Chapter-VII

Findings, Recommendation and Conclusion

7.1 Introduction

The present study is an attempt to study the consumption expenditure pattern of household in Baksa district of Assam. The expenditure pattern of a household is one of the basic criteria through which the living standard of a particular household can be measured. For this purpose data on the expenditure pattern of households on different food, non-food and semi-durable items have been collected. In order to understand, the prevalence of differences in the consumption expenditure pattern among the households, the households are classified into APL and BPL on the basis of per capita consumption expenditure of the households. The study collected data on the pattern of consumption expenditure from 600 households from the study area. Out of the 600 sample households APL household constituted 67.67% and BPL household constituted 32.33%.

7.2 Findings from socio-economic analysis of sample households

The socio-economic analysis of the sample households lead to the following findings-

1. The sex ratio of the sample household is 937 females per 1000 males.
2. The average household size of the sample households is 4.93 and the households with a family size of 4 constitute the highest percentage i.e., 35.33% to total sample households.
3. The literacy rate is 73.3% and on an average 1.12 number of persons per family is illiterate and 3.82 numbers of persons per family are found literate.
4. In rural areas availability of land significantly determines the level of income, the level of living.

5. The top 10% of households' monthly income accounts for 31.34% of the total monthly income whereas, the bottom 10% shares 1.84% of the total monthly income.

6. While the average monthly per capita income of APL households is Rs.4776 whereas, the average monthly per capita income of BPL households is Rs.974.

7. For APL household, salary provided 58.94% to total monthly income on the other hand, for BPL category of household it contributes only 6.57% to total monthly income.

8. For the BPL category of household, agriculture contributed the highest percentage to the average monthly income of the household and is followed by business and livestock.

9. The average monthly income of APL household is 4.72 times the average monthly income of BPL household.

10. Majority of household in the study area have Kutcha house.

11. The 61.83% of the sample households purchased LPG connection from their own source and 30.34% of the sample household got LPG connection under the scheme of Pradhan Mantri Ujjwala Yojana and the rest 7.83% of the household did not have LPG connection.

12. The 55.17% of the sample household obtained toilet facility from Swachh Bharat Abhiyan (SBA)

13. While the BPL categories of households borrowed money for the purpose of agriculture cultivation and for meeting the healthcare expenses, the APL categories of households borrowed money for construction of dwelling houses and to purchase consumer durables.

14. It is found through Chi-square test that occupational patterns of household members are significantly influenced by educational achievements.

The composition of household consumption expenditure of the household are analysed by classifying the consumption expenditure broadly into food, non-food and semi-durable. The food items contain ten different items of consumption, non-food items contain fifteen different items of consumption and semi-durable contains seven different items of consumption. The degree of equality or inequality in the distribution of monthly income and consumption expenditures towards the different consumption items among the sample households are examined thorough the Decile Group Analysis, Lorenz Curve and Gini co-efficient. The Lorenz curve analysis showed that distributions of income among the sample households are not equal. In fact, the computed value of Gini-coefficient is 0.47 which reveals that the inequality in distribution of income among the households of Baksa district is very high.

7.3 Findings from expenditure pattern of sample households

Analysis of the data and its interpretation within the food, non-food and semi-durable baskets of goods and services in order of consumer preferences lead to the following major findings:

1. Within the food basket, households distributed the biggest share of income for the consumption of nutritious items egg, fish and meat and is followed by vegetables, beverages and refreshments, edible oils, pulses, sugar , milk, cereals and the expenditure on fruits and nuts is the constituted the lowest. This represent that preference has been given towards healthy nutritious food items but overall, the propensity of the consumers to consume essential goods is not fluctuating much.

2. Within the non-food basket, the expenditure on education constituted the highest and is followed by entertainment (recreation, pan, tobacco and intoxicants) housing (rent and maintenance), petrol and diesel, healthcare, cosmetic item, firewood, transportation, mobile, social obligation, hygienic and toilet items, electricity bill, news paper and periodicals and the expenditure on kerosene constituted the lowest. This is a signs of the development of the life style of the rural people.

3. Within the semi-durable basket, the expenditure on clothing constituted the highest and is followed by ornament, footwear, vehicle/motorcycle/bicycle

maintenance, furniture, utensils and audio-video is found to be the lowest expenditure item. This trend of budget share confirms a shift in life style of the people in the study area.

