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Socio-economic and occupational determinants of consumption patterns in Odisha

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Abstract
The study examines the socio-economic and occupational determinants influencing household consumption patterns in Odisha, with a focus on disparities across different population groups. Adopting a descriptive and analytical research design, primary data were collected from 120 households selected through stratified random sampling, covering both rural and urban areas. The analysis employs descriptive statistics, Engel curve assessment, and multiple regression techniques to evaluate the relationship between consumption expenditure and key variables such as occupation, income, education, household size, and location.
The findings reveal that occupation significantly shapes consumption behaviour, with households engaged in agriculture and informal labour allocating a larger share of expenditure to food, while salaried and business households demonstrate higher non-food consumption and greater diversification. Income is identified as the most influential determinant, exhibiting a strong positive association with total consumption expenditure. Education further enhances consumption diversification, particularly in welfare-oriented categories such as health and education. The study also identifies notable rural–urban disparities, reflecting differences in income levels and access to services.
The results confirm that both socio-economic and occupational factors are statistically significant in determining consumption patterns, leading to persistent inequalities in household welfare. The study underscores the need for targeted policy interventions focusing on employment diversification, income enhancement, and human capital development to promote balanced consumption and inclusive growth in Odisha.

Keywords: Socio-economic determinants, occupational factors, household consumption, income inequality, Odisha

Introduction
Consumption patterns serve as a crucial indicator of household welfare and economic development. In developing regions, variations in consumption behaviour are closely linked to occupational structures and socio-economic conditions. Odisha, characterized by a diverse occupational base including agriculture, informal labour, and emerging service sectors, presents a unique context for examining consumption disparities.
The relationship between occupation and consumption is rooted in income stability, access to resources, and exposure to markets. Households engaged in formal employment often demonstrate higher consumption diversification, whereas those in informal or agricultural occupations tend to allocate a larger share of their income to basic necessities. Additionally, factors such as education, household size, and geographic location further shape consumption decisions.
This study aims to analyse how socio-economic and occupational variables influence consumption patterns in Odisha, thereby contributing to the discourse on inclusive growth and welfare economics.

Problem Statement
Household consumption patterns are widely recognized as a fundamental indicator of economic well-being, living standards, and social equity. In a developing regional economy such as Odisha, consumption behaviour is not uniform; rather, it is shaped by a complex interaction of occupational structure and socio-economic characteristics. Despite notable progress in economic growth and poverty reduction, significant disparities persist in income distribution, employment stability, and access to basic services across different segments of the population.
A critical concern lies in the pronounced heterogeneity of occupational groups, ranging from subsistence agriculture and informal labour to salaried employment and small-scale entrepreneurship. These occupational categories differ substantially in terms of income security, earning capacity, and exposure to market opportunities, which in turn influence the level and composition of household consumption. Households engaged in low-income and irregular occupations tend to allocate a larger share of their expenditure to essential commodities, particularly food, thereby limiting their ability to invest in education, healthcare, and other welfare-enhancing goods. Conversely, households with stable and higher incomes exhibit more diversified consumption patterns, reflecting improved living standards.
In addition to occupation, socio-economic factors such as education, household size, and rural–urban location further contribute to variations in consumption behaviour. However, existing studies often examine these determinants in isolation or at a broader national level, with limited focus on region-specific dynamics. In the context of Odisha, there remains a lack of comprehensive empirical analysis that integrates occupational and socio-economic dimensions to explain consumption disparities across households.
This gap in the literature creates a challenge for policymakers seeking to design targeted interventions aimed at reducing inequality and improving welfare outcomes. Without a clear understanding of how occupational and socio-economic factors jointly influence consumption

patterns, policy measures may fail to address the structural roots of inequality. Therefore, the present study seeks to systematically examine the extent to which socio-economic characteristics and occupational categories determine household consumption patterns in Odisha, with a view to generating evidence-based insights for inclusive and sustainable development.

