analysed to study the tendency of luxuries consumption among them.

INCOME AND PATTERN OF CONSUMPTION EXPENDITURE

The significance of income is the most important determinant of consumption. The rural households derive their income from various sources like agriculture, livestock and poultry, wages and other self-employed activities. For the calculation of consumption expenditures, spending under all heads of consumption for all members of the family have been collected separately. For regular items of expenditure monthly data have been collected where as for other items annual data have been collected. Expenditure on consumer durables is also included under the consumption expenditure.

Income Distribution

Average Income and Consumption Expenditures Occupation Groups

Under the head consumption expenditures all items under food and non-food including expenditures on consumption durables are included. Data on expenditures on each item of food were collected on a monthly basis. Data for expenditures on non-food items like clothing and footwear, medical care and health services, transport expenses, education, and pan and intoxicants were collected for each members of the family on a monthly basis., whereas for expenditure on heads such as electricity, communication and entertainment and sanitary goods and cosmetics, data were collected for the household as a whole as a monthly basis. Data on expenditure, which do not occur frequently, namely, clothing and footwear, consumer durables and other household goods and religious and cultural activities were collected on a yearly basis for the household as a whole. The average income of different occupation groups and their consumption expenditure is shown in table 2.

Here, average income for all households is Rs. 75358. The average consumption expenditure on food for all households is Rs. 24854 and for non-food items the average expenditure is Rs. 34637 followed by an average expenditure of Rs. 59491. The consumption income ratio is 0.80 for all households. The per capita income for all households' amounts to Rs. 15491 and per capita consumption comes to Rs. 12361.

However, for the different occupation group's average income, average consumption expenditure and consumption income ratio changes. The cultivators with an average income of Rs. 73649 are well off compared to agricultural labour households. These households spend an average amount of Rs. 26278 on food and Rs. 35942 on non-food items, leading to a total expenditure of Rs. 62220 and an average propensity to consume of 0.84.

In the calculation of income, income from all sources of all the members of the household are collected. In the case of members having occasional employment, average number of days per month getting employment together with average wages is collected, whereas in the case of those having regular employment monthly salaries are considered.

The income distribution in the sample households is rather skewed as more income has got concentrated in the hands of few households. The bottom four income classes covering 15 per cent have only more than Rs.6000 income as in MPCY basis. The top 56 per cent households have not more than Rs 3000 per month. The rest 28 per cent are fall within Rs.3000 to Rs.6000 income class in the MPCY as shown in table 1.

The average income of the agricultural labour households is Rs. 35172 which is only 47.76 per cent of the income of cultivator households. Their annual expenditure on food and non-food items is Rs. 29997 and Rs. 19456 respectively. The total consumption expenditure for this group is Rs. 37445 resulting in a consumption income ratio of 1.13, which points to the fact that these household live beyond their means. To meet the excess of expenditures over income, they have restored to borrowing or sale of existing assets. The average income of the non-agricultural labour households exceeds that of agricultural labour households by Rs. 14310. These households on an average spent Rs. 21214 on food and Rs. 26185 on non-food items.

The self-employed in the nonfarm sector as a group drive more income than other groups except the group of households where the heads are employed in business kind activities. The average income of these households is Rs. 120855 and the consumption expenditure on food and non-food items are Rs. 29049 and Rs. 46508 respectively. The total consumption expenditure is Rs. 75557 and the consumption income ratio is 0.63.

Consumption expenditure on food and non-food items in absolute terms is the highest for the self-employed in non-farm sector followed by the salaried group and others. The non-agricultural labour class have the least in compassion to others. However, as per cent of income, the highest expenditure on food is for the agricultural labour households, who spend 59.70 per cent of their income on this item. Only for this group expenditure on no-food items is less than hat for food items. But the non-agricultural labour

Table 01: Monthly Per capita Income Category

Income Category	Number of Households	Per cent
0-3000	102	56.0
3001-6000	51	28.0
6001-9000	13	7.1
9001-12000	5	2.7
12001-15000	6	3.3
Above 15000	5	2.7
Total	182	100.0

Source: Survey Data and Author's Calculation

Table 02: Average Income and Consumption Expenditures of Occupation Groups

Occupation Groups	Average Income	Average Consumption expenditure			Consumption income ratio	Per capita income	Per capita consumption
		Food	Non-food	Total			
Cultivators	73650	26278	35942	62220	0.84	15311	12933
Agricultural Labour	35172	20997	19456	40453	1.13	7493	8477
Non Agricultural Labour	49483	21214	26185	473999	0.95	11400	10839
Business Man	105940	27042	48537	75615	0.71	20437	14469
Self Employed in non-farm sector	120855	29049	46508	75557	0.63	23764	14857
Salaried	139679	26829	50291	77119	0.55	36213	20735
Total	74358	24854	34637	59491	0.80	15491	12361

