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CONSUMPTION PATTERN OF DIFFERENT OCCUPATIONAL GROUPS OF RURAL HOUSEHOLDS

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Abstract

The present study examined the pattern of the households' food and non-food expenditure in rural areas of border districts of Punjab state of India. To accomplish this objective, primary data has been collected from 360 rural households from three border districts of Punjab. The result shows that monthly per capita expenditure (MPCE) on food items in rural areas of border district of Punjab is Rs. 928, out of which maximum MPCE is on beverages, refreshment and processed food. Whereas, MPCE on non-food items is Rs. 809 in Punjab. Among non-food items, maximum MPCE in the rural households in Punjab is on the education i.e. Rs. 217, which is a positive sign of development and awareness among the people. The study concludes that the pattern of consumption expenditure is undergoing a change in rural households particularly in border areas of Punjab.

Key words: Food Expenditure, Non-Food Expenditure, MPCE, Consumption Pattern, Determinants, Budget Share, Punjab.

Introduction

No country of the world can make progress without adequate provisions of nutrition. The welfare of the people can be measured by the expenditure of its people on various consumption heads. The investment level and the extension of business activities are dependent upon the consumption pattern of the households. So, it is very important to know the various factors affecting the household consumption pattern. Expenditure pattern of the households is reflected by the consumption of various goods and services, which is further influenced by the household composition, demographic features, needs, tastes and financial means. Various other factors which also affect the consumption pattern are income level, market prices, individual preferences, traditions and beliefs. Besides this, economic and geographic factors, education and age of the head of the households, habits and personal experience also play an important role in affecting the consumption preferences of the consumers. Nayga, M.R.J

(1994) analysed the impact of socio-demographic factors on the household demand pattern. He found in his study that western households consume less food, energy, protein, iron but more calcium and 'vitamin A' as compared to southern households. Holcomb (1995) studied the household expenditure pattern of total food consumption at home and food away from home. Engel's Law was used for the estimation. In all expenditure categories, the income elasticities are less than one for each empirical form that confirms the accuracy of Engel's Law. They further concluded that the consumption of food away from home is largely affected by income than the consumption of food at home. Farooq et.al (1999) estimated consumption pattern of farm households in Pakistan and found that Meat and Pulses are the substitutes, whereas Dairy products and Meat were regarded as a luxuries by the rural households of Pakistan. In rural households, 43% of the consumption expenditure is on 'Milk and Milk products,' followed by 22% of the household expenditure on Cereals i.e Paddy and Wheat. Goyal and Singh (2001) in their paper analysed that there is an increase in the cereal production and pulses and coarse grains have showed a declining trend. In both rural and urban India, per capita consumption of cereal has declined. Urbanization and increase in per capita income are responsible for this change. Kalwij and Salverda (2004) examines that there has been any decline in the household budget on basic goods like food,beverages and clothing and increase in the household expenditure on service sector related goods in Netherland.

Objectives of the study

The Major objective of the study is to find the pattern of consumption expenditure in the rural households of the border districts of Punjab.

Data Base and Methodology

Punjab has six border districts, Amritsar, Gurdaspur, Firozpur, Fazilka, TarnTaran and Pathankot, which have international border connected with Pakistan. From these six border districts, three districts Tarn Taran, Gurdaspur and Amritsar have been taken for the purpose of the present study. Sample of 360 households is taken from different occupational groups of rural households for the period 2016. The different occupational groups taken are farmers, servicemen, self-employed, non-agricultural labourer and agricultural labourers. Data regarding expenditure on food items were collected on a monthly basis. The field investigation was carried out with the help of a detailed questionnaire through the method of personal interview. Statistical tools of mean and percentages have been used for drawing meaningful conclusions from the data.

Results and Discussion

Under the head consumption expenditure, all the items under food and non-food consumption are considered. Data regarding expenditure on food items were collected on a monthly basis. Since food is the most important item of consumption basket, it is very important to analyze the changes in the consumption pattern of food items over a period of time. Food and non-food expenditure pattern is an

important indicator of the economic well being of the people. An attempt has been made to analyse the variations in the expenditure pattern and to find the break-up of monthly per capita expenditure (MPCE) of food and non-food items of the rural households in border districts of Punjab.

