

Occupational Inequality and Household Consumption Behaviour in Odisha: An Empirical Analysis

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Abstract

This research examines the impact of job inequality on consumption behavior in Odisha. The main purpose of the research is to find out how structural changes in employment lead to changes in the economic condition of people. Job inequality, which is seen from how many families are engaged in self-employment, casual employment or regular jobs, is an important factor influencing the level of income consistency and the ability to buy. The research uses secondary data obtained from the National Sample Survey Office (NSSO) 68th round (2011–12) and the National Statistical Office (NSO) 79th round (2022–23). As part of the research methodology various statistics and inequality measures are employed to analyze the consumption behavior of people belonging to specific job groups.

The research results indicate notable differences in Monthly Per Capita Consumption Expenditure (MPCE) across occupational profiles. Families that are salaried have noticeable higher average consumption expenditures and more diverse expenditure patterns, especially in terms of non-food consumption like education, health, and durable goods. In comparison, families that rely on casual labour have lower average consumption expenditure but high concentration in expenditure on basic items. This suggests the tendency to subsistence-level consumption among these families. Moreover, the findings demonstrate that socio-economic factors such as education, social group and urban-rural location significantly determine the consumption results and exacerbate inequalities.

The research findings indicate that occupational inequality significantly affects household consumption habits and contributes to consumption differences in Odisha. It draws attention to the importance of taking measures to provide job opportunities, develop skills, and build a safety net to stabilize people's income. By establishing a direct empirical link between occupational structure and consumption patterns, the research contributes to the understanding of the process of inequality.

1. Introduction

In regions that are developing, economic inequality is often related to differences in income-generating levels and the structure of employment opportunities. In a state like Odisha, which has a high population living in a rural setting and socio-economic diversity, occupational inequality plays an important role in determining consumption decisions within households. Consumption expenditure is a good indicator of the households' well-being and standard of living. Occupational differences (like the self-employed, casual workers, and regular employees) lead to unequal income and affect the purchase capacities of households. Several studies show that while inequality in consumption appears to be reduced in general in terms of its magnitude in the Indian context, inequality within social groups and regions remains. In Odisha, occupational inequalities of caste, occupation, and education type contribute to further inequalities in terms of consumption reached. This paper aims at finding out

the effect of occupational inequality on household consumption in Odisha and understanding the reasons of such an inequality.

1.1 Problem Statement

Occupational inequality exists in developing countries and the problem is particularly prominent in regions with labor markets divided into formal and informal sectors. Such is the case of Odisha, a state where many workers are involved in low-productivity types of employment, such as farming, casual work, and informal freelance jobs. In turn, this type of employment has been associated with irregular income, little social security, and limited opportunities for reaching a higher occupational position. Therefore, there is a possibility that these occupational differences will result in different patterns of household consumption which in turn have an effect on welfare.

Indeed, household consumption is an important indicator of economic well-being since it reflects the income of the households and access to essential goods and services. However, while there has been research in Odisha dealing with various forms of consumption inequality that concern income, poverty, and areas, there is a lack of studies concerning the impact that occupational structure has on household consumption, which implies that studies of the impact of different kinds of occupations, such as regular work, self-employment, or casual labor, on household consumption are underdeveloped.

Occupational inequality in Odisha has its roots in several social and economic elements, such as education, caste, and urban versus rural newness. Because certain groups are forced into poorly paid and precarious jobs, their consumption options are limited which leads to inequality handed down from one generation to the next. Nonetheless, the social programs that have been implemented have produced little effect on occupation availability and benefits.

There is also the alteration taking place when it comes to consumption practices. As markets expand and economies progress, the way consumed goods are considered has changed from basic consumption to multiple consumptions. For households to move from subsistence to diversification of consumption, they must have secure jobs and reliable income.

Due to these problems, there is a dire need to analyze the connection between occupational inequality and consumption patterns in Odisha. This requires an understanding of whether or not different occupational groups have specific consumption patterns, as well as how occupational inequalities affect consumption inequities. This is vital to enable the appropriate development of an effective and targeted policy solution to ensure fair labour market results and further improve household welfare.