Source: Survey Data and Author's Calculation

Table 3: Average Income and Consumption Expenditure of Income Groups

Income Class (Rs.)	Average Income	Average Consumption Exp.			Consumption Income Ratio	Per capita Income	Per capita Consumption
		Food	Non-food	Total			
Less than 25000	20619	17293	12613	29906	1.45	4197	7259
25000–35000	30051	19585	17744	37329	1.24	7684	9544
35000-50000	40728	21676	22602	44278	1.09	9176	9984
50000-75000	60869	25297	30303	55600	0.91	12174	11120
75000-100000	86674	26495	36398	62833	0.73	18218	13207
100000-150000	124365	29864	54969	84833	0.68	24638	16807
150000-200000	171815	33681	61918	95599	0.56	24278	13509
200000 & Above	245862	37787	109686	147472	0.59	41471	24743

Source: Survey Data and Author's Calculation

Average Income and Consumption Expenditure of Income Groups

class, are spending more on consuming alcohols and other intoxicants. The lowest income occupation groups, namely, the agricultural labour households and the non-agricultural labour households have the highest average propensity to consume with figures of 1.13 and 0.95 respectively.

Consumption pattern of households vary with income. Generally, there is a tendency for the lower income groups to spend beyond their income. Many of the households receive low income with which they may not be able to make both the needs. They meet the excess of consumption over income either by borrowing or by sale of assets that they already possess. The average income of different income groups and their consumption expenditure is shown in table 3.

Considering the average income and consumption expenditures on food and non-food items of the different income groups, for the lowest three income groups APC is greater than one. For the lowest income group, average household income is Rs. 20619 and average consumption expenditure is Rs. 29906 leading to a consumption income ratio of 1045. In the consumption expenditure 57.82 per cent is for food and the rest for non-food items including consumer durables.

In the Rs. 25000-35000 income group, the average income is Rs. 30051, consumption expenditures being Rs. 37329 resulting in an APC of 1.24. Expenditure on food accounts for 52.47 per cent of the consumption expenditures. Per capita income in this group is Rs. 7684 and per capita consumption is Rs. 9544. In the Rs. 35000-50000 income bracket the average income of the households is Rs. 40728 the consumption expenditure being Rs. 44278, there by the APC is 10948.25 per cent of the consumption expenditures is for food items and the rest for non-food articles of consumption. The PCI and PCC of this group are Rs. 9176 and Rs. 9984 respectively.

From the Rs. 50000-75000 onwards the APC becomes less than one leading to positive saving. Average income of this group is Rs. 60869 and consumption expenditure is Rs. 55600. Out of these consumption expenditures 45.50 per cent is for food items. In the top most income class, the households enjoy an average income of Rs. 245862 out of which consumption expenditure amounts to Rs. 147472, which is 59 per cent of the total. The share of food articles in this consumption amounts to only 25.62 per cent of the total. The per capita income for this group is Rs. 41471 and per capita consumption is Rs. 24743. Thus the share of expenditure on food articles declines as the income level increases whereas the share of non-food items increase. Consumption income ratio and the per capita consumption show a downward trend as the income level increases. The higher income groups spend more on unnecessary consumption goods like consumer durables which increases the share of non-food items of their consumption expenditure. However in case of village Jaratoli and some tribal group of Militoli, though they are under low income class, a small rise in income shifted towards spend more and more on alcohols and in medical services in comparison to other expenditure indicators. It may due to lack of saving attitude and awareness among them.

Size of the Household and Consumption Expenditure

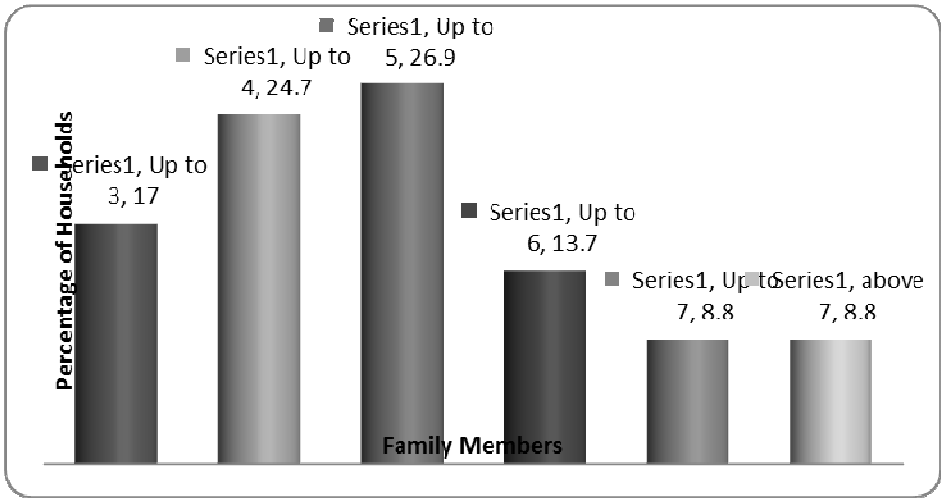
The size of the household is a crucial factor in determining the division of income between consumption and saving. As the size of the family increases the consumption expenditures will rise. The rapid growths of population in the rural communities have negative impact on saving.