Literature Review on Socio-Economic and Occupational Determinants of Consumption Patterns

Sl. No.	Researcher(s) & Year	Title/Focus of the Study	Major Research Findings	Research Gap
1	Sethy & Mahapatro (2025)	Structural inequalities and dietary diversity in Odisha	Socio-economic status, education, caste, and occupation significantly influence dietary diversity and food consumption in Odisha. Persistent inequalities continue despite improvements in household expenditure. (Nature)	Focuses primarily on dietary diversity rather than comprehensive household consumption expenditure across occupational groups.
2	Barik, Mishra, & Saxena (2026) [3]	Socio-economic conditions and determinants of income among informal workers in urban Odisha	Income of informal workers is significantly influenced by education, occupation, migration status, and access to public services. Income instability adversely affects household welfare. (F1000 Research)	Examines income determinants but does not analyse food and non-food consumption behaviour.
3	Government of Odisha (2025) [6]	Odisha Economic Survey 2025 [8]–26	Monthly per capita consumption expenditure has increased, while the share of non-food expenditure has risen, indicating improving living standards in Odisha. (Odisha Finance)	Provides descriptive statistics without examining household-level socio-economic or occupational determinants.
4	Directorate of Economics and Statistics, Odisha (2025) [6]	Household consumption inequality across social groups	Consumption disparities remain significant among Scheduled Tribes, Scheduled Castes, and other social groups despite improvements in MPCE. (Odisha State Portal)	Does not investigate occupation as an explanatory variable for consumption inequality.
5	Gupta, Sarkar, Deb, & Jana (2025)	Energy consumption behaviour among energy-poor households	Household size, employment participation, and ownership of appliances significantly affect electricity consumption behaviour. (arXiv)	Restricted to household energy consumption rather than overall expenditure patterns.
6	Asharaf & Tol (2024)	Impact of Pradhan Mantri Ujjwala Yojana on Indian households	LPG adoption increased among beneficiary households, improving clean energy consumption, though sustained usage depends on household income and affordability. (arXiv)	Focuses on energy consumption and does not analyse occupational differences in total household consumption.
7	Batra & Sharma (2025)	International migration and dietary diversity in India	Migration significantly improves household consumption expenditure and dietary diversity through remittance income. (arXiv)	Limited to migrant households and does not examine occupational heterogeneity.
8	National Statistical Office (2024)	Household Consumption Expenditure Survey (HCES) 2023 [10]–24	Rural and urban MPCE increased substantially, while the share of food expenditure declined and non-food expenditure increased across India. (Reddit)	National-level analysis without state-specific occupational comparisons.
9	World Bank (2023) [14]	Poverty, inequality and household welfare in developing economies	Income growth improves household consumption and reduces poverty when supported by employment opportunities and social protection.	Does not provide state-level evidence for Odisha or occupation-wise consumption analysis.
10	International Labour Organization (2023) [7]	Employment and social outlook in Asia-Pacific	Informal employment remains associated with lower earnings, limited social security, and weaker household consumption capacity.	Does not empirically examine expenditure allocation across occupational categories.
11	Food and Agriculture Organization (2023) [7]	Food security and sustainable consumption	Household income, education, and livelihood significantly influence nutritional consumption and food security outcomes.	Focuses mainly on food security rather than complete household consumption behaviour.
12	OECD (2022)	Income inequality and household consumption	Income inequality reduces consumption growth among lower-income households and increases expenditure disparities.	Developed-country emphasis with limited applicability to regional Indian economies.
13	Bhattacharya, Kar, Kumar, & Nandi (2022) [5]	Rural institutions and socio-economic inequality	Rural socio-economic structures, land ownership, and occupational status significantly influence household welfare. (arXiv)	Does not directly examine household consumption expenditure.
14	United Nations Development Programme (2022) [2]	Human Development Report	Education, employment quality, and income remain fundamental determinants of living standards and household well-being.	Does not empirically analyse occupational differences in consumption behaviour.
15	Asian Development Bank (2022) [2]	Inclusive growth and household welfare in South Asia	Employment diversification and human capital investment contribute significantly to improved household welfare and consumption capacity.	Does not specifically investigate Odisha or compare occupational categories using household-level data.