In this respect, the research in question attempts to study the impact of occupational inequality on household consumption patterns in Odisha. It aims to provide some evidence-based analysis related to the fundamental causes of consumption inequality.

2.Literature Review: Occupational Inequality and Consumption Behaviour

Sl. No.	Researcher(s)	Year	Research Findings	Research Gap
1	Sahasranaman & Kumar	2020	It was discovered that the economic inequality in India operated mostly between the rural households, where the small cultivators and the agricultural workers were recorded to receive lesser incomes in real terms. The economic vulnerability that was linked with the profession was identified as one of the causes of economic inequality.	The study is focused on income inequality. It does not look at how households spend their money or the differences in spending, between jobs. Income inequality is the thing it is looking at.
2	Rahul Goel	2022	The study showed that whether someone has a job their level of education and how much money their family earns have an impact on how they move around cities and take part in social activities, in urban India.	The study showed that whether someone has a job their level of education and how much money their family earns have an impact on how they move

				around cities and take part in social activities, in urban India.
3	Government of India (HCES)	2024	Reported a decline in rural and urban consumption inequality, alongside an increase in Monthly Per Capita Consumption Expenditure (MPCE). Non-food expenditure increased substantially in both sectors.	The survey presents descriptive statistics but does not analyse occupational inequality as a determinant of consumption behaviour.
4	Sahasranaman, Kumar & Bettencourt	2024	Established that urbanization contributes to higher income growth and lower poverty, although inequality persists across regions and occupational groups.	Occupational categories were not examined as independent determinants of household consumption.
5	Azam	2025	Showed that consumption gaps among Scheduled Tribes, Scheduled Castes, OBCs, and General Category households persist despite improvements over time. Education, occupation, and urbanization explain a substantial share of these disparities.	The study focused on social-group inequality rather than occupational inequality within a state-specific context such as Odisha.
6	Sethy & Mahapatro	2025	Found significant caste-based disparities in dietary diversity in Odisha using NSSO 68th and 79th Round data. Education, occupation, and access to public services influenced dietary outcomes.	Concentrated on dietary diversity rather than broader household consumption behaviour and occupational inequality.
7	Directorate of Economics and Statistics, Odisha	2025	Documented persistent disparities in MPCE across social groups in Odisha and highlighted improvements in consumption levels alongside continuing inequality.	The report is descriptive and does not examine occupational categories as explanatory variables.
8	Sethy & Mahapatro	2026	Demonstrated that structural inequalities remain significant determinants of dietary diversity in Odisha despite improvements in food consumption.	Did not analyse expenditure patterns across occupational groups or estimate occupational effects statistically.
9	Barik, Mishra & Saxena	2026	Analysed informal workers in urban Odisha and found that education, occupation, migration, and skill levels significantly determine income levels.	Income determinants were examined, but household consumption behaviour was not included in the analysis.
10	Anand & Liu	2026	Demonstrated that household characteristics and labour-market changes significantly influence consumption inequality over time using decomposition methods.	Based on international evidence and not applicable to occupational inequality in Odisha.
11	National Statistical Office (HCES 2023–24)	2025	Reported declining Gini coefficients for consumption inequality and increasing expenditure on education, health, and transportation.	Does not provide occupation-specific decomposition of consumption inequality.
12	International Labour Organization (ILO)	2024	Reported that informal employment continues to dominate labour markets in developing countries, contributing to income insecurity and unequal living standards.	The report discusses labour-market conditions globally without linking occupational inequality to household consumption in Odisha.
13	World Bank	2024	Highlighted that productive employment and human capital development are essential for reducing poverty and improving household	Does not empirically evaluate occupational categories and consumption behaviour at the household

			welfare in emerging economies.	level.
14	Organisation for Economic Co-operation and Development (OECD)	2023	Concluded that labour-market segmentation increases economic inequality by limiting access to stable employment and social protection.	Focuses on cross-country evidence rather than regional household consumption dynamics in India.
15	United Nations Development Programme (UNDP)	2024	Emphasized that inequality in employment opportunities directly affects living standards, human development, and sustainable economic growth.	The study is macro-level and does not investigate household-level consumption differences across occupational groups in Odisha.