7.4 Findings from consumption expenditure by types of sample households (as to the economic category)

The in-depth analysis of the micro data confirms inequalities in the consumption expenditure pattern among the economic categories of household. The average monthly consumption expenditure of APL household is Rs. 3387 and average monthly consumption expenditure BPL household is 941. The calculated value of Gini-co-efficient is 0.41 which ascertains the presence of high inequalities in the distribution of consumption expenditure among the Bodo households in the Baksa district. The analysis of monthly consumption expenditures on the basis of socio-economic categories of households lead to following conclusions:

(i) Findings related to expenditures on food items

1. The average monthly consumption expenditure of APL of household on broad group of food item is Rs. 3598 and that of BPL household is Rs. 1703.

2. The study exhibited that APL households spent Rs. 166 (4.61%) of mean total food expenditure on cereals and substitutes while, the BPL category of households spent Rs. 158 (9.27%) of mean total food expenditure. This shows an encouraging difference on cereals and cereal substitutes across households. This indicates that average monthly expenditure of APL household is 1.05 times the average consumption expenditure of BPL households. But in percentage to the mean expenditure, BPL section of households spent 6.66% more on the consumption of cereals and substitutes than the APL. This signifies that households with low per capita income considerably spent more on the consumption of cereals and cereal substitutes.

3. While the APL households spent Rs. 268 (7.65%) of their mean total food expenditure on consumption of milk and milk products, the BPL households spent only Rs. 18 (1.06%) of the mean expenditure. This reflects that APL households spent 14.89 times more than the BPL households consumption

expenditure on milk and milk products and the percentage share of APL households to the mean expenditure constituted 6.59% more on the consumption of milk and milk products than the BPL households. This reveals that households with higher per capita income spent more on the consumption of milk and milk products

4. The APL households spent Rs. 334 (9.29%) of their mean food expenditure on consumption of pulse and pulse products, while the BPL households spent Rs. 183 (10.75%) which is 1.83 times higher than BPL households. But the percentage share of BPL households to the mean expenditure was 1.46% more than the APL households on the same.

5. The share of edible oil to the mean total expenditure constituted Rs. 340 (9.45%) for APL households and Rs.221 (12.97%) in the case of BPL households. This indicates that average monthly expenditure of APL household on edible oils is 1.05 times the average consumption expenditure of BPL households. But the percentage share of mean expenditure of BPL household exceeds 3.52% to the mean expenditure of APL households.

6. In respect of vegetables, the APL households spent Rs. 617 (17.15%), BPL households spent Rs. 326 (19.14%). This presented that the average monthly expenditure of APL household is 1.89 times the average expenditure of BPL households. Whereas, the percentage shares of BPL households to the mean expenditure is 1.99% higher than APL section of households.

7. The share of consumption expenditure in respect of egg, fish and meat, in case of APL households constituted Rs. 747 (20.77%), while for the BPL it constituted Rs.398 (23.37%) to the mean total expenditure and the overall, household consumption expenditure of APL is 1.87 times higher than that of BPL. But the percentage share of BPL households to the mean expenditure is 2.7% higher than APL.

8. The expenditure of APL households on salt and spices accounted Rs. 171 (4.73%) to the mean total expenditure and the expenditure of BPL households accounted Rs. 106 (6.22%) to the mean total expenditure. The expenditure of APL household is 1.61 times the average expenditure of the

BPL households whereas the percentage share of BPL households to the mean expenditure is 1.49% higher than APL section of households.

9. The share of expenditure on sugar and sugar products for APL households accounted Rs. 259 (7.2%) and for BPL households it accounted Rs.135 (7.93%) to the mean total expenditure. It is observed that average monthly expenditure of APL households on sugar and sugar products is 1.92 times the average expenditure of BPL households. But the percentage share of BPL household to the mean expenditure is 0.73% higher than APL households.

10. The expenditure on fruits and nuts for APL accounted Rs. 211(5.87%) whereas for BPL it accounted only Rs. 14 (0.84%) to the mean total food expenditure. The mean expenditure of APL households on sugar and sugar products is 15.07 times higher than BPL and the percentage share of APL to the mean expenditure is 5.03% higher than BPL households.