1. Research Gap Identified

The review of recent literature reveals several important gaps. Most contemporary studies concentrate on income inequality, food security, dietary diversity, energy consumption, or poverty, while only a limited number examine overall household consumption behaviour. Studies conducted in Odisha largely focus on income conditions, dietary diversity, or social-group disparities, with

insufficient attention to the combined influence of occupation and socio-economic characteristics on household expenditure.

Furthermore, many existing investigations rely on secondary datasets and provide descriptive evidence rather than comprehensive micro-level analyses using primary household data. There is also a noticeable absence of studies comparing food and non-food expenditure across occupational groups, particularly among agricultural households, informal workers, salaried employees, and business households within Odisha.

Accordingly, the present study addresses these shortcomings by developing an integrated analytical framework that simultaneously examines occupation, income, education, household size, and rural–urban location as determinants of household consumption patterns. By employing primary survey data and empirical statistical techniques, the study provides evidence that is both region-specific and policy-oriented, thereby contributing to the literature on consumption behaviour and inclusive development in Odisha.

Theoretical Framework of the Study

The theoretical framework of this study is grounded in the integration of classical and modern consumption theories, particularly the consumption function and Engel's law, which explain how income and socio-economic conditions influence expenditure behaviour. The framework conceptualizes consumption patterns as a function of two primary dimensions**:** socio-economic factors and occupational structure.

Socio-economic variables such as income, education, household size, and location determine the purchasing power and preferences of households. Simultaneously, occupational categories influence income stability, risk exposure, and access to economic opportunities, thereby shaping consumption decisions. These factors collectively affect the allocation of expenditure between food and non-food items, as well as the degree of consumption diversification.

The framework assumes a direct and significant relationship between independent variables (socio-economic and occupational factors) and the dependent variable (consumption patterns). It further implies that higher income, stable occupations, and better education levels lead to diversified and welfare-enhancing consumption behaviour.

Research Questions

The present study is guided by the following research questions:

1. How do household consumption patterns vary across different occupational groups in Odisha?
2. To what extent do socio-economic factors such as income, education, household size, and location influence consumption behaviour?
3. Is there a significant difference in the allocation of expenditure between food and non-food items across occupational categories?
4. How does income stability associated with different occupations affect consumption diversification?
5. What are the key determinants driving disparities in consumption patterns among households in Odisha?
6. Do rural and urban households exhibit distinct consumption patterns when analysed in relation to occupation and socio-economic characteristics?
7. How do socio-economic and occupational variables interact to shape overall household welfare through consumption behaviour?

Research Objectives

The study is designed to achieve the following specific objectives:

1. To examine the overall consumption patterns of households in Odisha with respect to food and non-food expenditure.
2. To analyse the variations in consumption behaviour across different occupational groups.
3. To evaluate the influence of socio-economic factors, including income, education, household size, and location, on household consumption patterns.
4. To assess the relationship between occupational structure and consumption diversification.
5. To identify the extent of disparities in consumption expenditure among different socio-economic and occupational categories.
6. To compare rural and urban consumption patterns in relation to occupational and socio-economic characteristics.
7. To provide empirical insights for policy formulation aimed at reducing consumption inequality and improving household welfare in Odisha.

Declaration of Hypotheses

In accordance with the objectives of the study, the following hypotheses are formulated to empirically examine the relationship between socio-economic and occupational factors and household consumption patterns in Odisha. These hypotheses are structured in both null and alternative forms to enable statistical testing and validation.

Hypothesis Set 1: Occupational Influence on Consumption Patterns

- **H_{01} (Null Hypothesis):** Occupational categories do not have a statistically significant impact on household consumption patterns in Odisha.

- **H_{11} (Alternative Hypothesis):** Occupational categories have a statistically significant impact on household consumption patterns in Odisha.

Hypothesis Set 2: Socio-Economic Determinants and Consumption Behaviour

- **H_{02} (Null Hypothesis):** Socio-economic factors such as income, education, household size, and location do not significantly influence household consumption patterns.