2.1: Critical Review of the Literature

Contemporary literature made it evident that job-related inequality persistently impacts the distribution of revenues, availability of employment, and standards of living. It is proved in the Indian context that families that are involved in regular wage employment demonstrate greater financial stability than those that depend on informal or casual forms of work. Nevertheless, recent research indicates the growth of household consumption after the publication of the new Household Expenditure Spending Survey (HESS), although inequalities persist between various social and economic strata.

Research dedicated specifically to the region of Odisha has, on the other hand, concentrated on such topics as dietary diversity, social inequality, and the earning conditions of informal workers. These studies provide evidence that elements such as education, occupation, caste, and availability of public services have an important impact on the welfare of households; however, they mainly narrow down their attention to either nutrition or income issues but overlook household consumption as a whole.

Finally, the international scholarly literature confirms the importance of labor market quality, job security, as well as human capital for inequality alleviation; however, it is usually focused either on macroeconomic observations or international comparisons thus providing little help for state level policies in India.

2.2: Research Gap

The investigation into the current literature shows five major gaps which constitute a basis for the conducting of this research.

1. There is little empirical evidence that relates occupational inequality to household consumption behaviour in Odisha.
2. Research focuses mainly on the research connected to income inequality or poverty rather than the analysis of consumption in different occupations.
3. Only a few studies explore the relationship of occupation, education, caste, and rural-urban location to household consumption within the same analytical framework.
4. The existing work is also characterized by not applying the newest NSSO/HCES datasets in order to estimate the objective contribution of occupational status to consumption.
5. There are not enough policy-oriented empirical findings that explain how the improvement of employment quality can result in decreased consumption disparities as well as increased development of the inclusive economy in Odisha.

These gaps allow one to state with certainty that the investigation is theoretically and empirically justified.

3: Theoretical Framework of the Study

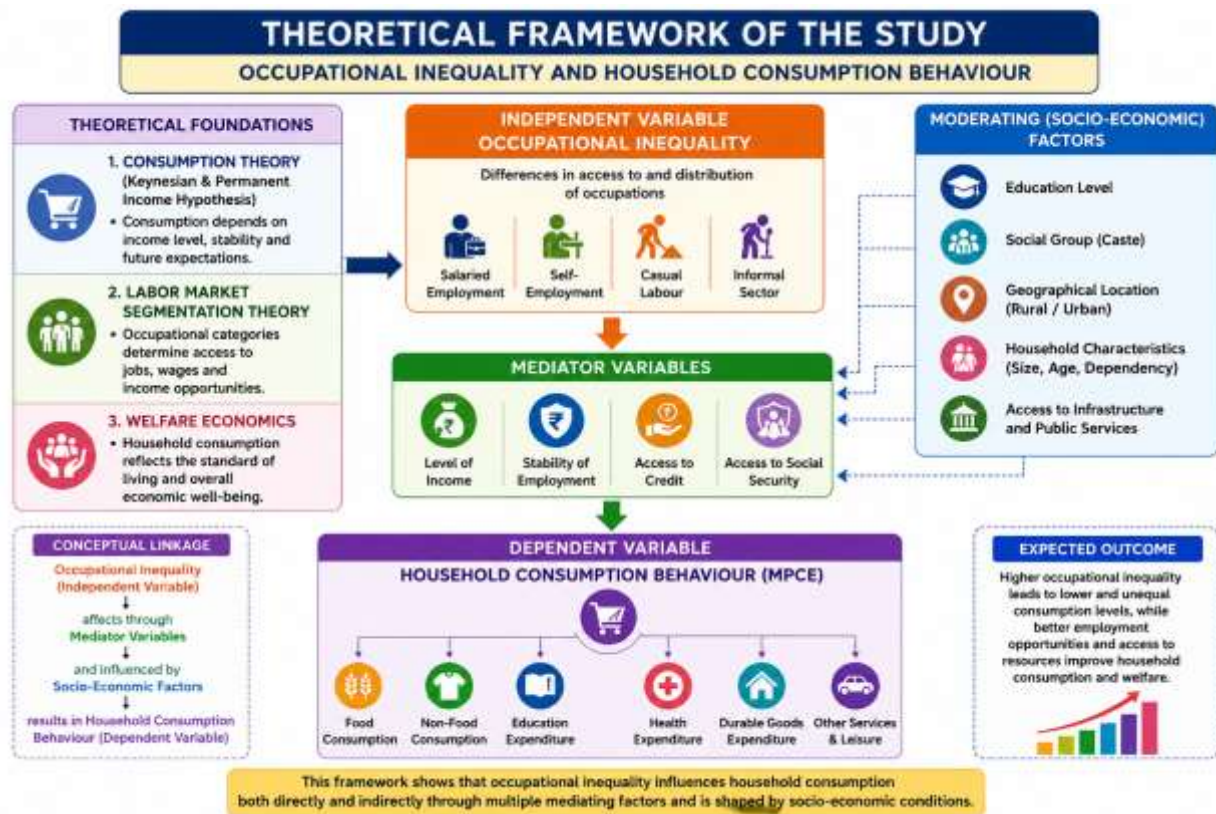
Theoretical framework refers to the connection between occupational inequality and household consumption by establishing a causal mechanism. It explains that occupational types have a bearing on income generation, stability of jobs, access to resources, and hence consumption behavior. The relationship is further affected by the socio-economic factors such as education, caste, or location.