11. The share of consumption expenditure on beverages and refreshments for APL accounted Rs. 485 (13.48%). While, in case of BPL it was Rs.144 (8.45%) to the mean total expenditure. This showed that the mean expenditure of APL households on beverages and refreshments is 3.36 times the average expenditure of BPL households and likewise, the percentage share of APL household to the mean expenditure is 5.03% higher than BPL.

Thus, it evident from the analysis that there is a compositional difference in expenditure for different food items across economic class. The mean expenditure of APL section of household on food items are found usually higher in all food items and such variance is in accordance with the household disposable income, socio-economic and demographic profile of the household. But the percentage share of BPL households to the mean total expenditure are high (as their income is low) on cereals, pulses, vegetables, egg, fish and meat, edible oils, salt and spices and sugar because these are the components of essential food items. On the other hand, both the mean expenditure and percentage shares to the mean total expenditure of APL households are higher in case of nutritious and quality food items like milk and milk products, fruits and nuts and beverages and refreshments which confer social status and be categorised as luxury food items.

(ii) Findings related to average monthly expenditure on non-food items

1. The average monthly consumption expenditure of APL household on broad group of non-food item is Rs. 10044 and that of BPL household is Rs. 2139 per household.

2. The average monthly consumption expenditure of APL household on housing accounted Rs.953 (9.48%) and that of BPL accounted Rs.225 (10.5%) out of the total average monthly consumption expenditure on non-food. This indicated that average monthly expenditure of APL household is 4.23 times the average monthly expenditure of BPL households. But in percentage to the mean expenditure, BPL section of households spent 1.02% more on housing than the APL. This signifies that households with low average per capita income considerably shared more on housing.

3. On education, the APL households spend Rs.2835 per month per household that constituted 28.2% to total non-food consumption expenditure. Whereas, BPL category of households spent Rs.385 per household per month and this showed a share of 18% to total average monthly consumption expenditure on non-food. This indicates that the mean expenditure of APL households on education is 7.36 times the mean expenditure of BPL households and the percentage share of APL to the mean total expenditure is 10.2% higher than BPL households

4. On electricity, the APL households spent Rs. 164 (1.63%) and BPL household spent Rs. 89 (4.16%) of their total non-food expenditure on the payment for electricity bill. The expenditure of APL household on electricity is found 1.84 times more than the BPL households whereas the percentage share of BPL households to the mean expenditure is 2.53% higher than APL households.
5. It is found that on average APL households spent Rs. 361 (3.59%) and BPL households spent Rs. 133 (6.22%) of their mean expenditure on non-food in making payment related mobile recharge, top-up or other maintenance. The overall, household consumption expenditure of APL household on mobile or

telephone bill is 2.71 times higher than that of BPL. Whereas the percentage shares of BPL to the mean expenditure is 2.3% higher than APL.

6. The average monthly consumption expenditure on firewood of APL amounts to Rs. 415 (4.13%) of total average non-food expenditure and in case of BPL it amounts to Rs. 187 (8.74%) to total average monthly household non-food consumption expenditures. That is APL household spent 2.22 times the average expenditure of BPL households. But the percentage share of expenditure of BPL on firewood to the mean expenditure is 4.61% higher than APL households.

7. It is brought to notice that average monthly consumption expenditure on Kerosene of APL households amounts to Rs.70 (0.7%) to total non-food consumption expenditure. Whereas, the mean expenditure of BPL households on Kerosene amounts to Rs. 71 (3.32%) to total average monthly non-food expenditure. The mean expenditure of BPL households on Kerosene is 0.98 times the mean expenditure of APL households and the percentage share of BPL to the mean total non-food expenditure is 2.62% higher than the APL households

8. It is brought to notice that the APL section of household spent Rs.1048 (10.4%) and BPL section of household spent Rs. 13 (0.61%) of their total non-food consumption expenditure on petrol and diesel in a month. This showed that the mean expenditure of APL households on petrol and diesel is 80.62 times the mean expenditure of BPL households and likewise, the percentage share of APL household to the mean expenditure is 9.79% higher than BPL.