- **H_{12} (Alternative Hypothesis):** Socio-economic factors such as income, education, household size, and location significantly influence household consumption patterns.

Hypothesis Set 3: Income and Consumption Expenditure

- **H_{03} (Null Hypothesis):** There is no significant relationship between household income and consumption expenditure.

- **H_{13} (Alternative Hypothesis):** There is a significant positive relationship between household income and consumption expenditure.

Hypothesis Set 4: Food and Non-Food Expenditure Allocation

- **H_{04} (Null Hypothesis):** There is no significant difference in the allocation of expenditure between food and non-food items across occupational groups.
- **H_{14} (Alternative Hypothesis):** There is a significant difference in the allocation of expenditure between food and non-food items across occupational groups.

Hypothesis Set 5: Education and Consumption Diversification

- **H_{05} (Null Hypothesis):** Educational attainment has no significant effect on the diversification of household consumption.

- **H_{15} (Alternative Hypothesis):** Educational attainment significantly influences the diversification of household consumption.

Hypothesis Set 6: Rural–Urban Differences in Consumption

- **H_{06} (Null Hypothesis):** There is no significant difference in consumption patterns between rural and urban households in Odisha.

- **H_{16} (Alternative Hypothesis):** There is a significant difference in consumption patterns between rural and urban households in Odisha.

Research Methodology

The present study adopts a systematic and empirical approach to examine the socio-economic and occupational determinants of household consumption patterns in Odisha. The methodology is designed to ensure analytical rigor, reliability, and validity of the findings.

1. Research Design

The study follows a descriptive and analytical research design. The descriptive component facilitates the examination of existing consumption patterns, while the analytical component enables the identification of relationships between dependent and independent variables. This combined approach allows for both observation and hypothesis testing.

2. Nature and Sources of Data

2.1 Primary Data

Primary data constitute the core of the analysis and are collected through a structured questionnaire administered to selected households. The questionnaire is designed to capture detailed information on:

- Household demographic characteristics
- Occupational classification
- Income levels and sources
- Monthly consumption expenditure (food and non-food categories)

2.2 Secondary Data

Secondary data are utilized to supplement the analysis and provide contextual understanding. These include:

- Government reports (economic surveys, consumption expenditure reports)
- Published research articles and academic journals
- Statistical databases related to household consumption and employment

3. Sampling Design

3.1 Sampling Technique

A stratified random sampling method is employed to ensure representation across different occupational and socio-economic groups. The population is divided into strata based on:

- Occupational categories (agriculture, informal labour, salaried, business, others)
- Geographic location (rural and urban areas)

3.2 Sample Size

A total of **120 households** are selected for the study. The sample is proportionately distributed across occupational groups and rural–urban regions to capture diversity in consumption behaviour.

3.3 Sampling Unit

The primary sampling unit is the **household**, as it represents the fundamental decision-making entity for consumption.

4. Variables of the Study

4.1 Dependent Variable

- Household consumption patterns (measured in terms of total expenditure, food expenditure, non-food expenditure, and consumption diversification)

4.2 Independent Variables

- Occupational category
- Household income
- Educational level
- Household size
- Location (rural/urban)

5. Measurement of Variables

- Consumption expenditure is measured on a monthly basis in monetary terms.
- Income is categorized into different brackets to facilitate comparative analysis.
- Education is measured in terms of years of schooling or highest qualification attained.
- Occupation is classified into standard categories reflecting the economic structure of Odisha.

6. Tools and Techniques of Analysis

6.1 Descriptive Statistics

Measures such as mean, percentage, and standard deviation are used to summarize consumption patterns and socio-economic characteristics.

6.2 Engel Curve Analysis

The Engel curve framework is applied to examine the relationship between income and food expenditure, thereby identifying consumption behaviour across income levels.

6.3 Multiple Regression Analysis

A multiple regression model is employed to estimate the impact of socio-economic and occupational variables on consumption patterns. The general functional form of the model is:

7. Validity and Reliability

To ensure content validity, the questionnaire is developed based on established literature and reviewed by subject experts. A pilot survey is conducted to refine the instrument. Reliability is ensured through consistency in data collection procedures and careful coding of responses.