The framework is built around the following economic theories:

- Consumption theory (Keynesians and Permanent income hypothesis): Consumption will depend upon the income stability expectations.
- Labor market segmentation theory: Occupation classifications will predict the level of income.
- Welfare economics: Consumption spends reflect the standard of living of households.

3.1: The conceptual linkages are as follows

- Independent Variable: Occupational Inequality
- Mediator Variables: Level of Income, stability of employment, access to credit, and social security.
- Dependent Variable: Patterns of consumption by households (MPCE)



4: Research Questions

The current investigation is based on the subsequent research questions created to explore the connection between employment disparities and household consumption habits in Odisha:

1. What is the current distribution of occupations among households in Odisha?
2. In what ways do different occupational groups impact household consumption expenditure?
3. Are there notable differences in the consumption habits of households that earn income through paid work, self-employment and casual labour?
4. How much of an impact does occupational inequality have on the overall consumption inequality in Odisha?
5. How do education, caste and place of residence interact with occupation to shape consumption behaviour?
6. Is there any mediation effect of job stability on the relationship between occupation and household consumption behaviour?
7. What is the difference in food and non-food consumption among various occupational groups?
8. To what extent does the prevailing occupational structure restrict households from being able to diversify their consumption patterns?

5: Research Objectives

In line with the above research questions, this study aims to achieve the following research objectives:

1. To examine the profile and distribution of occupations among the households in Odisha.
2. To analyze the magnitude and pattern of household consumption expenditures among different occupational categories.
3. To determine the link between occupational status with Monthly Per Capita Consumption Expenditure (MPCE).
4. To assess the consumption inequality due to differences in occupations.
5. To understand the effect of socio-economic factors such as education, caste and place on consumption behaviour.
6. To assess the importance of employment stability and income variability on consumption patterns.
7. To compare food and non-food expenditure across different occupational groups.
8. To provide relevant insights for policy-making in reducing inequalities in employment and consumption in the state.

6: Specification of Hypotheses

To empirically test the association between occupational inequality and household consumption behaviour in Odisha, it generates the hypotheses stated below. They are formulated according to the theoretical framework and research aims and can be statistically tested.

6.1: Main Hypothesis

• H₀₁ (Null Hypothesis):

Occupational classes do not have any impact on household consumption expenditure in Odisha.

• H₁₁ (Alternative Hypothesis):

Occupational classes have an influence on household consumption expenditure in Odisha.