When we classified according to the size of the household the consumption expenditure steadily rises as the size of the family increases. When the size of the family is 3, the total consumption expenditure is Rs. 45008, which has increased to 103300 when the size of the family is 7 and above. The consumption income ratio has also increased from 0.73 in the case of households with 3 members to 0.95 in the case of households with 7 members or more. Expenditure on food in the case of households with 3 members is 43.91 per cent of the total which has decreased to 34.86 per cent of the total for the households with seven members or more, even though in absolute terms, expenditure on food has increased from Rs. 19763 to Rs. 36011. The average income has also shown an increasing trend with increase in the size of the family, pointing to the fact of more earning members. The size of the households with relation to their average income and their consumption expenditure has been given in the table 4.

Per-Capita Expenditure in Rural Household on Different Items of Consumption

The consumption pattern of rural households is analysed by studying the differences in the expenditure on different items in the consumption baskets. The NSSO classifies expenditure in 33 items. Here, for the present study, data on 25 items have been collected and presented. This includes 12 food items and 13 non-food items. Among the food items expenditure on cooked food purchased is included as a new item of expenditure.

Chart 01: Size of the Households and their Percentage



Source: Author's Calculation

Table 04: Size of the Household and Consumption Expenditures

Size of the household	Average Income	Consumption Expenditures			APC
		Food	Non-food	Total	
Up to 3	61524	19763	25246	45008	0.73
Up to 4	66542	22781	30732	53513	0.80
Up to 5	68836	25542	31781	57323	0.83
Up to 6	82750	27834	38202	66035	0.80
Up to 7	117366	31855	56793	88647	0.76
above 7	108458	36011	67290	103300	0.95

Source: Survey Data and Author's Calculation

This is because we found a considerable number of non-agricultural labour class households used to purchase cooked food or used to eat in hotels. For other class people it is also due to the introduction of first food culture in the market, they used to purchase like egg fry, Manchurian etc. The table presents the average MPCE and Engel ratio estimated from household consumption expenditure data. It also attempts to examine the differences in their expenditure on each of food and non-food items. The total MPCE of sample households is divided in to 25 standard groups that 12 food groups and 13 non-food groups.

MPCE on Different Food Items

As shown in table-5 the total monthly expenditure on different food item is Rs. 330.40 which is 64per cent of average MPCE. It is comparatively more than the expenditure on non-food items. The Engel ratio shows that a person likes to spend more on cereals which is common for all population groups. At the same time he/she also wants to spend more on non-vegetarian items and beverages. He/she also spends more on purchasing cooked food which is about Rs. 10.67 per month as shown in the table. Because of the availability of tasty first foods and lack of time they spend more in such items.

MPCE on Different Items of Consumption

The per capita 30 days consumer expenditure of Rs. 518.2 was spilt up in to Rs. 330.43 on an average on food and Rs. 187.77 for non-food. Food constituted 64 per cent and non-food 36 per cent of MPCE. Among food items Cereals constituted 16.49 per cent. It was supposed to be more, but due to availability of PDS facilities, it was less. Similarly for meat, fish, egg constituted 9.68 per cent, vegetables 5.88 per cent and fruits 1.92 per cent. The Engel ratio for cooked food purchased was 6.80 per cent, for spices 2.98 per cent and for milk and milk products 3.94 per cent as shown in Table 7 and chart 2.

Table 05: Average Monthly Expenditure Per-person on Different Items (Food)

S. No	Item	Average MPCE (Rs.)	Engel Ratio
1	Cereals	85.32	25.82
2	Pulses	17.12	5.18
3	Milk & Milk Products	20.45	6.18
4	Edible Oil	23.65	7.15
5	Meat, fish & Egg	50.19	15.18
6	Vegetables	30.5	9.23
7	Fruits	10	3.02
8	Sugar	8.25	2.49
9	Beverages (Including Handia)	30.77	9.31
10	Salts	3.42	1.03
11	Spices	15.48	4.68
12	Cooked Food Purchased	35.28	10.67
	Total Food Expenditure	330.43	100

Source: Author's Calculation

Table 6: Average Monthly Expenditure Per-Person on Different Items (Non-Food)

S. No	Item	Average MPCE (Rs.)	Engel Ratio
1	Pan, tobacco, khaini & other intoxicants	47.34	25.21
2	Household Furnishings and Equipment	12.35	6.57
3	Clothing	22.19	13.46
4	Footwear	2.61	2.45
5	Education	2.1	1.11
6	Medical	15	7.98
7	Entertainment	7.33	3.90
8	Personal care	14.16	7.54
9	Travel	12.79	6.81
10	Electric, electronics and communication	15.23	8.11
11	Agriculture	3.6	1.91
12	Durable goods	17.96	9.56
13	Miscellaneous goods and services	10.11	5.38
	Total Non-Food Expenditure	187.77	100

