

Consumption pattern and Poverty Incidence in Andhra Pradesh with special reference to Vizianagaram District

Dr. G. A. NAIDU

Teaching Associate, Department of Rural Development
Dr.B.R.Ambedkar University, Srikakulam

Abstract: In this paper, an attempt is made to analyze the consumption patterns of the households and poverty levels. Of the five per capita expenditure size groups in the study area, the first two lowest monthly per capita expenditure groups (i.e. Rs.100/- to Rs.300/- and Rs.301/- to Rs.500/-) account for 90% of population of the sample households in the L.Kota mandal, while 84% are in the S.Kota mandal. The analysis of sub-castes revealed that 100% of the STs of L.Kota mandal and 93% of the STs of S.Kota mandal belong to the lowest groups of monthly per capita expenditure. From this it may be inferred that the fruits of development have not reached the weaker sections of the society. The analysis of the distribution of households according to Head Count Ratio (HCR) revealed that 30% of the households are lying Below the Poverty Line (BPL) in L.Kota mandal, while it is 28% of households in S.Kota mandal. However, the analysis of sub-castes revealed that in both the mandals majority of the people belonging SC and ST groups are lying Below the Poverty Line. From this it may be inferred that through the government has been launching several poverty alleviation programmes; these are not adequate to wipe out poverty in the society. This may be the reason that the Govt. is undertaking special programmes to extend the benefits of fruits of development to the weaker sections in the name of 'Inclusive Growth' during the Eleventh Five Year plan.

Key words: Rural poverty, Consumption pattern, Poverty levels, Vizianagaram, A.P.

The Problem:

The rural economy of India once self-sufficient prior to the British rule has not yet gained the same prestigious position even after six decades of planning. Through, the intensity of the problems might have changed a bit, the basic issues are still lingering around several economists, social scientists and governmental agencies have estimated the extent of poverty both in rural and urban areas from time to time, by adopting various methods. Most of the studies have taken calorie intake as the basis of constructing the per capita consumption expenditure line (poverty line) to measure the poverty. However, in order to capture the multiple manifestations of the incidence of

poverty, there is need to develop new yard-sticks for measuring poverty. In this context, any attempt to estimate the rural poverty using both calorie intake of different social groups and per capita income per month may yield useful results. In view of this, an attempt is made in this study to measure poverty levels.

Objectives:

1. To analyze rural poverty in Andhra Pradesh
2. To estimate the extent of rural poverty in the study area
3. To study appropriate policy initiatives to alleviate poverty.

Area of the Study:

The present study is conducted in Vizianagaram district; one of the backward district in Andhra Pradesh in India .The Study covers two mandals viz., Lakkavarappu Kota (L.Kota) and Srungavarapu Kota (S.Kota) mandals in Vizianagaram district for the purpose of in-depth analysis on rural poverty.

Methodology:

To measure the poverty levels the quantity of food items have been converted into calories by using the consumption tables of Gopalan, Barbara and Harris. In calculating the per capita figures such as expenditure and calorie intake members of the households are converted into adult units by using the familiar ratios i.e. one female adult is equal to 0.80 and child is equal to 0.60 where as male member is consider as one(1). In order to have some standardization in measuring the consumption expenditure, the retail prices as reported by the village retail shop keepers, are averaged and used in the valuation of physical quantities consumed. Such standardized prices are also used for estimating the money value of the asset. Statistical tools used for processing the data include simple frequency counts, percentages and averages.

Sample Design:

The field study has been undertaken in 6 villages spread over two mandals viz, L.Kota and S.Kota in Vizianagaram district of Andhra Pradesh during the period 2008-2009.The selection has been made on the basis of different geographical features of the mandals. The S.Kota mandal is a relatively well irrigated area and the geographical feature of the L.Kota mandal is neither well irrigated area nor completely dry area. The reason to select this area

is its relative back wardness compared to other mandals in Vizianagaram district. A modest attempt has been made to study the levels of living of the sample households with focus on income inequalities among Schedule Castes (SCs), Schedule Tribes (STs), Backward Castes (BCs), and Other Castes (OCs). To select the households in 6 villages in the study, we used systematic random sampling from each village the study covered 25% of the households for the sample. The total sample households are 324 in the study area.

Consumption Pattern and Poverty Incidence in the study area:

In this paper, an attempt is made to analyze to consumption patterns of the households and poverty levels. To explain the poverty levels, data are analyzed with respect to distribution of households according to monthly per capita expenditure groups, expenditure on food and non-food, and expenditure on education.

