**CONSUMPTIONS PATTERN AMONG SELECTED RURAL AND URBAN HOUSEHOLD IN KASARGODE DISTRICT**

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**Abstract**

*Consumption is a part and parcel of human life. It enlarges the capabilities and enriches the life of people without adversely affecting the well-being of others. However, there exist large disparities in consumption standards between regions and between different classes of people. As a matter of fact, the inequalities that persist between rich and poor, rural and urban, and between different social groups are inter-related and overlapping.*

**1.0 Introduction**

The pattern of consumption of people throws some light on their economic well-being by bringing out the relative importance of various items and group of item in the total scheme of their consumption. The poor must devote a large part of their expenditure to food so that little is left for anything else. The more affluent a society is the more diversified is its consumption expenditure over necessities, comforts and luxuries. A society living on a subsistence level will exhaust all its resources over primary necessities and little will be left for what may be called secondary necessities like housing, medical aid etc. Apart from these, there exists diversification in food consumption, especially from cereals to non-cereals such as milk and milk products, edible oils, fruits and vegetables. This diversification is more apparent in rural India as compared to urban areas. Kasaragod being one of the backward districts of Kerala, the study of consumption pattern across rural and urban households assumes great significance.

**1.1 Objective of the Study**

1. To examine consumption pattern among the rural and urban households in Kasaragod District.
2. To identify the determinants of consumption behaviour in Kasaragod District.

**1.2 Hypotheses**

As against the afore-mentioned objectives, the following hypotheses were formulated:

1. The average consumption expenditure showed significant differences across rural and urban households.
2. Per capita monthly consumption expenditure is significantly associated with income, family size, occupation, religion, caste, location of the household, size and type of family.

**1.3 Methodology**

Since the study aims to bring out the rural-urban differentials in the consumption and living standards of the households, Kasaragod district was selected as the area of the study. From the district, 50 households from Edneer village and 50 households from Cherkala town area were selected by adopting purposive sampling technique. The field investigation was carried out during the period January to April 2012. Data collected was analyzed by using t-test and chi-square test.

**1.4 Empirical Findings**

Table 1 exhibits the distribution of households in different expenditure classes. Instead of using household expenditure as the criterion of classification, we have used monthly per capita expenditure to account for the differences in family size.

Table 1

Frequency distribution of households in different monthly per capita expenditure classes

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Expenditure class (in Rs.) | Rural | | | Urban | | |
| Number | Percent | Cumulative per cent | Number | Percent | Cumulative per cent |
| 0-1,000 | 5 | 10.0 | 10.0 | 2 | 4.0 | 4.0 |
| 1,000-2,000 | 25 | 50.0 | 60.0 | 12 | 24.0 | 28.0 |
| 2,000-3,000 | 14 | 28.0 | 88.0 | 23 | 46.0 | 74.0 |
| 3,000-4,000 | 2 | 4.0 | 92.0 | 8 | 16.0 | 90.0 |
| 4,000-5,000 | 2 | 4.0 | 96.0 | 3 | 6.0 | 96.0 |
| 5,000-6000 | 2 | 4.0 | 100.0 | 2 | 4.0 | 100.0 |

Source: Primary Data

A glance at Table 1 reveals that about 88 per cent of the selected households in rural areas fall in below Rs.3,000 monthly per capita expenditure classes and the corresponding figures for urban households was 74 per cent. The median per capita monthly expenditure for the rural households was Rs.1681 and for the urban household Rs.2248. This indicates that the rural households were poorer as compared to urban households.

**1.5 Distribution of budget share across commodity groups**

The study of household budget allocation to different commodities assumes significance as it helps to establish the well-being of the surveyed population and the differential that exist among rural-urban households in household allocation. Figure 1 shows the average budget share of the selected rural and urban households on both food and non-food items.

Figure 1

Average budget shares in rural and urban households

It can be easily understood from the figure that the expenditure share on food items in rural households was higher than that of urban households. Similarly, the share in case of non-food item was less in rural households. Among the food items, the share of expenditure on cereals in the total expenditure was 13 per cent in rural households and 10 per cent in urban households indicating its importance in the total expenditure of the households. Other significant expenditure for both rural and urban households was meat and meat products (8.62 per cent and 7.53 per cent respectively), milk and related milk products (7.51 per cent and 7.81 per cent respectively) and vegetables (5.18 per cent and 3.9 per cent respectively).