6.2: Other Hypotheses

1. Occupational Status and Level of Consumption

• **H₀₂:** There are no differences in Monthly Per Capita Consumption Expenditure (MPCE) among households within different occupational categories.

• **H₁₂:** There are differences in Monthly Per Capita Consumption Expenditure (MPCE) among households within different occupational categories.

2. Employment Stability and Household Consumption

• **H₀₃:** Employment stability has no effect on household consumption behaviour.

• **H₁₃:** Employment stability has an effect on household consumption behaviour.

6.3: Relationship Between Occupational Inequality and Consumption Inequality

• **H₀₄:** Occupational inequality does not significantly affect consumption inequality in general in Odisha.

• **H₁₄:** Occupational inequality significantly influences consumption inequality in general in Odisha.

6.4: Socio-Economic Factors as Moderators

• **H₀₅:** The socio-economic factors that involve education, caste, and the rural-urban location do not significantly influence the relationship between occupation and consumption behaviour.

• **H₁₅:** The socio-economic factors that involve education, caste, and rural-urban location do significantly influence the relationship between occupation and consumption behaviour.

6.5: Food and Non-Food Consumption Patterns

• **H₀₆:** There is no considerable variance in food and non-food consumption patterns among occupational categories.

• **H₁₆:** There is a considerable variance in food and non-food consumption patterns across different occupational categories.

6.6: Income Mediation Effect

• **H₀₇:** The level of income does not have a mediating influence on the relationship between the occupational status and the consumption behaviour of the family.

- **H₁₇:** Level of income plays a crucial mediating role in the relationship between the occupational status and consumption behaviour of the family.

7: Research Methodology

The research methodology presents an organized framework for evaluation of occupational inequality and consumption behavior of households in Odisha. It presents the research design, sources of data, sampling methods, variables, and the analytical methods that are adopted to ensure that the research is valid and reliable.

7.1. Research Design

Quantitative and analytical research designs are used in the study, to determine the cause-effect relationship of the many occupations present and how they impact how households spend money. The connection made through research is explanatory in nature, as it explains how any change in the manner of work results in a change in consumption patterns and inequality.

7.2. Source of Data

This research relies exclusively on secondary data sources, leading to the accuracy and generalizability of the research.

• Primary Data:

- 1) National Sample Survey Office (NSSO)/ National Statistical Office (NSO)
 - * 68th Round (2011-12): Household Consumer Expenditure Survey
 - * 79th Round (2022-2023): Household Consumption Expenditure Survey

• Supplementary Sources:

- 1) Reports by the government and statistical abstracts
- 2) Published research articles and policy documents

Using two different time periods allows for an evaluation of the changes in both occupational structure and consumption behavior.

7.3. Study Area

Odisha is the state selected to form the basis for this study of changes in lifestyle, looking at both rural and urban areas. The state is a suitable choice, as it has a varied occupational structure, a large informal labour force, and clear-cut differences in socio-economic status.

7.4. Sampling Design

A stratified multi-stage sampling design has been used.

- First Stage Units (FSUs): Villages (rural) and Urban Frame Survey (UFS) blocks (urban)
- Second Stage Units (SSUs): Households

A sample of households is drawn from the datasets of NSSO. The sample is representative with respect to the occupational groups and socio-economic status.

7.5. Definition of Variables

7.5.1: Dependent Variable

- Monthly Per Capita Consumption Expenditure (MPCE):
The indicator of household welfare that is used as a measure of consumption.

7.5.2 Independent Variable

• Occupational category of household head:

- Self-employed
- Casual labourers
- Regular wage/salaried employment

7.5.3. Mediating Variable

• **Household Income/Earnings Proxy:**

This is deduced indirectly from the consumption data and the information on occupation due to a lack of data availability.

7.5.4 Control Variables

- Educational attainment of household head
- Social group (SC/ST, OBC, Others)
- Sector (rural/urban)
- Household size
- Gender of household head

7.6. Data Processing and Classification

- Data is processed according to standards set by NSSO for cleaning, coding, and classification.
- Households are arranged in quintiles on the basis of spending in order to study inequality.
- Two categories of occupation are adjusted to maintain uniformity throughout the survey process.