9. It is found that on healthcare out of the mean expenditure on non-food, APL households spent Rs.678 (6.75%) and BPL households spent Rs. 273 (12.8%). This highlights that the expenditure of APL household on healthcare is 2.48 times more than the BPL households whereas the percentage share of BPL households to the mean expenditure is 6.05% higher than APL section of households.

10. It is found that the average monthly consumption expenditure of APL on hygienic and toilet item is Rs.240 (2.39%) to total non-food consumption expenditure. While, for the BPL category it was Rs.97 (4.53%) to the mean expenditure representing that APL household spent 2.47 times more than the BPL on hygienic and toilet items. But the percentage share of mean expenditure of BPL household exceeds 2.14% to the mean expenditure of APL households.

11. It is observed that on entertainment, APL household spent Rs.1163 (11.6%) and BPL spent Rs. 200 (9.35%) to the respective mean total non-food expenditure which reflected that the mean expenditure of APL households on entertainments is 5.82 higher than BPL and likewise, the percentage share of APL household to the mean expenditure is 2.07% higher than BPL.

12. The average monthly consumption expenditure on cosmetics of APL section of household amounted to Rs. 478 (4.76%) to the mean total non-food expenditure. Like-wise, in case of BPL household it accounted Rs. 195 (9.12%). This revealed that the mean expenditure of APL household on cosmetics is 2.45 times the mean expenditure of BPL households. Whereas the percentage shares of BPL to the mean expenditure is 4.36% higher than APL.

13. In respect of transportation, the average consumption expenditure of APL household accounted Rs.361 (3.59%) to the mean total non-food expenditure whereas in case of BPL households it accounted Rs. 153 (7.15%) which revealed that the mean expenditure on transportation of APL household is 2.35 times than that of BPL. Whereas the percentage shares of BPL to the respective mean expenditure is 3.56% higher than APL.

14. On news paper and periodicals, it indicated that APL category of household spent Rs.108 (1.08%) while, the BPL category of household spent only Rs.2 (0.09%) which indicated that the mean expenditure APL households on newspaper and periodicals is 54 times the mean expenditure of BPL households. The percentage share of APL to the mean expenditure is 0.99% higher than BPL.

15. In case of social obligations, it is found that the APL category of household spent Rs. 389 (3.87%) and BPL category of household spent Rs.6 (0.28%) to the mean total non-food consumption expenditure. It is found that the mean expenditure of APL households on social obligations is 64.83 times than that of BPL households and likewise, the percentage share of APL household to the mean expenditure is 3.59% higher than BPL.

16. Similarly, for miscellaneous products the APL category of household spent Rs.781 (7.78%) and the BPL category of households spent Rs. 110 (5.14%) from their mean total non-food expenditure. From this it is observed that the mean expenditure of APL households on miscellaneous product is 7.1 times than that of BPL households and likewise, the percentage share of APL household to the mean expenditure is 2.64% higher than BPL.

The expenditure on non-food items are generally termed as an elucidation to the standard of living of the households. From the analysis it is ascertained that the mean expenditure of APL of household on different non- food items are higher than BPL households. This definitely reflects that APL household enjoys a higher standard of living than BPL households. Moreover, a broader outlook of the analysis reveals that the percentage share of BPL households to the mean total expenditure are found higher in staple non-food items like housing, electricity, firewood, kerosene, mobile or telephone bills, cosmetics items, healthcare and transportation. On the other hand, the analysis demonstrates that both the mean expenditure and percentage shares to the mean total expenditure of APL households are higher in the case of non- food items like education, petrol and diesel, entertainments, newspaper and periodicals, social obligations and miscellaneous products. This presents a shift in the preferences of households' consumption towards the goods and services which confer high social status when income increases.

(iii) Findings related to monthly consumption expenditures on semi-durable items

1. The average monthly consumption expenditure of APL household on broad group of semi-durable item is Rs. 2025 and that of BPL household is Rs. 608.

2. The share of mean expenditure on clothing among the socio-economic economic category indicated that APL spent Rs.955 (47.2%) and BPL spent Rs.380 (62.5%) per household per month from the respective mean total expenditure. This ascertains that the average monthly consumption expenditure of APL household is 2.51 times the average consumption expenditure of BPL households. The percentage share shows that the BPL household shared 15.3% more on the on the consumption of clothing than the APL household from the mean total semi-durable expenditure.