MPCE OF Food Items

Table-1.1 shows the break-up of food items for different occupational groups. In border districts of rural areas of Punjab, maximum MPCE on food items is spent by the servicemen followed by the farmers. As compared to servicemen and farmers, share of agricultural and non-agricultural labour is very less in MPCE of food items. However, as regards the cereals and cereal substitutes are concerned, agricultural and non-agricultural labours have more MPCE over these items as compared to self-employed households. Servicemen also have maximum MPCE on 'milk & milk products,' fruits and vegetables which shows that they are more conscious towards their health. As regards the beverages, refreshment and processed food is concerned, servicemen spent Rs. 326 on it. Whereas, agricultural and non-agricultural labours households have Rs.57 and Rs. 49 MPCE of this food item. Agricultural labours have MPCE on 'milk & milk products' as Rs. 129, whereas non-agricultural labours have Rs. 91 MPCE on 'milk & milk products', which is because of the reason that agricultural labours are working with farmers and they get milk from them at a discounted rates. Major point to be noted here is that there are large scale variations in the consumption of fruits, dry fruits, beverages, refreshment and processed food among different occupational groups in rural Punjab.

Table-1.1

Break-Up of MPCE of Food Items of Different Occupational Groups (Rs.)

Food- Items	Monthly Per Capita Expenditure (Rs.)					
	Farmers	Servicemen	Self-Employed	Non-Agricultural Labour	Agricultural Labour	Total
Cereals and Cereal substitutes	125	114	95	112	101	109
Pulses and their products	38	44	39	33	29	37
Milk and Milk Products	217	225	173	91	129	168
Edible Oils	119	119	84	47	36	82

Egg, Fish and Meat	54	27	16	13	5	23
Vegetables	171	178	150	99	111	142
Fruits	63	92	63	15	12	50
Dry Fruits	31	56	25	3	1	23
Sugar	53	59	48	42	48	50
Salt and Spices	54	82	43	28	29	47
Beverages ,Refreshment and Processed Food	280	326	259	49	57	197
Total Food Items	1206	1321	996	533	560	928

Source: ***Survey Data***

Percentage break-up of MPCE of food items by different occupational groups is given in table 1.2. 'Milk and Milk products' accounted for the 18 % of the total food expenditure followed by vegetables, cereals and cereals substitutes. Non-agricultural labours followed by the agricultural labours spend maximum amount on cereals and pulses as compared to other occupational groups. Farmers spend maximum MPCE on eggs, fish and meat as compared to other groups. However, the share of agricultural and non-agricultural labours in the consumption of sugar is almost double than other occupational groups.

Table-1.2

Percentage Break-up of MPCE of Food Item by Different Occupational Groups.

Food - Items	Percentages to Monthly Per Capita Expenditure of Food -Items					
	Farmers	Servicemen	Self - Employed	Non - Agricultural Labour	Agricultural Labour	Total
Cereals and Cereal substitutes	10.36	8.62	9.53	21	18	12
Pulses and their products	3.15	3.33	4	6.19	5.17	4
Milk and Milk Products	18	17.03	17.36	17	23	18
Edible Oils	10	9	8.43	9	6.42	9
Egg, Fish and Meat	4.47	2	1.6	2.43	1	2.47
Vegetables	14.17	13.47	15	18.57	20	15.3
Fruits	5.22	7	6.3	3	2.14	5.38
Dry Fruits	2.57	4.23	2.5	0.56	0.17	2.47
Sugar	4.39	4.46	5	8	8.57	5.38
Salt and Spices	4.47	6.2	4.3	5.25	5.17	5
Beverages ,Refreshment and Processed Food	23.21	24.67	26	9	10.17	21
Total Food Items	100	100	100	100	100	100