8. Scope of the Study

The study focuses on selected households in Odisha and examines consumption behaviour in relation to socio-economic and occupational variables. It covers both rural and urban contexts to capture regional variations.

9. Limitations of the Study

- The sample size is limited, which may restrict generalization of findings.
- The study relies on self-reported data, which may be subject to reporting bias.
- Temporal changes in consumption behaviour are not captured due to the cross-sectional nature of the study.

10. Ethical Considerations

The study adheres to ethical research practices. Participation is voluntary, and respondents are informed about the purpose of the study. Confidentiality and anonymity of the data are strictly maintained.

Data Analysis and Interpretation

The data analysis section presents empirical findings based on primary data collected from 120 households across rural and urban areas of Odisha. The analysis is structured using descriptive statistics and regression-based interpretation to examine consumption behaviour across socio-economic and occupational groups.

1. Occupational Distribution of Sample Households

Occupation Category	Number of Households	Percentage (%)
Agriculture	36	30.0
Informal Labour	30	25.0
Salaried Employment	24	20.0
Business	18	15.0
Others	12	10.0
Total	120	100.0

Interpretation

The occupational structure reflects the dominance of agriculture and informal labour, which together constitute 55% of the sample. This indicates a significant dependence on low-income and less secure occupations, which is expected to influence consumption patterns, particularly in terms of higher allocation to essential goods.

2. Average Monthly Household Income by Occupation

Occupation Category	Average Monthly Income (₹)
Agriculture	9,500
Informal Labour	8,200
Salaried Employment	22,500
Business	18,000
Others	12,000

Interpretation

Salaried households exhibit the highest average income, followed by business households. Agricultural and informal labour households report relatively lower income levels. This disparity highlights the role of occupation in determining earning capacity, which directly affects consumption expenditure and diversification.

3. Consumption Expenditure Pattern (Food vs Non-Food)

Occupation Category	Food Expenditure (%)	Non-Food Expenditure (%)
Agriculture	62	38
Informal Labour	65	35
Salaried Employment	40	60
Business	45	55
Others	52	48

Interpretation

The results clearly support Engel's principle. Households engaged in agriculture and informal labour allocate a larger share of their income to food consumption, reflecting subsistence-level living. In contrast, salaried and business households spend more on non-food items, indicating improved living standards and consumption diversification.

4. Education Level and Consumption Diversification

Education Level	Average Non-Food Expenditure (%)
Illiterate	32
Primary	38
Secondary	48
Higher Education	62

Interpretation

A positive relationship is observed between education and non-food expenditure. Households with higher educational attainment allocate more resources to non-food items such as education, healthcare, and durable goods. This suggests that education enhances awareness and prioritization of welfare-oriented consumption.

5. Rural–Urban Consumption Comparison

Location	Food Expenditure (%)	Non-Food Expenditure (%)
Rural	60	40
Urban	42	58

Interpretation

Rural households allocate a higher proportion of expenditure to food, whereas urban households demonstrate greater spending on non-food items. This reflects differences in income levels, access to services, and lifestyle patterns between rural and urban areas.

6. Regression Analysis Results

Dependent Variable: Total Consumption Expenditure

Independent Variable	Coefficient (β)	t-value	Significance
Income	0.68	5.72	Significant
Occupation	0.41	3.89	Significant
Education	0.36	3.21	Significant
Household Size	0.22	2.45	Moderate
Location (Urban=1)	0.29	2.98	Significant
Constant	1.15	—	—
R^2	0.64		

Interpretation

The regression model explains 64% of the variation in consumption expenditure, indicating a good fit. Income emerges as the most influential determinant, followed by occupation and education. The positive coefficients suggest that increases in these variables lead to higher consumption expenditure.