Source: Author's Calculation

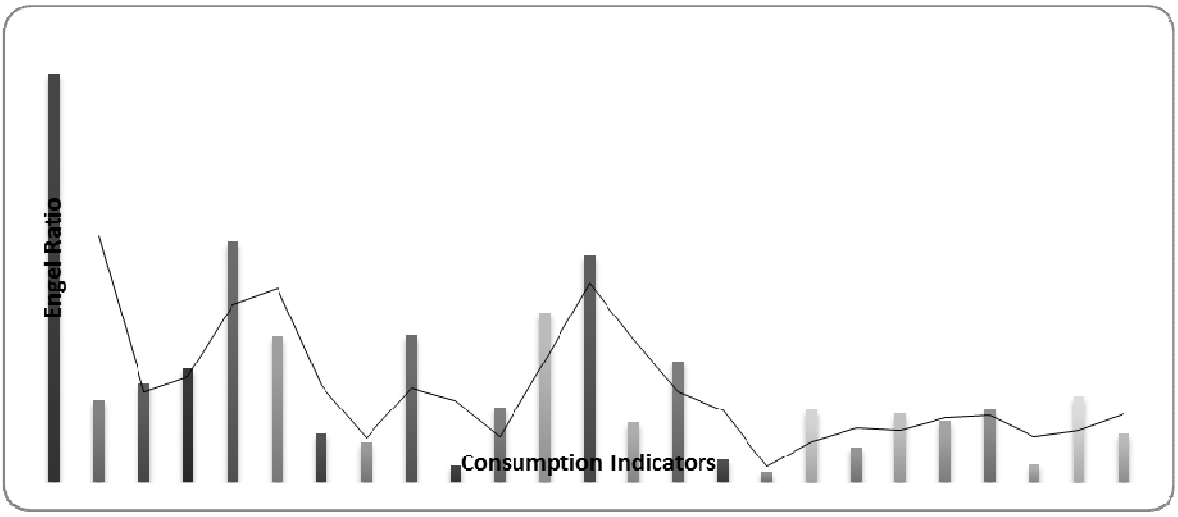
Among non-food items, Engel ratio for Pan, tobacco and intoxicants alone accounted to 9.13per cent which greater in comparison to other non-food items. Because it is an everyday expenditure and one can't leave it easily. Miscellaneous goods and services which includes rents, interests, Veti, Pahuna, paid to beggars and spend towards contribution and dues for social clubs, co-operatives etc. is 1.95per cent. It also includes spend on buying lottery tickets and other games of chance. The people in the sample area used to buy lottery during Diwali and Dec-25 only. The MPCE on this also includes spend on service charges for opening saving accounts including safety deposit box charges, stock and bond commissions and expenses for fines, loss of deposits and money lost or stolen.

Table 7: Average Monthly Expenditure on Different Items (Both Food and Non-Food)

Sl. No	Items	Average MPCE (Rs)	Engel Ratio
1	Cereals	85.32	16.46
2	Pulses	17.12	3.3
3	Milk & Milk Products	20.45	3.94
4	Edible Oil	23.65	4.56
5	Meat, fish & Egg	50.19	9.68
6	Vegetables	30.5	5.88
7	Fruits	10	1.92
8	Sugar	8.25	1.59
9	Beverages (Including Handia)	30.77	5.93
10	Salts	3.42	0.65
11	Spices	15.48	2.98
12	Cooked Food Purchased	35.28	6.8
13	Pan, tobacco, khaini & other intoxicants	47.34	9.13
14	Household Furnishings and Equipment	12.35	2.38
15	Clothing	25.19	4.86
16	Footwear	4.61	0.88
17	Education	2.1	0.4
18	Medical	15	2.89
19	Entertainment	7.33	1.41
20	Personal care	14.16	2.73
21	Travel	12.79	2.46
22	Electric, electronics and communication	15.23	2.93
23	Agriculture	3.6	0.69
24	Durable goods	17.96	3.46
25	Miscellaneous goods and services	10.11	1.95
	Total Consumer Expenditure	**518.2**	

Source: Author's Calculation

Chart 02: Trend Line for Average Monthly Expenditure on Different Items (Engel Ratio)



Source: Author's Calculation

While expenditure on clothing and foot wear accounted 4.86per cent and 0.88per cent respectively, household furnishings and equipment constituted 2.38per cent, medical constituted 2.89per cent, entertainment constituted 1.41per cent, personal care 2.73per cent, travel 2.46per cent. Electronic and communication constituted 2.93per cent which includes spend on purchase of cell phones, DTH/Dish TV antenna, electric bills, recharge vouchers, mobile song downloading, and rental of cable vision services etc.

As most of the population are belongs to non-agricultural labour, they spend a very less in agricultural activities which is just 0.69per cent. Similarly expenditure on Education is peculiar which just 0.40per cent. There is a lack of interest and awareness among the people towards education. They don't prefer towards higher education. Though the parents have interest but the children don't wants to read or go to school.

PER-CAPITA CONSUMPTION OF INDIVIDUAL ITEMS (FOOD)

Per capita expenditure for different items of consumptions is presented based on sample data. This section gives an analysis of the per capita consumption expenditure of the rural households on individual items.

Consumption of Cereals

Out of the 200 sample households the expenditure data on cereals of all households were available. The table shows that the number of households, which spend between Rs. 50 to 60 per person monthly, was highest in the sample. Nearly 19per cent of the households fell under this expenditure class. There are 11 per cent of families whose per capita expenditure per month on cereals was below Rs. 40.

Consumption of Pulses

Pulses do not form major consumption item for all the sample families. 10per cent of the households did not spend any amount on pulses. Others take very less of this in their consumption basket.