3. It is found that, on footwear the average monthly consumption expenditure of APL household is Rs.250 (12.3%) whereas, that of BPL household it is Rs.91 (15%) to the mean total expenditure of semi-durable. The average monthly consumption expenditure of APL household is 2.75 times the average consumption expenditure of BPL households. The share of percentage from the respective mean total expenditure shows that the BPL household shared 2.7% more on the on the consumption of footwear than the APL household.

4. In case of furniture, the APL household spent Rs. 160 (7.9%) per month per household while the BPL household spent Rs. 50 (8.22%) from the respective mean total expenditure of semi-durable. The average monthly consumption expenditure of APL household is 3.2 times the average consumption expenditure of BPL households. The share of percentage from the respective mean total expenditure shows that the BPL household shared 0.32% more on the on the consumption of footwear than the APL household.

5. It is found that on average APL household spent Rs. 114 (5.63%) while the BPL household spent Rs.56 (9.22%) from their respective mean total expenditure of semi-durable on utensil. This shows that the average monthly consumption expenditure of APL household is 2.04 times the average consumption expenditure of BPL households. The share of percentage from the respective mean total expenditure shows that the BPL

household shared 3.59% more on the on the consumption of footwear than the APL household.

6. Likewise, it found that on ornaments the APL household spent Rs.351 (17.3%) and BPL households spent Rs.24 (3.95%) from the respective mean total expenditure which showed that the average household consumption expenditure of APL household on ornaments is 14.63 times the average consumption expenditure on ornaments of BPL households and the percentage share of APL from the respective mean expenditure is 13.35% higher than BPL.

7. The economic category-wise analysis of expenditure on vehicle/motor cycle/bicycle shows that the APL household spent Rs. 157(7.75%) while the BPL section of households spent Re. 10 (1.64%) from the respective mean total expenditure of semi-durable. The average monthly consumption expenditure of APL household on vehicle/motor cycle/bicycle is 15.7 times the average consumption expenditure of BPL households. The share of percentage from the respective mean total expenditure shows that the APL household shared 6.11% more on the on the consumption of footwear than the BPL household.

8. It is observed that the average monthly consumption expenditure incurred on audio-video is Rs.38 (1.88%) for APL and Rs. 6 (0.99%) for BPL categories of household. This shows that average monthly consumption expenditure of APL household is 6.34 times the average consumption expenditure of BPL households. Likewise, share of percentage from the respective mean total expenditure shows that the APL household shared 0.89% more on the on audio-video than the BPL household.

9. The results of the t-test indicate that there is significant difference between APL and BPL households in the consumption expenditure pattern of food, non-food and semi-durables.

From the analysis of expenditure on semi-durable items according to economic categories of household, it is ascertained that the mean expenditure of

APL of household on different semi-durable items are higher than BPL households. But the percentage share of expenditure of BPL households from the mean expenditure to each semi-durable item except ornaments, vehicle/motorcycle/bicycle maintenance expenditure and audio-videos is higher than APL households. This reveals that clothing, footwear, furniture and utensils are the staple items on which BPL households spend more percentage from the mean expenditure. On other hand, ornaments, vehicle/motorcycle/bicycle maintenance and audio-videos are termed as luxurious items because expenditure on these items increases more than the proportionate increase in income.

7.5 Findings from monthly consumption expenditure range

The collected data on consumption expenditure on food, non-food and semi-durables were arranged ranging from below Rs. 5000, to Rs.35000 and above and this led to the following conclusions-

1. It is found that 56.2% of the sample households are in the monthly consumer expenditure range of below Rs. 10000 and 1.67% of the households monthly consumption expenditure are in the range of 35000 and above. This signifies that more number of household are concentrated in the lower expenditure range.

2. From decile group analysis it is found that the top 10% of the household accounts for 25.8% of total consumption expenditure while the bottom 10% of the households accounts only 2.47% of total consumption expenditure. This confirms the inequality in consumption expenditure among the sample households.

4. Likewise, top 50% of households shared 78.66% of the total monthly consumption expenditure whereas, the bottom 50% of the decile group shared 21.34% of the total monthly consumption expenditure. Thus, a high level of inequalities in the distribution of consumption expenditure among the households have been noticed.

