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ISSN : 2231-2374

# Research Highlights



A Journal of

*Avinashilingam*

Institute for Home Science and Higher Education for Women

*University*

(Estd. u/s 3 of UGC Act 1956)

Coimbatore - 641 043, Tamil Nadu, India

(Deemed University under Category 'A' by MHRD)

*Re-accredited with 'A' Grade by NAAC*

## A STUDY ON EXPENDITURE PATTERN OF UNORGANIZED WOMEN WORKERS IN SELECTED SLUMS OF URBAN COIMBATORE

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### Abstract

Consumption means the final use of goods and services to satisfy human wants, needs and desires. It is a process of deriving utility from goods and services. People belonging to different classes of income have different structures of consumption. Economic development not only brings about significant changes in the socio-economic and cultural life of a habitant population but it also influences the levels of living in the long run. Increasing number of working women, rise in the per-capita income in forcible situations of other dominants, changing lifestyles and increasing level of prosperity of the surroundings with lack of saving attitude and appropriate awareness brought a significant changes in the expenditure patterns. Against this background the present study aims to explore expenditure pattern of unorganized women workers in Coimbatore city. Multi-stage sampling design was adopted for selecting the sample which was restricted only to urban slums in Coimbatore. The total sample size is 600 women. The study found that majority of the women workers spend major portion of

their income on food and towards rent. The women workers spend 10 percent on health. Most of the women workers in these groups had saving habit. Consumption expenditure on non-food items as a percentage of total expenditure is the highest for this group. The low wages and untimely payment too have added to the financial burden on the women workers.

### Introduction

Food expenditure pattern is an excellent indicator of economic well being of people. In economic theory consumption means the final use of goods and services to satisfy human wants, needs and desires. It is a process of deriving utility from goods and services. People belonging to different classes of income have different structures of consumption. Rich people spend more for each class of items in absolute terms, but they spend low percent of income for food and basic needs and poor people spend higher percent of income on food and other basic needs. In short, the propensity to consume will be higher for poor and the propensity to save will be higher for rich (Glenn and Kenneth, 1987). If the society is wealthy proportionately high expenditure

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will be made on secondary necessities, comfort, luxury products and conspicuous consumption. On the other, if the society is at subsistence level, people will spend proportionately more on food. Engel's law also states that the poorer the family, the greater is the proportion of its total income devoted to provision of food.

Economic development not only brings about significant changes in the socioeconomic and cultural life of a habitant population but it also influences the levels of living in the long run. Income is an important means of widening the range of consumption options, especially as economies around the world become increasingly monetized. Consumption of cereals, pulses, poultry, fish, fruits and vegetables are higher in rural areas as compared to urban areas perhaps because these reach the household directly from their farms and are not as expensive as the items purchased in urban markets. Thus, all the diverse of change including increased income, liberalization, urbanization, changing attitude of consumers have led to changing consumption patterns, but at the same time has led to inequality. The advent of women in labour force has made a mark and it is so pronounced in unorganized sector. Increasing number of working women, rise in the per-capita income in forcible situations of other dominants, changing lifestyles and increasing level of prosperity of the surroundings with lack of saving attitude and appropriate awareness brought a significant changes in the expenditure patterns. With this background

this study aims to explore expenditure pattern of unorganized women workers in Coimbatore city.

The objectives of the research study are to

- understand the socio-economic conditions of the selected women workers
- examine the expenditure pattern of these women workers and
- inspect the saving and borrowing behaviours of the women workers.

### Methodology

The city of Coimbatore is selected because of its diversity in terms of ethnicity and the mushrooming growth of women in various economic activities in the unorganized sector. The study is basically undertaken with the broad understanding of the socio-economic profile of women engaged in unorganized activities. Multi-stage sampling design was adopted for selecting the sample. The study was restricted only to urban slums in Coimbatore. The study covered all the four zones of Coimbatore. In the first stage, four zones were selected. In the second stage the two urban slums from each zone were selected on the criterion that these slums had the maximum number of women workers in unorganized sector. The notified areas like CMC Colony, Thiruvallur Nagar, Kamarajpuram, Ambedkar Street, Venkatpuram, Indira Nagar, Saramedu and Thiyaki Sivaram Street were selected from the two urban slums. From these areas

women workers who work as construction workers, domestic servants and street vendors were chosen. In stage three, 75 women in each slum were selected who formed the sample making 150 from each zone and making a total sample size of 600 women. Relevant and required data for the present study was collected from primary source by administering an interview schedule to the selected women workers. The field investigation and data collection for the study was carried out during the period May-August, 2013.