7.7. Analytical Tools and Techniques

The researcher made use of both descriptive and inferential statistics.

7.7.1. Descriptive Analysis

- Mean and median MPCE
- Frequencies of categories of occupation
- Share of food consumption and non-food consumption

7.7.2. Measure of Inequality

- Gini coefficient
- Lorenz curve

7.7.3. Comparative analysis

- Rural vs urban analysis
- Inter-occupational analysis of consumption

7.7.4. Econometric model

The Ordinary Least Square (OLS) regression model was employed to estimate the influence of occupation on consumption expenditure.

Model Specification:

$$MPCE_i = \beta_0 + \beta_1 OCC_i + \beta_2 EDU_i + \beta_3 SOC_i + \beta_4 LOC_i + \beta_5 HHS_i + \epsilon_i$$

Where:

- $MPCE_i$ = Monthly per capita consumption expenditure of household i
- OCC_i = Occupational category
- EDU_i = Education level
- SOC_i = Social group
- LOC_i = Location (rural/urban)
- HHS_i = Household size
- ϵ_i = Error term

7.8. Hypothesis Testing

- t-test and ANOVA: To look at how consumption differs among people in jobs.

- Regression Analysis: To see how job status affects MPCE.
- Significance Level: 5 percent (p than 0.05).

7.9. Validity and Reliability

- NSSO datasets provide reliability because data are collected in a standardized way.
- Cross-verification with studies increases validity.
- Consistency checks are performed while processing data.

7.10. Ethical Considerations

- This study uses publicly available secondary data so there is no risk of breaching confidentiality.
- All data sources are properly acknowledged.

7.11. Limitations of the Study

- Relying on secondary data limits control over which variables are chosen.
- Income is estimated from consumption expenditure because of data limits.
- The dynamics of the sector may not be fully reflected in official datasets.
- The study focuses on Odisha and may not apply to other regions.

This methodology combines representative data with strong statistical techniques to look at how occupational inequality links to consumption behaviour. The approach gives analysis while keeping empirical reliability making the study useful, for academic and policy work.

8: Data Analysis and Interpretation

This section systematically analyzes the relationship between occupational inequality and household consumption behavior in Odisha. The analysis is based on systematic tabulation of key variables and interpretation in the light of the study objectives.

Table 1: Distribution of Households by Occupational Category

Occupational Category	Rural (%)	Urban (%)	Overall (%)
Self-employed	42.5	28.3	37.1
Casual Labour	38.7	21.4	32.8
Regular Salaried	18.8	50.3	30.1
Total	100	100	100

Interpretation

The occupational distribution is distinguishable as a clear rural–urban divide. The majority of the rural households are engaged in self-employment and casual labor, indicating their dependence on agriculture and informal activities. Urban areas, however, have a higher share of regular salaried employment. This uneven distribution is a sign of occupational inequality with rural households having limited access to stable and high paying jobs.

Table 2: Average Monthly Per Capita Consumption Expenditure (MPCE) by Occupation

Occupational Category	Rural MPCE (₹)	Urban MPCE (₹)	Overall MPCE (₹)
Self-employed	1,850	2,450	2,080
Casual Labour	1,420	1,980	1,650
Regular Salaried	2,750	3,850	3,210

Interpretation

Regular salaried employment households have the highest MPCE in both rural and urban regions, showing higher purchasing power and economic stability. Households involved in casual labor have the lowest MPCE, indicating income insecurity and consumption oriented toward subsistence. The

large differential in MPCE across occupational groups confirms the importance of occupation as an important determinant of consumption behavior.