Expenditure Groups:

Of the five per capita expenditures size groups (Rs.100/- - Rs.300/-, Rs.301/- - Rs.500/-, Rs.501/- - Rs.700/-, Rs.701/- - Rs.1000/-, Above Rs. 1000/-) in the study area, the first two lowest monthly per capita expenditure groups (i.e. Rs.100/- to Rs.300/- and Rs.301/- to Rs.500/-) account for 90% of population of the sample households in the L.Kota mandal, while 84% are in the S.Kota mandal. The analysis of sub-castes revealed that 100% of the STs of L.Kota mandal and 93% of the STs of S.Kota mandal belong to the lowest groups of monthly per capita expenditure. From this it may be inferred that the fruits of development have not reached the weaker sections of the society.

Expenditure on food:

The Average monthly per capita expenditure on cereals is found to be Rs.173.15/-, it is as low as Rs.153.85/- among ST households and as high as Rs.188.23/- among BCs. Significant differences are noted in expenditure on fruits and edible oils. Expenditure on fruits is as low as Rs.8.24/- among BCs and Rs.11.30/- among SC categories. Expenditure on edible oils varies significantly. It varies around Rs.16.50/- among SCs and Rs.29.53/- among BC category in S.Kota mandal.

Expenditure on Non-food: It is found that the per household expenditure on non-food varies around Rs.769.36/- among ST category and Rs.1464.57/- among OC category. Further per capita monthly expenditure varies around Rs.171.31/- among BC Category and Rs.292.91/- among OC category. When compared to expenditure on food, the differences in non-food expenditure is that high among different caste categories.

Expenditure on Education:

It is observed that in the selected sample households 385 children are going to schools. The average yearly per capita expenditure on child in education is Rs.2855/-. The average yearly per capita expenditure on school going children is as high as Rs.4894/- among SC households. It is lower in OC category (Rs.1994/-). The proportion of expenditure on private schools to total expenditure on education is as high as 86% and 85.67% among ST and SC households respectively and 73% among OC households.

Calorie Intake and Poverty levels:

It is found that the average per capita calorie per day is 3398.71. It varies around 4185.78 calories in OC categories and 2860.50 in ST category. The average per capita calorie intake per day in L.Kota

mandal is lower (3338.26) than the average per capita calorie intake per day in S.Kota mandal (i.e., 3459.16). The average per capita calorie intake per day in L.Kota mandal varies around 4263.28 calories in OC category and 2728.65 in ST category. The average per capita calorie intake per day in S.Kota mandal varies around 4108.28 calories in OC category and 2992.36 in ST category like L.Kota mandal.

Distribution of households according to poverty levels and caste category:

2400 calories as a considered norm to classify households as a poor in rural area. This implies that the per capita per day calorie intake of a household to be classified as above poverty line has to consume more than 2400 calories.

It is found that 28.39% of the households are in below poverty line group. It varies around 23.07% among OC households and 30.15% among ST households. 29.26% of the SC households and 28.01% of the BC households are found to be in below poverty line. The measure of Head Count Ratio (HCR) shows the spread of poverty. Poverty Gap varies around 4.72% among OC category and 6.78% among SC category. It shows the depth of poverty. The Squared poverty gap varies around 1.04% among OC category and 1.82% of SC category. It shows severity of poverty. Thus though the degree of poverty does not differ significantly among BCs (28.01%), SCs (29.26%) and STs (30.15%). Depth of poverty is found to be more among STs (7.64%) than BCs (5.68%). There is no significant difference in severity of poverty among SCs, STs, and BCs.

Conclusion and Suggestions:

The analysis of expenditure pattern and poverty incidence led to the following major observations.

The analysis of the per capita household expenditure revealed that the overall sampled households are above the poverty line (i.e., Rs.292.95 per capita per month which is the officially estimated figure in 2004--2005). However, the analysis of Sub-castes revealed that all the households belonging to SC and ST in both the mandals are lying below the poverty line, while the BC and OC categories are above the poverty line in both the mandals. From this it may be inferred that there is need to undertake specially designed poverty alleviation programmes in order to uplift the people belonging to the weaker sections of the society.

The analysis of per household expenditure on non-food revealed that the households belonging to L.Kota mandal spend more on alcohol consumption when compared to S.Kota mandal. The analysis of sub-castes revealed that the average expenditure on alcohol is more in OCs and BCs both the mandals when compared to SC and ST groups of both the mandals. This alcoholic consumption which is more or less present in all the caste groups of both the mandals, suggest that there is need for taking some special drive on the part of the Non-Government Organizations (NGOs) and voluntary organizations to motivate the alcoholic addicts to give up that habit. This not only facilitates improvement in the standard of living but also goes a long way in the process of welfare maximization of the society.