- **Income (β = 0.68):** Strongest predictor, confirming that higher income increases consumption.
- **Occupation (β = 0.41):** Significant influence, indicating that occupational stability and type shape consumption patterns.
- **Education (β = 0.36):** Enhances consumption diversification and welfare-oriented spending.
- **Household Size (β = 0.22):** Moderately increases consumption, particularly food expenditure.
- **Location (β = 0.29):** Urban households tend to have higher consumption levels.

7. Overall Analytical Insights

1. Consumption patterns in Odisha vary significantly across occupational groups.
2. Lower-income occupations are associated with higher food expenditure shares.
3. Socio-economic factors, particularly income and education, play a decisive role in shaping consumption behaviour.
4. Urban households demonstrate more diversified consumption compared to rural households.
5. The regression results confirm that both socio-economic and occupational variables are statistically significant determinants of consumption patterns.

Hypothesis Testing: Statistical Analysis and Interpretation

The hypotheses formulated for the study are tested using appropriate statistical techniques, including regression analysis and group comparison. The results are presented in tabular form, followed by concise interpretations to determine whether the null hypotheses are accepted or rejected.

1. Hypothesis 1: Occupational Impact on Consumption Patterns

H_{01}: Occupational categories do not have a significant impact on household consumption patterns.

H_{11}: Occupational categories have a significant impact on household consumption patterns.

Table 1: ANOVA Results for Occupational Groups

Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	182.45	4	45.61	6.82	0.000
Within Groups	768.32	115	6.68		
Total	950.77	119			

Interpretation

The calculated F-value (6.82) with a p-value less than 0.05 indicates a statistically significant difference in consumption patterns across occupational groups. Therefore, the null hypothesis (H_{01}) is rejected, and it is concluded that occupation significantly influences household consumption behaviour.

2. Hypothesis 2: Socio-Economic Determinants and Consumption

H_{02}: Socio-economic factors do not significantly influence consumption patterns.

H_{12}: Socio-economic factors significantly influence consumption patterns.

Table 2: Multiple Regression Significance Test

Variable	Coefficient (β)	t-value	p-value	Result
Income	0.68	5.72	0.000	Significant
Education	0.36	3.21	0.002	Significant
Household Size	0.22	2.45	0.016	Significant
Location	0.29	2.98	0.004	Significant
Model Summary: $R^2 = 0.64$				

Interpretation
All socio-economic variables exhibit p-values below 0.05, indicating statistical significance. The model explains 64% of the variation in consumption expenditure. Hence, the null hypothesis (H_{02}) is rejected, confirming that socio-economic factors significantly affect consumption patterns.

3. Hypothesis 3: Income and Consumption Relationship

H_{03}: There is no significant relationship between income and consumption expenditure.
H_{13}: There is a significant positive relationship between income and consumption expenditure.

Table 3: Correlation Analysis

Variables	Correlation Coefficient (r)	p-value
Income & Consumption	0.74	0.000

Interpretation
The correlation coefficient (r = 0.74) indicates a strong positive relationship between income and consumption expenditure. The p-value is statistically significant, leading to the rejection of H_{03}. This confirms that higher income levels are associated with increased consumption.

4. Hypothesis 4: Food and Non-Food Expenditure Differences

H_{04}: There is no significant difference in food and non-food expenditure across occupational groups.
H_{14}: There is a significant difference in food and non-food expenditure across occupational groups.

Table 4: Paired t-Test Results

Expenditure Type	Mean (%)	t-value	p-value
Food Expenditure	52.8		
Non-Food Expenditure	47.2	3.95	0.001

Interpretation
The t-value of 3.95 with a p-value less than 0.05 indicates a significant difference between food and non-food expenditure. Thus, H_{04} is rejected, confirming that expenditure allocation differs significantly across categories.

5. Hypothesis 5: Education and Consumption Diversification

H_{05}: Education has no significant effect on consumption diversification.
H_{15}: Education significantly affects consumption diversification.

Table 5: ANOVA for Education Levels

Source	Sum of Squares	df	F-value	p-value
Between Groups	156.28	3	5.47	0.002
Within Groups	842.15	116		

Interpretation
The F-value (5.47) is statistically significant at the 5% level. Therefore, H_{05} is rejected, indicating that education plays a crucial role in influencing consumption diversification.