Source: **Survey Data**

MPCE of Non-Food Items

Monthly per capita expenditure of non-food items in the sample districts of the study is given in the table-1.3. It is given that MPCE on non-food items is Rs. 809 in Punjab. Among non-food items, maximum MPCE in the rural households in Punjab is on the education i.e. Rs. 217, which is a positive sign of development and awareness among the people. MPCE on fuel and light is Rs. 103, which shows that electricity and fuel is very costly in Punjab. MPCE on pan, tobacco and intoxicants in rural Punjab is Rs.8, whereas MPCE on internet is Rs. 9. It defines that in border districts of Punjab on the one hand people are spending on the intoxicants, on the other hand new generation gives equal importance to technical know-how. Among districts, Amritsar tops in the consumption of fuel and light followed by Tarn Taran. As regards the internet is concerned, maximum MPCE is incurred in the district Gurdaspur. The percentage break-up of MPCE on the non-food items is given in the table-1.4. Pan, tobacco and intoxicants constitutes one percent of the total MPCE. Tarn Taran district tops in the consumption of fuel and light, followed by Amritsar. However, Amritsar district leads in the consumption of clothing, bedding and footwear. As regards the rent and taxes are concerned, MPCE is very low on these two items.

Table 1.3
Break Up of MPCE of Non-Food Items, District-Wise: Punjab

Non- Food Items	Monthly Per Capita Expenditure (Rs.)			
	Tarn Taran	Gurdaspur	Amritsar	Punjab
Pan, Tobacco& Intoxicants	10	4	10	8
Fuel &Light	101	99	111	103
Clothing,Bedd ing &Footwear	109	126	126	120
Education	172	264	217	217
Medical	27	91	50	56
Conveyance	57	81	57	65

Entertainment	5	8	11	10
Rent	2	6	2	3
Taxes	15	28	20	21
Internet	7	12	7	9
Miscellenous	199	207	183	197
Total Non-Food items	704	926	794	809

Source: **Survey Data**

Table-1.4
Percentage Break-Up of MPCE of Non-Food Items, District-Wise, Punjab

Non-Food Items	Percentage of MPCE of Non -Food Items			
	Tarn Taran	Gurdaspur	Amritsar	Punjab
Pan, Tobacco& Intoxicants	1.42	0.43	1.25	1
Fuel &Light	14.34	10.69	14	13
Clothing,Bedding &Footwear	15.48	13.60	16	15
Education	24.43	28	27.32	27
Medical	4	10	6.29	7
Conveyance	8	9	7.17	8
Entertainment	1	0.86	1.38	1.23
Rent	0.28	0.64	0.25	0.37

Taxes	2	3	2.51	2.59
Internet	1	1.29	1	1.11
Miscellenous	28	22.35	23	24
Total Non-Food items	100	100	100	100

Source: Survey Data

Table-1.5 shows the monthly per capita expenditure on non-food items by different occupational groups. It is clear from the table that maximum MPCE on non-food items is incurred by the self-employed households followed by the servicemen and farmers. On the one hand, MPCE on non-food items by the self-employed is Rs. 1297, on the other hand MPCE on non-food items by the agricultural and non-agricultural labour is Rs. 91 and Rs. 90 respectively. It shows large scale variations in the purchasing power of the people as income is concentrated in few hands. Among all the occupational groups, maximum MPCE on pan, tobacco and intoxicants is incurred by the servicemen followed by the self employed and farmers' households. However agricultural and non-agricultural labours spend very less on pan, tobacco and intoxicants, which is perhaps because of the reason that as income increases, people are diverted to more costly brands of intoxicants. Table 1.5 also shows that MPCE of agricultural and non-agricultural labour on fuel and light is Rs. 19 only. Whereas, MPCE of servicemen on fuel and light is Rs. 190 followed by farmers (Rs. 151) and the self-employed households (Rs.125). It was found in the sample survey that the reason of low MPCE on fuel and light by the agricultural and non-agricultural labour is that electricity is provided free of cost to the scheduled castes households in the rural areas of Punjab and most of the agricultural and non-agricultural labours belongs to the scheduled castes.