Among the non-food items, the urban households spent a larger proportion of their income on rent (15.85 per cent), followed by education (7.48 per cent), entertainment (7.38 per cent) and fuel and electricity (7.22 per cent). For the rural households, the proportion of expenditure was maximum on miscellaneous items (9.94 per cent), followed by education (7.73 per cent), fuel and light (7.06 per cent) and transport (6.76 per cent). The proportion of rural expenditure level per capita did not exceed urban levels for all non-food items except education, medicine, intoxicants, durables and miscellaneous items. This indicates the changing consumption behaviour among the rural households. Rao (2000) has made similar observation that cereal consumption had shown a significant decline in rural areas where improvements in rural infrastructure made other food and non-food items available to the rural households. Rao further observes that a reduction in the intake of foodgrains on this count cannot be taken as deterioration in human welfare.

The‘t’ test was carried out to find out if there is a significant difference between rural and urban households with respect to expenditure on food, expenditure on non-food and total expenditure. The null hypothesis framed was:

H0 : There is no significant difference among the rural and urban households on food expenditure/non-food expenditure/total expenditure.

Ha : There is a significant difference.

The results are given in Table 2.

Table 2

Results of ‘t’ test

|  |  |  |  |
| --- | --- | --- | --- |
| Variable | Group | Mean expenditure | ‘t’ value |
| Total food expenditure | Rural  Urban | 948.00  1007.3 | 0.588 |
| Total non-food expenditure | Rural  Urban | 1071.6  1484.5 | 2.846\* |
| Total expenditure | Rural  Urban | 2019.6  2491.9 | 2.283\*\* |

Note: \*Significant at 1 per cent level; \*\*Significant at 5 per cent level

Significant‘t’ value indicates that the mean consumption was different for rural and urban households. In the case of food consumption, there was no significant difference in the average monthly per capita consumption between the two groups (rural and urban). The average monthly per capita non-food expenditure and total expenditure was higher in urban households compared to rural households. The‘t’ value was also found to be significant in the case of both total expenditure and non-food expenditure. Hence there was no significant difference between the rural and urban households as far as food expenditure was concerned but a significant difference was seen in the case of non-food expenditure and total expenditure.

* 1. **Determinants of consumption behaviour**

It is widely accepted in literature that various social, economic and demographic factors influence the consumption behaviour. The households covered in this study cannot be an exception to this phenomenon. To find out the association between demographic features such as age, sex, social features such as education, type of family, location of the household and family characteristics such as occupation and income with consumption behaviour of the households, chi-square test was applied.

Table 3

Determinants of consumption – chi-square test

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variables | Χ2 Value | Degrees of freedom | X2 0.05 | Inference |
| Demographic factors   1. Age 2. Sex | 5.974  4.973 | 2  2 | 5.99  5.99 | Accept Ho  Accept Ho |
| Social factors   1. Household location 2. Type of family 3. Education | 8.436  3.474  15.925 | 2  2  4 | 5.99  5.99  9.49 | Reject Ho  Accept Ho  Reject Ho |
| Economic factors   1. Occupation 2. Income | 17.643  18.463 | 6  6 | 12.59  12.59 | Reject Ho  Reject Ho |

Source: Primary Data

The household location, education of the head of the family, occupational status of the family and family income were significant variables influencing the level of consumption of the household. The influx of foreign remittances in the study area might be another factor for increased consumption. The other variables such as age, sex and type of family did not influence the consumption behaviour of the households. Similar findings were reported by Cellinkutty (2003) who observed that higher MPCE was associated with higher income, higher levels of education, better occupational status and residents in urban areas.

**1.7 Conclusion**

The present study tried to examine the consumption pattern among rural and urban households which are located at developed and underdeveloped regions. Education, income, occupation and location were important determinants of consumption expenditure of the households. The study found that though cereal consumption has not declined in Kasaragod district, there is food diversification as a result of increased income. Future research in this area could be an extension of the present study by analysing the food consumption behaviour and its impact upon health or nutritional outcomes.

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