#### Findings of the Study

The dominance of women workers in urban unorganized sector deserves

attention. Many women slum-dwellers are involved in unorganized sector activities such as construction, house maids, selling used items in street corners and vending food items. In the case of vendors there is a constant threat of eviction, displacement, confiscation of goods and almost non-existent social security coverage (India Urban Poverty Report, 2009). The plight of domestic servants and construction workers are also not bright. The socio-economic factors play a significant role in determining the status of an individual in the society and also have a direct bearing on the activities pursued by the individual.

Table 1 depicts the socio-economic status of the women workers selected for the study.

Table 1. Socio-Economic Status of the Women Workers

Socio-Economic Status		Construction workers	Vendors	Domestic servants	Total
Age (in years)	Below 30	21 (10.0)	24 (12.1)	16 (8.4)	61 (10.2)
	30-45	103 (48.8)	100 (50.5)	100 (52.4)	303 (50.5)
	Above 45	87 (41.2)	74 (37.4)	75 (39.3)	236 (39.3)
Marital status	Unmarried	21 (10.0)	23 (11.6)	28 (14.7)	72 (12.0)
	Married	138 (65.4)	161 (81.3)	143 (74.9)	442 (73.7)
	Widowed	22 (10.4)	8 (4.0)	5 (2.6)	35 (5.8)
	Separated	30 (14.2)	6 (3.0)	15 (7.9)	51 (8.5)
Education	Illiterate	32 (15.2)	116 (58.6)	13 (6.8)	161 (26.8)
	Primary	173 (82.0)	81 (40.9)	173 (90.6)	427 (71.2)
	Secondary	1 (0.5)	1 (0.5)	4 (2.1)	6 (1.0)
	Higher secondary	2 (0.9)	0	0	2 (0.3)
	Degree	3 (1.4)	0	1 (0.5)	4 (0.7)
Family type	Nuclear family	96 (45.5)	113 (57.1)	107 (56.0)	316 (52.7)
	Joint family	115 (54.5)	85 (42.9)	84 (44.0)	284 (47.3)
Household size (in numbers)	Below 4	35 (16.6)	43 (21.7)	40 (20.9)	118 (19.7)
	5-6	173 (82.0)	151 (76.3)	141 (73.8)	465 (77.5)
	Above 6	3 (1.4)	4 (2.0)	10 (5.2)	17 (2.8)
Monthly Income (in ₹)	Below 3000	118 (55.9)	93 (47.0)	103 (53.9)	314 (52.3)
	3000-5000	73 (34.6)	74 (37.4)	62 (32.5)	209 (34.8)
	Above 5000	20 (9.5)	31 (15.7)	26 (13.6)	77 (12.8)
Total		211 (100.0)	198 (100.0)	191 (100.0)	600 (100.0)

Source: Field survey, 2013

Figures within parentheses indicate percentage

In the current study the concentration of the women workers were in the age group of 30-50 years and majority of 74 percent women workers were married. Nearly 12 percent of women workers were unmarried and this shows that women entered in the occupation not only after getting married but also in pre-marital stage of life. It is heartening to note that among the selected sample more than three-fourth were educated though a whopping proportion (72 percent) had only primary education, may be this is the reason which pushed these women into unorganized work. People who had secondary and higher education were very meagre.

Information relating to the type of family reveals that 53 percent of the surveyed women workers belonged to nuclear family. In these days when joint family system is disappearing from the society it is interesting to note that 47 percent of the women still live in joint family. This helps the women to leave their children with the elders, so that they can freely go for work. With regard to the size of the family 76 percent of the women workers had five or more members and 20 percent had less than four members in

their family. The survey reveals that 52 percent women had less than ₹ 3000/- while 35 percent had an income in the range of ₹ 3000-5000/- and only 13 percent had more than ₹ 5000/- per month.

#### **Consumption Expenditure Pattern**

Consumption is an index of the standard of living of a person. This to a great extent depends on the income of the individual. The study made an attempt to examine the consumption expenditure of all the three groups. India is one among the developing countries where households spend a disproportionate share of their consumption expenditure on healthcare, with the government's contribution being minimal. The consumption expenditure is the sum total of expenses on food and non-food items incurred by the household. The major expenses incurred by women are food and fuel, non-food (rent, electricity and water charges, house loan instalments and clothes), transport and entertainment (phone, cable, conveyance, entertainment, travel, and spending on religious activities) and education. The average expenditure on various items is reported in Table 2.