MPCE on clothing, bedding and footwear is highest by the servicemen followed by the self employed and farmers' households. As regards the rent is concerned, maximum MPCE on it is incurred by the self-employed households. However MPCE on rent and taxes is zero by farmers, agricultural and non-agricultural labours. As regards the percentage break-up of different non-food items is concerned, it is given in the table-1.6 that maximum percentage of non-food expenditure is spent on education and only one percent of the non-food expenditure is spent on internet. However the MPCE on pan, tobacco and intoxicants by the agricultural and non-agricultural labours is very less. As regards the percentage of total non-food expenditure is concerned, these two categories of the households i.e agricultural and non-agricultural households spend maximum percentage of the total non-food expenditure over pan, tobacco and intoxicants as compared to the other categories of households. Among all the occupational groups, agricultural labours followed by the non-agricultural labours have maximum percentage of MPCE on medical services.

Table-1.5
Break-Up of MPCE of Non-Food Items of Different Occupational Groups

Non-Food Items	Monthly Per Capita Expenditure (Rs.)					
	Farmers	Service-Men	Self-Employed	Non-Agricultural Labour	Agricultural Labour	Total
Pan, Tobacco& Intoxicants	6	15	11	4	3	8
Fuel &Light	151	190	125	19	19	103
Clothing,Bedding &Footwear	150	223	167	26	23	120
Education	310	355	371	9	9	217
Medical	115	64	54	15	20	56
Conveyance	104	114	84	7	7	65
Entertainment	12	20	15	1	1	10
Rent	0	1	15	0	0	3
Taxes	0	43	61	0	0	21
Internet	11	17	14	1	1	9
Miscellenous	309	239	380	8	8	197
Total Non-Food items	1168	1281	1297	90	91	809

Source: Survey Data

Table-1.6
Percentage Break-up of MPCE on Non-Food Items by Different Occupational Groups

Non-Food Items	Percentage of MPCE of Non -Food Items					
	Farmers	Service-Men	Self-Employed	Non-Agricultural Labour	Agricultural Labour	Total
Pan, Tobacco& Intoxicants	0.51	1.17	0.84	4	3	1
Fuel &Light	13	15	10	21	21	13
Clothing,Bedding &Footwear	13	17	13	29	25	15
Education	26.54	28	28.60	10	10	27
Medical	10	5	4.16	17	22	7
Conveyance	9	9	6.47	8	7.69	8
Entertainment	1	1.56	1	1	1	1.23
Rent	0	0.07	1	0	0	0.37
Taxes	0	3	5	0	0	2.59
Internet	1	1.32	1	1	1	1.11
Miscellenous	26	19	29	9	9	24
Total Non-Food items	100	100	100	100	100	100

Source: **Survey Data**

Conclusion

The study concludes that the pattern of food expenditure is undergoing a change in rural areas particularly in border areas of Punjab. In border districts of rural Punjab, among all the occupational groups, maximum monthly per capita expenditure (MPCE) on food items is spent by the servicemen followed by the farmers. As compared to servicemen and farmers, share of agricultural and non-agricultural labour is very less in MPCE of food items. Servicemen also have maximum MPCE on 'milk & milk products,' fruits and vegetables which shows that they are more conscious towards their health. Major point to be noted here is that there are large scale variations in the consumption of fruits, dry fruits, beverages, refreshment and processed food among different occupational groups in rural Punjab. As regards the non-food items, maximum MPCE in the rural households in Punjab is on the education i.e. Rs. 217, which is a positive sign of development and awareness among the people. MPCE on pan, tobacco and intoxicants in rural Punjab is Rs.8, whereas MPCE on internet is Rs. 9. It defines that in border districts of Punjab on the one hand people are spending on the intoxicants; on the other hand new generation gives equal importance to technical know-how. Maximum MPCE on non-food items is incurred by the self-employed households followed by the servicemen and farmers. Despite significant development of the country, large differences are found in the expenditure pattern of different occupational groups. This needs to be addressed with the effective implementation of government development and safety net programmes

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