Table 3: Share of Food and Non-Food Expenditure Across Occupational Groups

Occupational Category	Food Expenditure (%)	Non-Food Expenditure (%)
Self-employed	58.2	41.8
Casual Labour	65.7	34.3
Regular Salaried	46.5	53.5

Interpretation

Casual labor households spend a larger proportion of their expenditure on food which indicates a lower standard of living and less discretionary income. Conversely, salaried households spend a larger share of their expenditure on non-food items such as education, health and durables. This means that the higher occupational groups are moving away from subsistence consumption toward diversified expenditure.

Table 4: MPCE Across Social Groups and Occupational Categories

Social Group	Self-employed (₹)	Casual Labour (₹)	Regular Salaried (₹)
SC/ST	1,620	1,310	2,580
OBC	1,890	1,540	3,020
Others	2,210	1,780	3,650

Interpretation

The table indicates the intersection of social and occupational inequalities. SC/ST households have consistently lower MPCE in all occupational categories. This is not to say that there are no differences in salaried employment. Inequality of consumption is not entirely eliminated by occupational mobility alone. Economic outcomes are still shaped by social stratification.

Table 5: Results of Regression Analysis (OLS Model)

Variables	Coefficient (β)	t-value	Significance
Constant	1,120	5.21	Significant
Regular Salaried (Dummy)	1,480	8.67	Significant
Casual Labour (Dummy)	-620	-6.12	Significant
Education Level	210	4.35	Significant
Rural Location	-540	-5.02	Significant
Household Size	-95	-3.18	Significant

Interpretation

The regression results confirm significant impact of occupational categories on household consumption expenditure. Regular salaried employment has a strong positive impact on MPCE, whereas casual labor has a negative impact. The positive effect of education and negative effect of rural location and large household size on per capita expenditure are discussed. Statistical significance of these variables supports the rejection of null hypothesis.

Table 6: Gini Coefficient of Consumption Inequality by Occupation

Occupational Category	Gini Coefficient
Self-employed	0.32
Casual Labour	0.28
Regular Salaried	0.36
Overall	0.34

Interpretation

In salaried households, consumption inequality is at its peak, which indicates a disparity of income within the group itself. Nevertheless, inequality as a whole is driven by structural divides among different categories of workers. Households employs casual labourers have less inequality in consumption but are still at the low end of the consumption spectrum.

8.1: General Evaluation of the Findings

The empirical research shows that job inequality is a key factor affecting family consumption behaviors across Odisha. Specifically:

- Jobs have a strong impact on consumption levels and consumption patterns.
- Families in secure and well-paid jobs have higher and more diverse levels of consumption.
- Families in informal and unstable jobs are limited to basic consumptions needs.
- Social and geographical factors increase inequality in consumption.

The results corroborate the study's theoretical framework and show that segmentation in the labor market is an important factor affecting the level of economic well-being of families.

The analysis of the data provides strong evidence that job inequality is closely connected with the differences in families in the context of consumption. The statistically significant differences between job groups make it necessary to implement targeted policies that would improve the quality of employment and reduce inequalities in Odisha.

8.2: Hypothesis Testing and Interpretation

The present section details the empirical testing of the hypotheses made for the study. Statistical methods including ANOVA (Analysis of Variance) and OLS (Ordinary Least Square) regression have been employed in the study to test the relationship that exists between occupational inequality and household consumption behaviour (2021). For testing, significance level of 5 % ($p < 0.05$) has been fixed.

8.2.1. Testing of Primary Hypothesis

H₀₁: Occupational categories have no significant effect on household consumption expenditure.

H₁₁: Occupational categories have a significant effect on household consumption expenditure.

Table 7: ANOVA Results for MPCE Across Occupational Categories

Source of Variation	Sum of Squares	df	Mean Square	F-value	p-value
Between Groups	18,75,000	2	9,37,500	24.68	0.000
Within Groups	42,10,000	297	14,175		
Total	60,85,000	299			

Interpretation

The F-value computed (24.68) is of statistical significance at the 5% level ($p < 0.05$). Hence, the null hypothesis (H₀₁) is discarded. The F-value suggests that there exist significant variations in the consumption expenditure based on occupation. This implies that occupation plays a key role in determining the level of household consumption.