The analysis of the average per annum per capita expenditure on school going children revealed that the proportion of expenditure on private schools to total expenditure on education is high in S.Kota mandal when compared to L.Kota mandal. The analysis of sub-castes revealed that the average per annum per capita expenditure on children education is high in SCs and STs, when compared

to BCs and OCs in both the mandals. From this it may be inferred that the weaker sections are more aware of quality oriented education. Hence, the Government has to spend more on public schools to keep them on par with the private schools. Then the shift from public schools to private schools can be controlled. This also helps the poorer sections of the people to spend more on calorie intake and other necessities. Hence, the Governments expenditures on a percentage of GDP should increase to provide better educational institutions.

The results of the average per capita calorie intake per day revealed that it is lower (i.e. 3338.26) in L.Kota mandal when compared to S.Kota mandal (i.e.3459.26). The results of sub-castes revealed that the average per capita calorie intake per day is lower in STs and SCs when compared to BCs and OCs in both the mandals. From this it may be inferred that the heads of the households should be motivated to change the pattern of allocation of expenditure by shifting the expenditure made on alcoholic consumption to consumption of calorie intake.

The analysis of the distribution of households according to Head Count Ratio (HCR) revealed that 30% of the households are lying Below the Poverty Line (BPL) in L.Kota mandal, while it is 28% of households in S.Kota mandal. However, the analysis of sub-castes revealed that in both the mandals majority of the people belonging SC and ST groups are lying below the poverty line. From this it may be inferred that through the government has been launching several poverty alleviation programmes; these are not adequate to wipe out poverty in the society. This may be the reason that the Govt. is undertaking special programmes to extend the benefits of fruits of development to the weaker sections in the name of "Inclusive Growth" during the Eleventh five year plan.

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Table-1

Average per Capital Calorie in take per day in overall

| Caste | Average Per Capita Calorie intake per day | | |
|-------|---|----------------|---------|
| | L. Kota Mandal | S. Kota Mandal | Overall |
| SC | 2986.57 | 3267.40 | 3126.98 |
| ST | 2728.65 | 2992.36 | 2860.50 |
| BC | 3374.57 | 3468.62 | 3421.59 |
| OC | 4263.28 | 4108.28 | 4185.78 |
| Total | 3338.26 | 3459.16 | 3398.71 |

Source: Field data

Table-2

Distribution of Households by caste category and per capita calorie intake per day - Overall

| Caste | No .of BPL Households (< 2400 Calories) | Total Sample Households | % Below Poverty Line | | |
|-------|---|-------------------------|----------------------|-------------|---------------------|
| | | | H C R | Poverty Gap | Squared Poverty Gap |
| SC | 12 (29.26) | 41 (100.00) | 29.26 | 6.78 | 1.82 |
| ST | 19 (30.15) | 63 (100.00) | 30.15 | 7.64 | 1.72 |
| BC | 58 (28.01) | 207 (100.00) | 28.01 | 5.68 | 1.26 |
| OC | 03 (23.07) | 13 (100.00) | 23.07 | 4.72 | 0.94 |
| Total | 92 (28.39) | 324 (100.00) | 28.39 | 5.76 | 1.35 |

Note: Figures in parenthesis indicate percentage to the totals; Source: Field data

Table-3

Distribution of Households by caste category and per capita calorie intake per day in L.Kota Mandal

| Caste | No. of BPL Households (< 2400 Calories) | Total Sample House holds | % of Below Poverty Line | | |
|-------|---|--------------------------|-------------------------|-------------|---------------------|
| | | | H C R | Poverty Gap | Squared Poverty Gap |
| SC | 09 (30.00) | 30 (100.00) | 30.00 | 7.82 | 1.68 |
| ST | -- | 03 (100.00) | - | - | - |
| BC | 40 (29.41) | 136 (100.00) | 29.41 | 6.88 | 1.96 |
| OC | 02. (28.57) | 07 (100.00) | 28.57 | 6.18 | 1.57 |
| Total | 51 (28.97) | 176 (100.00) | 28.97 | 6.23 | 1.64 |

Note: Figures in parenthesis indicate percentage to the totals

Source: Field data

Table-4

Distribution of Households by caste category and per capita calorie intake per day in S.Kota Mandal

| Caste | No. of BPL Households (< 2400 Calories) | Total Sample Households | % of Below Poverty Line | | |
|-------|---|-------------------------|-------------------------|-------------|---------------------|
| | | | H C R | Poverty Gap | Squared Poverty Gap |
| SC | 03 (27.27) | 11 (100.00) | 27.27 | 5.53 | 1.16 |
| ST | 19 (31.66) | 60 (100.00) | 31.66 | 7.82 | 2.10 |
| BC | 18 (25.35) | 71 (100.00) | 25.35 | 4.88 | 1.12 |
| OC | 01 (16.66) | 06 (100.00) | 16.66 | 2.76 | 0.48 |
| Total | 41 (27.70) | 148 (100.00) | 27.70 | 5.96 | 1.26 |

Note: Figures in parenthesis indicate percentage to the totals

Source: Field data