Table 2. Consumption Expenditure Pattern Per Month (in percent)

Items	Average			
	Construction workers	Vendors	Domestic servants	All
Food	41.15	40.73	40.38	40.75
Rent	23.48	23.64	24.15	23.76
Education	3.65	4.78	4.86	4.43
Health	10.53	9.25	9.78	9.85
Recreation	4.06	4.88	4.38	4.44
Transport	7.13	6.71	5.91	6.58
Clothing	4.33	3.95	4.81	4.36
Pan masala / tobacco	3.38	4.19	3.30	3.62
Smoking / alcohol	2.29	2.08	2.43	2.26
Total	100.0	100.0	100.0	100.0

Source: Field Survey, 2013

Figures within parentheses indicate percentage

Item-wise expenditure reveals that expense on food was the most important and dominant item among household expenditure. Majority of the women workers spend major portion of their income on food. This is the case with all poor households where they spend a huge amount on food. Many studies have pointed out similar findings like World Bank (1993) and Kurien (2003). The modern theories pronounced higher expenses on non-food item as income increases and it is found to be true only in the case of higher income groups. The expenditure on food by all the three groups in this study is more or less similar. Yet another fact to be noted is that, even this amount would have been much higher, had there been no rationed items available from public distribution system (PDS). Tamilnadu is one state where PDS is working well and is of great relief to the poor people. Since all the surveyed people fall below poverty line (BPL), all of them

avail ration. It saves them from spending too much on food items purchased from open market. Low income results in low purchasing power remain a serious constraint to households food and nutritional security. There is need to look at food security issues not in isolation as being confined to cereals production and consumption but to examine how nutritional outcomes can be improved for the vast majority of the poor.

The next in line is expenses on rent. As observed in table 2 only 37 percent owns house and the rest are living in rented house. Therefore rent takes away a good amount of their income. It is around 23-24 percent of their income which is quite high. In the city even a small house or a one room apartment costs a heavy rent. It is too expensive for the people who are in the unorganized sector. The women workers spend 10 percent on health. Women working in unorganized sector are exposed

to several health issues and therefore treatment is required for which they pay from their pocket. The need for health care is increasing these days and the awareness to spend on health is also on the rise.

Transport is yet another major item on which they spent. All the women travel widely for their work from home to work spot. Among the three groups, domestic servants spend slightly lesser amount as they find houses nearby. An important aspect to be noted is the amount they spend on tobacco and alcohol which is highly injurious to health. On the whole they spend nearly six percent of the total income on these items which again deteriorates their health. These days it is pathetic to see even women getting addicted to such bad habits. It is high time some change should take place either to educate them about the evil effects of alcohol or to ban these items,

which is very difficult. There is no doubt that if this continues, their children also will succumb to these habits very early causing further agony.

#### Savings Details of the Women Workers

Savings are essential for meeting the challenges of future. They generally depend upon the sources of earnings of the households. With increased earnings the incidence of saving is also likely to be higher. Along with income, savings are also an important indicator of economic status of households. When the women saves it is a great asset to the family. It not only enhances their financial position but improves their economic status too. It builds confidence in them and once it is started it helps them to come up in life. The details of savings by these women are reported in Table 3.

Table 3. Details of the Savings by Women Workers

Details of savings		Construction workers	Vendors	Domestic servants	Total
Place	Bank	46 (36.2)	51 (49.5)	48 (53.9)	145 (45.5)
	Post office	42 (33.1)	33 (32.0)	19 (21.3)	94 (29.4)
	Chit funds	19 (15.0)	9 (8.7)	10 (11.2)	38 (12.0)
	LIC	20 (15.7)	10 (9.7)	12 (13.5)	42 (13.2)
Amount (in ₹)	Less than 500	54 (42.5)	46 (36.2)	29 (22.8)	129 (40.4)
	500-1000	42 (33.0)	34 (26.8)	41 (32.3)	117 (36.7)
	Above 1000	31 (24.4)	23 (18.1)	19 (15.0)	73 (22.9)
Purpose	Education	27 (21.3)	16 (12.5)	22 (17.3)	65 (20.4)
	Marriage	44 (34.6)	29 (22.8)	14 (11.0)	87 (27.3)
	Future needs	56 (44.1)	58 (45.7)	53 (41.7)	167 (52.3)
Total		127 (100.0)	103 (100.0)	89 (100.0)	319 (100.0)

Source: Field Survey, 2013  
Figures within parentheses indicate percent

The analysis of the savings behaviour of the surveyed women workers reveals that about 40 percent of the construction workers; 32 percent of the vendors and 28 percent of the domestic servants had savings. The proportion of non savers was more among the women workers in all groups. Savings in bank was preferred by most of the women workers. Nearly 29 percent of the workers preferred post office followed by LIC (13 percent) and chit funds (12 percent).