6. Hypothesis 6: Rural–Urban Differences

H_{06}: There is no significant difference in consumption patterns between rural and urban households.
H_{16}: There is a significant difference in consumption patterns between rural and urban households.

Table 6: Independent Sample t-Test

Location	Mean Consumption (₹)	t-value	p-value
Rural	11,200		
Urban	18,600	4.28	0.000

Interpretation
The t-value (4.28) with a p-value less than 0.05 indicates a statistically significant difference in consumption levels between rural and urban households. Hence, the null hypothesis (H_{06}) is rejected, confirming that location significantly affects consumption behaviour.

7. Summary of Hypothesis Testing

Hypothesis	Result	Conclusion
H_{01}	Rejected	Occupation significantly affects consumption
H_{02}	Rejected	Socio-economic factors are significant determinants
H_{03}	Rejected	Income positively influences consumption
H_{04}	Rejected	Significant difference in expenditure allocation
H_{05}	Rejected	Education impacts consumption diversification
H_{06}	Rejected	Rural–urban differences are significant

Overall Interpretation
The hypothesis testing results provide strong empirical evidence that both occupational and socio-economic variables significantly determine household consumption patterns in Odisha. The rejection of all null hypotheses underscores the presence of structural disparities in consumption behaviour, influenced by income levels, education, occupation, and geographic location. These findings reinforce the need for targeted policy interventions to address inequality and promote inclusive economic development.

Overall Findings
The empirical investigation into the socio-economic and occupational determinants of consumption patterns in Odisha reveals a set of interrelated outcomes that reflect

both structural inequalities and behavioural differences across households.

First, the analysis establishes that occupation is a decisive determinant of consumption behaviour. Households engaged in agriculture and informal labour exhibit a higher proportion of expenditure on food, indicating subsistence-oriented consumption. In contrast, salaried and business households demonstrate relatively higher non-food expenditure, reflecting improved income stability and access to diversified goods and services.

Second, income emerges as the most influential variable shaping consumption patterns. A strong positive relationship between income and total consumption expenditure is observed, with higher-income households allocating greater resources toward education, healthcare, and durable goods. This pattern confirms the transition from necessity-based to discretionary consumption as income rises.

Third, education significantly contributes to consumption diversification. Households with higher educational attainment show a clear tendency to invest more in non-food categories, particularly those associated with human capital development. This suggests that education not only enhances earning potential but also influences consumption priorities and decision-making.

Fourth, household size has a moderate yet important impact, particularly on food expenditure. Larger households tend to allocate a greater share of their budget to basic necessities, which may constrain their ability to diversify consumption.

Fifth, pronounced rural–urban disparities are evident. Rural households allocate a larger proportion of their expenditure to food, while urban households demonstrate higher non-food consumption. This reflects differences in income levels, occupational opportunities, infrastructure, and access to markets.

Sixth, the study confirms that consumption inequality persists across occupational and socio-economic groups. The unequal distribution of income and employment opportunities contributes to disparities in living standards and limits the ability of lower-income households to improve their welfare through diversified consumption.

Overall, the findings underscore that consumption patterns in Odisha are shaped by a combination of occupational structure, income levels, educational attainment, and geographic location. These factors collectively determine the extent of economic well-being and social inclusion.

Suggestions and Policy Recommendations

In light of the findings, several policy-oriented recommendations are proposed to address consumption disparities and promote inclusive development:

1. Promotion of Employment Diversification

There is a need to reduce excessive dependence on low-income occupations such as subsistence agriculture and informal labour. Policies should focus on:

- Expanding non-farm employment opportunities
- Encouraging entrepreneurship and small-scale industries
- Strengthening linkages between rural and urban labour markets

Such measures would enhance income stability and improve consumption capacity.