Consumption of Milk and Milk Products

The table shows that 64 sample families are missing from Milk and Milk products consumption. They could not afford to spend on this item as they belonged to the lower income category, even though it is a nutritious item. It was noticed that many of them who belong to higher expenditure classes were not particular about spending on milk though they allocate pretty good amount to the consumption of meat, egg and fish. Some also consume milk only when they feel week and in case of having own cow. This indicates the particular food habits of rural people in the study area and their preference to non-vegetarian food.

Table 8: MPCE on Cereals by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
Below 30	4	2	2
30-40	18	9	11
40-50	26	13	24
50-60	38	19	43
60-70	24	12	55
70-85	36	18	73
85-100	26	13	86
Above 100	28	14	100
Total	100	100	

Source: Survey Data and Author's Calculation

Table 9: MPCE on Pulses by Households

Per capita exp. class	No. of Households	Percentage	Cu. Frequency
1-10	54	30	30
10-20	90	50	80
20-30	30	17	97
30 & Above	6	3	100
Total	180	100	

Source: Survey Data and Author's Calculation

Table 10: MPCE on Milk and Milk Products by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	20	14.70	14.70
10-20	24	17.64	32.35
20-30	40	29.41	61.76
30-40	30	22.05	83.82
40-50	12	8.82	92.64
50-60	6	4.41	97.05
Above 60	4	2.94	100
Total	136	100	

Source: Survey Data and Author's Calculation

Table 11: MPCE on Edible Oil by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	12	6	6
10-20	46	23	29
20-30	120	60	89
30-40	14	7	96
Above 40	8	4	100
Total	200	100	

Source: Survey Data and Author's Calculation

Consumption of Edible Oil
All households reported expenditure on Edible Oil. 60per cent of the families belonged to the per capita monthly expenditure class of Rs. 20 to 30. It was noticed that both rural and urban consumers are not motivated to the consumption of sophisticated oil brands. Most of the consumers are not using modern types of oil. They used to buy open drum oil.

Consumption of Sugar
All households had spent on Sugar consumption. The households clustered in the expenditure classes of below Rs. 20 constituted 97per cent. Sugar as a food item, cannot be consumed at a higher level due to health reasons. Even the middle income families had not spent much on this item, unlike any non-food items. The level of sugar consumption would not go up beyond a certain level unlike in the case of non-food, non-essential commodities. Most of them use sugar only for tea consumption.

Consumption of Meat, Fish and Egg
It is found that the consumption of meat, fish and egg constitutes one of the prominent items in the consumption basket. Only 7per cent families are fully vegetarian. Rest 93 per cent consume meat, fish and egg. The majority of households fall within Rs.40 to 50 per capita expenditure class.

Consumption of Vegetables
Vegetable was one of the items for which consumption out of home-grown stock was reported. So, nine households are missing from the vegetable consumption.

Consumption of Fruits
It was found that 8per cent of the sample households did not consume fruits due to very poor and due to home grown of some fruits. It is clear that consumption of this item was largely determined by the income factor. Many of those who could not allocate some portion of their income on the consumption of the item were poor people. For them this item is a luxury, whatever may be its nutritional importance. 66 per cent of the households spent a small sum of less than Rs. 20 per person monthly on Fruits. Only 2per cent could afford to spend more than Rs. 50 per person.

Consumption of Beverages (Including Handia[1])
Among the total households the tribal class falls within the per capita expenditure class of Rs. 30-40. It is 34.5 per cent. They drink Handia and also liquors at a high rate in comparison to the other class people. Similarly the Muslims and other general community drink tea as an everyday habit.

Consumption of Spices
Like cereals, spices also constitute an ingredient in rural diet. It is an inevitable item in the food basket of rural people. 75per cent families spend Rs. 10 to 20 on spices, even if they are poor, it does not matter.

Consumption of Salt
Out of 200 rural families 100per cent of households fell in the expenditure class of below Rs. 10 per head. Extreme levels of consumption are not found here. This is because there is a limit for the quality for salt that one could consume.

Expenditure on Cooked Food Purchased
It is found that about 60per cent of the total households did not spend on cooked food purchased from outside their homes and more than half of those who spend less than Rs. 50 per capita per month on the item. There are 20per cent of households who spend more than Rs.100 on the item. It was found that most of the members in the sample area being non-agricultural labourers they are far off in their work place and are unable to take food from their own houses. Only women workers those belong to ST community used to take Handia/Water Rice from their home.

PER CAPITA CONSUMPTION OF INDIVIDUAL ITEMS (NON-FOOD)
MPCE on non-food items has also been analysed to understand the difference between expenditures on food and non-food items.