Majority of the women workers had savings less than ₹ 500 per month. The proportion of savers in the savings brackets of less than ₹ 500 per month was also high among construction workers (43 percent) than vendors (36 percent) and domestic servants (22 percent). This discrepancy was also seen in the average amount saved per month among the women workers. Only 23 percent of the workers saved above ₹ 1000

per month. Majority (52 percent) of the women workers stated that the major motivation for savings was to utilize for future needs; 27 percent stated that it is for children's marriage and 20 percent of them saved for the education of children.

#### Debt Position of the Women Workers

Indebtedness is one of the important causes for the low standard of living of the workers in the unorganized sector. Poverty and indebtedness generally go together. However the burden of debt is greater on the lower income groups than higher income groups. Low income coupled with lack of proper employment also induces these households to borrow to meet both current expenditure and also unforeseen or occasional expenditure on marriage, festivals, social ceremony and funerals. The details of the debt pattern are given in Table 4.

Table 4. Debt Position of the Women Workers

Debt details		Construction workers	Vendors	Domestic servants	Total
Amount (in ₹)	Less than 5000	47 (26.3)	25 (16.2)	38 (30.9)	110 (24.1)
	5000-10000	74 (41.3)	56 (36.4)	41 (33.3)	171 (37.5)
	Above 10000	58 (32.4)	73 (47.4)	44 (35.8)	175 (38.4)
Source	Money lenders	79 (44.1)	58 (37.7)	54 (43.9)	191 (41.9)
	Bank	54 (30.2)	39 (25.3)	28 (22.8)	121 (26.5)
	Friends/relatives	46 (25.7)	57 (37.0)	41 (33.3)	144 (31.6)
Purpose	Education	39 (21.8)	29 (18.8)	23 (18.7)	91 (20.0)
	Marriage	69 (38.5)	51 (33.1)	59 (48.0)	179 (39.2)
	Medical	71 (39.7)	74 (48.1)	41 (33.3)	186 (40.8)
Total		179 (100.0)	154 (100.0)	123 (100.0)	456 (100.0)

Source: field survey, 2013

Figures within parentheses indicate percentage

Indebtedness among the women workers reveals that the proportion of borrowers was higher among the construction workers. Inadequacy of income coupled with indiscriminate spending may have caused the women workers to resort to increased borrowings. Majority of the women workers (38 percent) had borrowed more than ₹ 10,000 and only 24 percent borrowed less than ₹ 5000. The average liability per worker was higher for construction workers than the other two groups of workers considered for the study.

On the whole, all groups borrowed money from the private money lenders (42 per cent) as they receive the amount very easily without any procedure. The main sources of borrowings by 44 per cent of construction workers were from private money lenders, while 30 per cent of them relied on banks and 26 percent depended on friends/relatives in meeting their financial needs. Among the women vendors 37 percent of them depended upon both private money lenders and friends/relatives and the remaining 27 percent depended on banks. The domestic servants borrowed money from private money lenders (44 percent) followed by friends/relatives (33 percent) and bank (23 percent).

All groups of women workers were unanimous in stating that the major reason for borrowing was 'to meet medical expense' (41 per cent), followed by children's marriage (39 per cent) and 20 per cent of the workers stated the reason

as children's education. The low wages and untimely payment too have added to the financial burden on the women workers. All these mean that a substantive income from women workers is spent to grease the palms of unscrupulous authorities or to private money lenders.

### Conclusion

The study found that majority of the women workers spend major portion of their income on food and towards rent for their houses. The women workers spend 10 percent on health. This shows that these women workers are exposed to several health issues and therefore treatment is required for which they pay from their pocket. It is therefore essential on the part of the government to take measures to cover these women under health insurance. Most of the women workers in these groups had saving habit. Consumption expenditure on non-food items as a percent of total expenditure is the highest for this group. Savings are done in bank which was preferred by all groups of women workers. Majority of the women workers have stated the major motivation for savings was to meet the future needs. The average liability per worker was higher for construction workers than the other two groups of workers. The availability of new goods and services coupled with better health facilities, education levels and higher income has created a new set of educated middle class people that have a better standard of living and a diversified consumption pattern.

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