5. It is found that 21% of the sample households are in the lowest MPCE class upto Rs. 1000, 33.67% sample households are in the MPCE class of Rs.

1000-2000 and there are 0.5% of the sample households in the highest MPCE class of Rs. 10000 and above. Thus, as the level of MPCE goes up to higher level the concentration of number of households goes on declining.

6. The study found that households with lower MPCE spent more on consumption of food while households with higher MPCE have spent more on consumption of non-food items. However, expenditures on durables goods remained more or less stagnant for the households of all MPCE classes.

From the analysis, it was noticed that many households are in the lower range of consumption expenditure and lesser number of households are in the higher range of monthly consumption expenditure i.e., the frequency distribution is skewed to the right. The value of mean, median and mode calculated from the monthly consumption expenditure of the sample households are Rs.12040, Rs.8800 and Rs.3333 respectively. The monthly consumption expenditure on food, non-food and semi- durable goods among the sample households are asymmetrical to the right. The highest value of the monthly household consumption expenditure among the 600 sample households is Rs.45548 and the lowest is Rs. 1833. This shows high inequalities in the distribution of consumption expenditure among the sample households.

7.6 Findings of the impact of income, household size, household debt and locational distance elasticity for various items of consumption expenditure

The analysis of income elasticity, household size elasticity, household debt elasticity and locational distance of household for various items of expenditure lead to the following major findings:

(i) Food items

1. The study found that household disposable income is a significant factor influencing the consumption expenditure pattern on food items. The income elasticity of expenditure on all food items is positive which implies that if household size, household debt and locational distance of the household remain constant, an increase in household disposable income leads to an

increase in expenditure on food items. Moreover, it is found that increases in expenditure is less than the proportionate increase in income, as the value of income elasticity is less than one for all items of expenditure.

2. The household size elasticity is positive for cereals and substitutes, pulse and pulse products, edible oils, vegetables, egg, fish & meat, salt and spices, sugar and sugar products, beverages and refreshments and negative for milk and milk products and fruit & nuts. The positive household size indicate that when disposable income, household debt and locational distance of the household remain constant, the expenditure on cereals and substitutes, pulse and pulse products, edible oils, vegetables, egg, fish & meat, salt and spices, sugar and sugar products, beverages and refreshments increases as household size increases. The negative household size reveals that when disposable income, household debt and locational distance of the household remain unchanged the expenditure on milk and milk products and fruit & nuts decreases as household size increases. This implies that other things remaining constant, as household size increases, an additional amount is spent on cereals and substitutes, pulse and pulse products, edible oils, vegetables, egg, fish & meat, salt and spices, sugar and sugar products, beverages and refreshments which is met by fully or partially curtailing the expenditure on remaining items or by borrowings.

3. The household debt elasticity has a negative impact on the demand for the consumption of various food items. The negative household debt elasticity reveals that when disposable income, household size and locational distance of the household remain constant, the expenditure on all food items decreases because increase in household debt imposes a burden of repayment and this is done by partially curtailing the consumption expenditure on various food items by the household.

4. The locational distance elasticity of the household is positive for milk and milk products, egg, fish and meat, salt and spices and beverages and refreshments. While, it is found negative for cereals and substitutes, pulse and pulse products, edible oils, vegetables, sugar and sugar products and fruits and nuts. The positive elasticity implies that when disposable income,

household size and household debt remain constant, the expenditure on milk and milk products, egg, fish and meat, salt and spices and beverages and refreshments increases with the increase in locational distance of the household. Whereas, the negative elasticity shows that, when disposable income, household size and household debt remain constant, the increase in locational distance of the household from the market centres does not lead an increase in the consumption expenditure cereals and substitutes, pulse and pulse products, edible oils, vegetables, sugar and sugar products and fruits and nuts.

5. The regression analysis shows that, disposable income and household size has a positive and significant impact on the consumption expenditure of food items. The household debt has a negative and significant impact on consumption expenditure of food items. Whereas, the locational distance of the household has a negative and insignificant impact on the same. Therefore, the second hypothesis stating that consumption expenditure is positively related to income, household size, household debt and locational distance of the household is partially accepted.