Consumption of Pan, Tobacco and Intoxicants
Pan, tobacco and intoxicants form a major consumption item for almost all the sample households. The table shows that out of the total 200 households 184 (92per cent) households spent on these items. Consumption of pan, tobacco and intoxicants is at high level among the ST as per the sample data. Expenditure incurred on the items indicates that a considerable per centage of the population consume extravagantly. They have an average per capita per month expenditure of Rs. 40 to 50 on this item, which is so high and peculiar in comparison to other indicators. Even among lower expenditure and income classes the expenditure on

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***** *Handia is a rice beer prepared by pasteurisation of rice mixed with different roots and fruits. It is mostly prepared by the tribal of north eastern India. In Odisha it is mostly used by tribal of north and south Odisha. They use this in their social rituals like marriage, divine festivals. They believed that drinking of rice bear is a holy practice. They offer the rice bear to their god and goddesses and after offering they distribute among themselves and enjoy.*

Table 12: MPCE on Sugar by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	32	16	16
10-20	162	81	97
Above 20	6	3	100
Total	100	100	

Source: Survey Data and Author's Calculation

Table 13: MPCE on Meat, Fish and Egg by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	7	3.76	3.76
10-20	14	7.52	11.29
20-30	11	5.91	17.20
30-40	25	13.44	30.64
40-50	69	37.09	67.74
50-60	26	13.97	81.72
60-70	12	6.45	88.17
70-85	8	4.30	92.47
85-100	9	4.83	97.31
Above 100	5	2.68	100
Total	186	100	

Source: Survey Data and Author's Calculation

Table 14: MPCE on Vegetables by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	20	10.47	10.47
10-20	21	10.99	21.46
20-30	44	23.03	44.50
30-40	70	36.64	81.15
40-50	20	10.47	91.62
Above 50	16	8.376	100
Total	191	100	

Source: Survey Data and Author's Calculation

Table 15: MPCE on Fruits by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	68	36.96	36.96
10-20	54	29.35	66.31
20-30	48	26.09	92.40
30-40	3	3.26	95.66
40-50	2	2.17	97.83
Above 50	2	2.18	100
Total	184	100	

Source: Survey Data and Author's Calculation

Note: Table 16 Not submitted on this paper.

Table 17: MPCE on Beverages by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	19	9.5	9.5
10-20	41	20.5	30
20-30	30	15	45
30-40	69	34.5	79.5
40-50	23	11.5	91
Above 50	18	9	100
Total	200	100	

Source: Survey Data and Author's Calculation

Table 18: MPCE on Species by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	32	16	16
10-20	150	75	91
20-30	15	7.5	98.5
Above 30	3	1.5	100
Total	200	100	

Source: Survey Data and *Author's Calculation*

Table 19: MPCE on Salt by Households

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	200	100	100
10-20	0	0.00	0
Total	100	100	

Source: Survey Data and *Author's Calculation*

Table 20: MPCE on Cooked Food Purchased

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-50	42	53.84	53.84
50-100	20	25.64	79.48
Above 100	16	20.51	100
Total	79	100	

Source: Survey Data and Author's Calculation

this item is found much higher. The low per capita income position of the households along with higher expenditure on pan tobacco and intoxicants adversely affects their consumption standard. It is observed that those households having larger expenditure on the item especially in the lowest expenditure classes have not even the basic consumption requirements. This is true and is one of the most important reasons for the very low consumption standards of rural people especially ST community in comparison to general households as observed.

Consumption Expenditure on Household Furnishings and Equipment

Although 42per cent of households made some expenditure on this item but it is not significant like other items. They spend a very less on this. They are not much worried about their housed furnishing. Only some rich class families have incurred their expenditure fall below Rs 20 per person per month. 47per cent spends below Rs. 10 to 20 per month per person. Rest 53per cent of the households spends above Rs. 20. It includes household spend on mattresses and furniture for indoor or outdoor use. They are not much interested for wearing ornaments. Only few households spend on buying silver ornaments, and some Muslim class spend on buying gold's. Repairing of existing houses also comes under this item, but few have spent on this.

Table 21: MPCE on Pan Tobacco and Intoxicants

Per capita exp. class	No. of Households	Per centage	Cu. Frequency
1-10	19	10.32	10.32
10-20	19	10.32	20.65
20-30	15	8.15	28.80
30-40	12	6.52	35.32
40-50	48	26.08	61.41
50-60	13	7.06	68.47
60-70	26	14.13	82.60
70-85	8	4.34	86.95
85-100	5	2.71	89.67
100-125	4	2.17	91.84
125-250	9	4.89	96.73
250 above	6	3.26	100
Total	184	100	

Source: Survey Data and Author's Calculation

Table 22: MPCE on Household Furnishings and Equipment

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	8	9.52	9.52
10-20	32	38.09	47.61
20-30	20	23.80	71.42
30-40	18	21.42	92.85
40-50	6	7.14	100
Above 50	84	100	

Source: Survey Data and Author's Calculation

Table 23: MPCE on Clothing by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
10-20	2	1	1
20-30	90	45	46
30-40	28	14	60
40-50	10	5	65
50-65	4	2	67
65-80	20	10	77
80-100	14	7	84
Above 100	32	16	100
Total	200	100	

Source: Survey Data and Author's Calculation

Consumption Expenditure on Clothing
Among the higher expenditure classes, expenditure on clothing increases rapidly. Per capita expenditure on clothing for the lowest 65 per cent of households is below Rs. 50. These classes buy dresses only during major festivals or any cultural activities. 19per cent of households spend Rs. 50-100 per capita per month on the item. Rest 16per cent of households spend above Rs. 100 per capita per month on clothing. These classes used to buy frequently and from road side or cheap shops and venders.