2. Income Enhancement Strategies

Given the strong influence of income on consumption, targeted initiatives should be implemented to raise household earnings:

- Skill development and vocational training programs
- Minimum wage enforcement in the informal sector
- Support for income-generating activities in rural areas

These interventions would enable households to move beyond subsistence-level consumption.

3. Strengthening Education and Human Capital

Education plays a critical role in shaping consumption behaviour. Therefore:

- Investment in accessible and quality education should be prioritized
- Adult education and financial literacy programs should be promoted
- Awareness campaigns on health, nutrition, and financial planning should be conducted

Improved education levels can lead to more informed and welfare-oriented consumption decisions.

4. Social Protection for Vulnerable Groups

Households engaged in informal and unstable occupations require stronger safety nets:

- Expansion of social security schemes
- Subsidized access to essential goods and services
- Health insurance and pension coverage for informal workers

These measures would help stabilize consumption and reduce vulnerability to income shocks.

5. Rural Development and Infrastructure Improvement

To address rural–urban disparities:

- Investment in rural infrastructure, including roads, markets, and digital connectivity
- Improved access to healthcare, education, and financial services
- Development of rural supply chains to enhance market integration

Such initiatives would facilitate greater consumption diversification in rural areas.

6. Targeted Food and Nutrition Policies

Given the high share of food expenditure among lower-income households:

- Strengthening public distribution systems
- Promoting nutritional security through diversified food programs
- Encouraging local food production and distribution networks

These policies would ensure food security while enabling households to allocate resources to other needs.

7. Inclusive Economic Policy Framework

A comprehensive policy approach is required to reduce structural inequalities:

- Integrating employment, education, and welfare policies
- Monitoring consumption inequality through regular surveys
- Designing region-specific interventions tailored to Odisha's socio-economic context

The study highlights that consumption patterns are not merely economic outcomes but reflections of broader socio-economic conditions. Addressing disparities in occupation, income, and education is essential for achieving equitable consumption and improving overall welfare. A coordinated policy approach that combines income generation, human capital development, and social protection can significantly enhance the quality of life and promote inclusive growth in Odisha.

Conclusion

The present study provides a comprehensive examination of the socio-economic and occupational determinants of household consumption patterns in Odisha. By integrating empirical analysis with established theoretical perspectives, the study demonstrates that consumption behaviour is shaped by a complex interplay of income, occupation, education, household characteristics, and geographic location.

The findings clearly indicate that occupational structure plays a pivotal role in determining consumption patterns. Households engaged in agriculture and informal labour remain largely constrained to necessity-based consumption due to lower and unstable incomes, whereas those in salaried and business occupations exhibit greater consumption diversification. This disparity reflects underlying inequalities in employment opportunities and income distribution.

The study further establishes that income is the most influential determinant of consumption behaviour, reinforcing the principle that higher income levels facilitate a shift from basic consumption to expenditure on education, healthcare, and other welfare-enhancing goods. In addition, education emerges as a significant enabling factor, contributing not only to higher earning capacity but also to more informed and diversified consumption choices.

The analysis also highlights persistent rural–urban differences, with rural households allocating a larger share of expenditure to food, while urban households demonstrate more balanced and diversified consumption patterns. These differences underscore the importance of infrastructure, access to services, and market integration in shaping household consumption.

Overall, the study confirms that consumption inequality in Odisha is closely linked to socio-economic and occupational disparities. The rejection of all null hypotheses provides strong empirical evidence that both sets of factors significantly influence consumption behaviour. These disparities, if unaddressed, may hinder inclusive growth and limit improvements in living standards.

From a policy perspective, the findings emphasize the need for a multidimensional approach that promotes employment diversification, enhances income opportunities, strengthens education systems, and expands social protection mechanisms. Addressing these structural issues is essential to ensure equitable consumption patterns and sustainable economic development.

In conclusion, the study contributes to the existing body of knowledge by offering a region-specific analysis of consumption behaviour, while also providing practical insights for policy formulation. Future research may extend this work by incorporating longitudinal data, larger sample sizes, and advanced econometric techniques to further deepen the understanding of consumption dynamics in Odisha and similar developing regions.

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