(ii) Non-food items

1. The income elasticity of expenditure is positive for all non-food items except kerosene. The positive income elasticity reveals that when household size, household debt and locational distance of the household remain constant, the expenditure on housing, education, electricity bill, mobile or telephone bill, firewood, petrol and diesel, health care, hygienic and toilet items, entertainment, cosmetic, transport, newspaper and periodicals, social obligations and miscellaneous items increases as income increases. The negative elasticity on kerosene implies that other things remaining constant, the expenditure on kerosene decreases as income increases. However, it is found that increases in expenditure is less than the proportionate increase in income, as the value of income elasticity is less than one for all non-food items of expenditure.

2. The household size elasticity is positive for housing education, electrical bill, mobile bill, firewood, kerosene, hygienic and toilet items, cosmetic items and miscellaneous goods services on the other hand, negative for petrol and diesel, health care, entertainment, news paper and periodical and social obligations. This reveals that other things remaining unchanged, the expenditure on housing education, electrical bill, mobile bill, firewood, kerosene, hygienic and toilet items, cosmetic items and miscellaneous goods and services increases with the increase in household size, whereas negative household size elasticity reveals that the expenditure on petrol and diesel, healthcare, entertainment, news paper and periodical and social obligations are curtailed and diverted to other essential components of non-food items when household size increases.

3. The house debt elasticity is positive for education, petrol & diesel, news paper and periodical, social obligations, whereas negative for housing, electrical bill, mobile or telephone bill, firewood, kerosene, hygienic and toilet items, cosmetic items, healthcare, entertainment, and miscellaneous goods services. This reflects that other factors remaining unchanged, the expenditure on education, petrol & diesel, news paper and periodicals, social obligations increases with the increase in household debt as it increases the household disposable income at one particular moment. On the contrary, the expenditure on electrical bill, mobile bill, firewood, kerosene, hygienic and toilet items, cosmetic items, healthcare, entertainment and miscellaneous goods services are partially curtailed to met additional rise in expenditures of other non-food items.

4. Similarly, the locational distance of the household is positive for housing, electricity bill, mobile or telephone bill, kerosene, hygienic and toilet items, entertainment, news paper and periodicals, whereas negative elasticity of the locational distance of the household is observed in the case education, firewood, petrol and diesel, health care, cosmetics, transportation, social obligations, miscellaneous goods and services. The positive locational distance elasticity implies that other factors remaining unchanged, the expenditure on housing, electricity bill, mobile or telephone bill, kerosene, hygienic and toilet items, entertainment, news paper and periodicals

increases with an increase locational distance of the household from market or urban centres. The negative locational distance elasticity on the other hand, implies that other factors remaining unchanged, the expenditure on education, firewood, petrol and diesel, healthcare, cosmetics, transportation, social obligations, miscellaneous goods and services do not increases with the increases in locational distance of the household from the market or urban centres.

5. Through regression analysis it is found that, the income elasticity has a positive and significance impact on the consumption of non-food items, the household size elasticity on the other has a positive and insignificant impact on the consumption expenditures of non-food items. Likewise, the household debt and locational distance of the household has negative and insignificant impact on the household consumption expenditure pattern of various non-food items. Therefore, the hypothesis stating that consumption expenditure is positively related to income, household size, household debt and locational distance of the household is partially accepted.

(ii) Semi-durable items

1. It is found that that income elasticity of expenditure is positive for all semi-durables goods. The income elasticity of expenditure on all semi-durable items is positive which implies that if household size, household debt and locational distance of the household remain constant, an increase in household disposable income leads to an increase in expenditure on semi-durable items. However, increases in expenditure is less than the proportionate increase in income, as the value of income elasticity is less than one for all items of expenditure.

2. The household size elasticity has positive impact on the consumption expenditure of the household made on clothing, footwear, utensils, vehicle/motorcycle/bicycle and audio-video whereas has a negative impact in case of furniture and ornaments. The positive household size elasticity indicates that other factors remaining unchanged, the expenditures on clothing, footwear, utensils, vehicle/motorcycle/bicycle and audio-video

increases with an increase in household size. The negative household size elasticity reveals that the expenditure on furniture and ornaments decreases with the increase in the size of household. The additional rise in expenditure on other items due to increase in size of the household are partially or fully met by curtailing the expenditure on furniture and ornaments or by borrowings or dissavings.