Consumption Expenditure on Footwear
Nearly 4per cent of the households are not spending any amount in their MPCE on the item. Per capita expenditure on footwear for the lowest 60per cent of households is below Rs. 10. Rest 40per cent of households spend between Rs.20 to 30 per capita per month on footwear. These classes used to buy 2 times in a year.

Consumption Expenditure on Education
Of the 200 households only 156 households reported to spend on Education. Since ST class receive the various types of financial assistance for education from government per capita expenditure estimates on the item presented here may not be the actual picture.

Consumption Expenditure on Medical Services
Medical expenditure is a very important item among non-food expenditure. Expenditure on Medicines and medical services of different households is determined by a number of factors and hence expenditure data on the item have been collected for last 30 days and also for previous 365 days. Nearly 17per cent of the households are not spending any amount on medical. Nearly 94per cent of the households, who spend, spend below Rs. 50. Among households belonging to the top expenditure class, i.e. rest 6 per cent spend above Rs. 50.

Consumption Expenditure on Entertainment
Out of the 200 households only 158 (79per cent) households spend on entertainments. About 76per cent of households who spent on the item are between Rs. 1-20 per month. It may be due to their lower income and unavailability of fair and entertainment place. It is found that even for the upper MPCE classes' expenditure on Entertainment does not constitute a major item among non-food items. The influence of place of residence is much less in the determination of expenditure on recreation and entertainment among rural households.

Consumption Expenditure on personal care
It is found that ST and SC population of the sample area do not show preference to spending more on cosmetics and other personal communities and whatever expenditure on the item is recorded in on account of expenditure on hair cutting, saving, shampoos, tooth paste, brush, shop, detergent powder etc. But in case of Muslim class, it shows a higher proportion then the ST/SC class. 86per cent of households spend less than Rs. 20. 96 per cent of sample households spend below Rs. 50 per person per month on the item. Households belonging higher MPCE classes spending more than Rs. 50 per person constitute only 4 per cent

Consumption expenditure on Travel and Conveyance
Beside Travel expenditure needs of households differ based upon the nature of jobs, place of residence etc. 76per cent of households had an average expenditure of below Rs. 30. 95per cent of households had an average expenditure of below Rs. 60 per month per person. Only those who are working in Bombay, Calcutta, and other big cities as migrant labour constitute 5per cent of households who spends Rs. 60-250 per month on the item. Even all households are not spending on travel, only 69per cent of households spending on this item. Other uses cycles to go to the work place and for other purpose.

Consumption Expenditure on Electric, Electronics and Communication
Among the total households 70 per cent households are accessible to electricity and rest 30per cent are not. But among the 70 per cent, all are not legal consumers, they are using by the help of their neighbours. However they have TV, CD player and other electronic assets. Some of them got free electricity as they are belongs to BPL beneficiary and some are waiting to get this free service by the Govt. of Odisha under Biju Gram Jyoti Yojana. So, all consumers are not spending much amount on paying electric bills except for the uses of electric and electronic assets. The data shows that 54 per cent households have mobile phones though they haven't sanitation facility. They are spending a large proportion of their income in downloading mobile songs, buying CDs, vouchers and other mobile accessories etc. Some of them used to buy new china mobiles frequently. About 45 per cent of households are spending below Rs. 20 per month on these items. 86per cent of households spending below Rs. 50 and rest 14 per cent spend above 50 rupees.

Table 24: MPCE on Footwear by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	116	60.41	60.41
10-20	60	31.45	91.66
20-30	16	8.33	100
Above 30	192	100	

Source: Survey Data and *Author's Calculation*

Table 25: MPCE on Education by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	96	61.53	61.53
10-20	38	24.35	85.89
20-30	14	8.97	94.87
Above 30	8	5.12	100
Total	156	100	

Source: Survey Data and Author's Calculation

Table 26: MPCE on Medical Services by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	29	17.46	17.46
10-20	90	54.21	71.68
20-30	11	6.62	78.31
30-40	17	10.24	88.55
40-50	9	5.42	93.97
Above 50	10	6.02	100
Total	166	100	

Source: Survey Data and Author's Calculation

Table 27: MPCE on Entertainment by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	84	53.16	53.16
10-20	37	23.41	76.58
20-30	26	16.45	93.03
30-40	5	3.16	96.20
40-50	3	1.89	98.10
Above 50	3	1.89	100
Total	158	100	

Source: Survey Data and Author's Calculation

Table 28: MPCE on Personal Care by Households

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	102	51	51
10-20	70	35	86
20-30	14	7	93
30-40	2	1	94
40-50	4	2	96
Above 50	8	4	100
Total	200	100	

Source: Survey Data and Author's Calculation

Table 29: MPCE on Travel and Conveyance

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	21	18.42	18.42
10-20	53	46.49	64.91
20-30	13	11.40	76.31
30-40	11	9.64	85.96
40-50	7	6.14	92.10
50-60	3	2.63	94.73
60-250	6	5.26	100
Total	114	100	