3. Similarly, household debt elasticity is positive on the consumption expenditure of the household made on furniture, ornaments which implies that other factors remaining the same, the expenditure on furniture and ornaments increases with an increase in household debt because household debt although increases the burden of repayments later, at one particular moment it increases the disposable income of the household. On the other hand negative elasticity of expenditure on clothing, footwear, utensils, vehicle/motorcycle/bicycle and audio-video reveals that expenditure on these items declines with an increase in household debt because household keeps ready for repayment of loan installments which is met by curtailing expenditures on clothing, footwear, utensils, vehicle/motorcycle/bicycle and audio-video.

4. Likewise, the locational distance elasticity of the household is positive for clothing, furniture, utensils, ornaments, audio-video. On the other hand, negative for footwear, vehicle/motorcycle/bicycle. The positive elasticity indicates that other factors remaining the same, the expenditures on clothing, furniture, utensils, ornaments, audio-video increases with an increase in locational distance of the household from the market or urban centre. The negative elasticity for footwear, vehicle/motorcycle/bicycle reveals that the expenditure on these two items do not increases with an increase in locational distance of the household from market or urban centre.

5. From regression analysis, it is observed that income elasticity has positive and significant influence at five percent level on all semi-durable items of expenditure, whereas household size, household debt and locational distance of the household have positive but insignificant impact on the household

consumption expenditure made of semi-durables. Therefore, the second hypothesis stating that consumption expenditure is positively related to income, household size, household debt and locational distance of the household is accepted.

7.7 Recommendation

From the overall observation of the study following few suggestions may be put forth for the improvement of consumption expenditure pattern of the study area.

1. The dignity of labour is found to be very low in the study area. Despite not having higher qualification or technical education even a little educated person do not like to do manual work. By imparting a little general education of different disciplines many rural youth keep searching for some job which does not involve manual labour. Therefore, for the majority of sample populations the economic opportunities are highly limited due to lack of technical education. The doors of organised sectors are not open for which they themselves engage in home-based work where there is no regularity of work and thus income generation is very low. For this, government and other non government organizations should take steps to provide training to the rural youth so that they can get scope of employment in organised sectors.

2. Infrastructural facilities like public health care facility, electricity, water supply, irrigation facilities, good transportation facilities and training on utilization of agricultural machineries, fertilizers and HYV seeds are prime requisite so that they can raise their agricultural productivity and income.

3. The financial institutions like banks and government co-operatives societies are need to be opened up in the rural areas to facilitate the rural households with the credit needs for meeting different types of consumption expenditures at lower rate of interest, with easy official procedures.

4. The various rural development schemes and plans of the government especially which are targeted to provide additional employment opportunities, shelter, food securities to the poor and needy people should be properly implemented for raising the consumption level.

5. The unauthorized long day celebration of puja which can be termed as the root cause of early marriage and socially undesirable activities like dice gambling, open selling of wine and teer gambling should be bandh. The teer gambling which has penetrated in every nook and corner of Bodo dominated village take away a major portion of household income meant for consumption. The continuation of such elements has jeopardised the economy and family bond in the study area. Lunching massive social awareness campaigns on early marriages, adaptation and implementations of new rules and regulations against such anti-social activities are the only ways to raise consumption standard.

These are a few suggestions which could improve the consumption expenditure pattern of the study area. However, as the changes in the level of consumption depends on income which again depends on earnings from different sources like from service, agriculture, rearing of pig, poultry, handloom and others, the government should be very much keen towards the development of these activities in rural areas.

7.8 Conclusion

To conclude, in this study attempt has been made to examine the consumption expenditure pattern of the households of Bodo community in Baksa district of Assam. The Keynesian psychological law of consumption is found applicable among the households of Baksa district of Assam. Because the regression co-efficient indicated that the estimated increase in the household annual consumption expenditure amounts to 92 paisa as their annual household disposable income increases by one rupee or in percentage one percent increase in household disposable income results 0.92 percent increase in household consumption expenditure. The overall, per capita consumption expenditure of the APL and BPL shows considerable differences. The per capita expenditure of the BPL households is not sufficient to maintain the minimum standard of living. The root cause of such low standard of living are due lack of additional employment opportunities and vast spread of socially undesirable activities like dice gambling, teer gambling and open selling of wines that has already drain the wealth of many rural households.

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