Source: Survey Data and Author's Calculation

Table 30: MPCE on Electrics, Electronics and Communications

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	23	16.42	16.42
10-20	41	29.28	45.71
20-30	17	12.14	57.85
30-40	11	7.85	65.71
40-50	29	20.71	86.42
Above 50	19	13.57	100
Total	140	100	

Source: Survey Data and Author's Calculation

Table 31: MPCE on Agriculture

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	19	31.66	31.66
10-20	20	33.33	65
20-30	9	15	80
30-40	7	11.66	91.66
40-50	5	8.33	100
Total	60	100	

Source: Survey Data and Author's Calculation

Table 32: MPCE on Durable Goods

Per capita exp. class	No. of Households	Per centage	Cu Frequency
1-10	22	25	25
10-20	20	22.73	47.73
20-30	8	9.09	56.82
30-40	4	4.55	61.37
40-50	10	11.36	72.73
Above 50	24	27.27	100
Total	88	100	

Source: Survey Data and Author's Calculation

Consumption Expenditure on Agriculture

It is interesting that the consumption expenditure on Agriculture very low though it's a rural study. It's due to the existence of barter system among the farmers. On the other hand a few portion of the total sample are belongs to agriculture farmer. Only 18per cent households are belongs to cultivator group. Including this 30per cent households are spending on agriculture. Because some land fewer farmers also take some land on lease for cultivation purpose. 80per cent households are spending below Rs.30 and rest 20 per cent spending Rs. 30-50 per month basis.

Consumption Expenditure on Durable goods

Like Expenditure on agriculture, expenditure on durable goods being not a regular item in the consumption basket for every month, data on the item was collected for the last 30 days and also previous 365 days. Data Presented here shows average one month expenditure on the item based on 365 days expenditure data collected. The 44 per cent of the sample households have reported to spend on the item. This shows that durable goods do not constitute an important item in the consumption basket of rural people belonging to lower expenditure classes. Among those who spend 73per cent spend on the item to the extent of Rs. 1-50 per head monthly and 27per cent spend above Rs. 50. Average expenditure on the item is Rs. 17.96, which constituted 3.51per cent of the total MPCE. I found that they are spending considerable amount on durable goods. Among them upper MPCE classes households spend conspicuously on the item. Some households used to buy only during fairs and from village venders called Feribala at cheaper rate. They are not worried about lasting or durability of the assets.

Consumption Expenditure on Miscellaneous Goods and Services

The study has also collected data on other items of non-food expenditure such as expenditure on other miscellaneous items. Taxes, Rent, newspaper and magazines, household work etc. The data has shown that expenditure on each of these items constitute only negligible amount (or not at all) in the consumption basket, hence has not included in the analysis. Thus it takes an average of Rs. 10 per head per month. It includes spend on service charges for banks and other financial institutions, spend on buying lottery tickets and other games of chance, expenses for fines, loss of deposits, and money lost or stolen, contribution and dues for social clubs, co-operatives, political and alumni associations. It also includes households spend on Alms.

Conclusion

India attained independence more than half a century. Ever since our national leaders and the successive govt. have brought about a number of reforms with the specific objective of alleviating the poverty from the grass-root level especially the backward communities. Despite all these efforts we find that even now they continue to remain marginalised from enjoying the fruits of development. In this context, the present study made an attempt to analyse the socio-economic background and the consumption pattern of rural households in Sundargarh district of Odisha.

It is found that (considering all expenditure classes) the average MPCE of ST/SC's is lower than that of general households, also lower than the Muslim class. MPCE on both food and non-food is higher for general households. Tribal class belonging to top expenditure class spend more on food items like cereals, fish and egg, chicken and non-food items like pan, tobacco and intoxicants. These groups spend less on food items like Milk and milk products, pulses, fruits, refreshments and non-food items like foot wear, education, clothing etc.

The study has found that the levels of living of the rural households have improved than before, but accordingly the prices of goods and services in the market have also increased, so the degree of improvement is not much high in comparison as it is visible. The availability of facilities and opening up of new markets nearer to village enforces the rural poor to spend more but not to standardise their

spending behaviour. Their consumption pattern is still bad. Except income and poverty, their nature and lack of proper awareness also badly affects their consumption pattern. They should shift their consumption behaviour from lower indicators to standard indicators.

Large per centage of the rural mass belongs to low income groups. This is due to their very low economic status and the consequent employment prospects in low paying occupations. Effective implementation of the schemes for their economic improvement is needed for improving their consumption standard. Educational concessions to rural people should be continued wherever necessary. For their economic improvement a change in occupational pattern is necessary. The minimum wage act in the case of working poor or labourers should be enforced. Govt. should try to provide water

for agriculture to their lands throughout year. Schemes for improving the health standards of women and children are necessary to improve their consumption standards. Majority of the households having low educational status are either not aware or are careless of the importance of better health standard. They should not delay in health check-up. Hence they are found to be addicted to alcoholic beverages, wine, pan, tobacco and drugs and intoxicants, which adversely affects not only their health but also hinders their economic progress. This also adversely affects the consumption standards of the other members of the households. Decision to spend should be from all members' opinion in a household. They should choose more nutritious items in place of alcoholic items.

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