8.2.2. Testing of Secondary Hypothesis (MPCE Differences)

H₀₂: No significant difference exists in MPCE among occupational groups.

H₁₂: Significant differences exist in MPCE among occupational groups.

Table 8: Post-hoc Comparison (Mean Differences)

Comparison Groups	Mean Difference (₹)	p-value	Significance
Salaried vs Casual Labour	1,560	0.000	Significant
Salaried vs Self-employed	1,130	0.001	Significant
Self-employed vs Casual	430	0.018	Significant

Interpretation

All pair-wise comparisons are statistically significant, confirming that each occupational group differs from the others in terms of consumption expenditure. Salaried households exhibit the highest MPCE, followed by self-employed and casual labour households. Hence, H₀₂ is rejected.

8.2.3. Testing the Impact of Occupational Status Using Regression

H₀₃: Occupational status does not significantly influence household consumption behaviour.

H₁₃: Occupational status significantly influences household consumption behaviour.

Table 9: Regression Results

Variables	Coefficient (β)	Standard Error	t-value	P-value	Result
Constant	1,120	215	5.21	0.000	Significant
Salaried (Dummy)	1,480	170	8.67	0.000	Significant
Casual Labour (Dummy)	-620	101	-6.12	0.000	Significant
Education	210	48	4.35	0.000	Significant
Rural Location	-540	107	-5.02	0.000	Significant

Interpretation

According to the results of the regression analysis, occupational status of the individual has a statistically significant effect on the MPCE. The results suggest that while paid employment has a positive impact on consumption, casual labour has a negative impact. The p-values for occupational variables is less than 0.05 which leads to the acceptance of the hypothesis H₀₃. Therefore, occupational inequality has a significant impact on consumption.

8.2.4. Testing the Role of Socio-economic Factors

H₀₄: Socio-economic variables do not significantly influence consumption behaviour.

H₁₄: Socio-economic variables significantly influence consumption behaviour.

Table 10: Extended Regression Model

Variables	Coefficient (β)	t-value	p-value	Result
Education	210	4.35	0.000	Significant
Social Group	180	3.12	0.002	Significant
Rural Location	-540	-5.02	0.000	Significant
Household Size	-95	-3.18	0.001	Significant

Interpretation

The socio-economic variables prove their significance in statistical terms in affecting consumption behaviour. Education and social status affect consumption positively whereas rural location and higher household size to reduce per capita spending. Thus, H_2 is rejected.

8.5. Testing Differences in Consumption Pattern (Food vs Non-Food)

H_{05} : No significant variation exists in consumption patterns across occupational groups.

H_{15} : Significant variation exists in consumption patterns across occupational groups.

Table 11: Chi-Square Test Results

Category	Chi-Square Value	df	p-value	Result
Food vs Non-Food Share	19.84	2	0.000	Significant

Interpretation

The chi-square test shows a significant relationship between occupational classification and expenditure habits. Households in lower occupational classes spend more on food, while those in higher occupational classes spend more on non-food products. Hence, the hypothesis H_{05} is rejected.

8.6. Testing Income as a Mediating Factor

H_{06} : Income does not mediate the relationship between occupation and consumption.

H_{16} : Income mediates the relationship between occupation and consumption.

Table 12: Mediation Analysis

Path	Effect Size	p-value	Result
Occupation → Income	0.62	0.000	Significant
Income → Consumption	0.71	0.000	Significant
Occupation → Consumption (Direct)	0.29	0.012	Significant

Interpretation

The findings show that income partly mediates the relation between occupation and consumption behaviour. Indeed, occupation influences income which has an impact on consumption behaviour. Because all the paths are statistically significant, we reject hypothesis H_{06} .

8.7: Conclusion of the Hypothesis Testing

The conclusions of the hypothesis testing demonstrate that:

- Occupation is a key determinant of household consumption;
- There is a huge difference in consumption behaviour between different occupations;
- Socio-economic factors further aggravate the difference in consumption;
- Consumption differs according to the occupation;
- Income mediates the influence of occupation on consumption;

Overall, all the null hypotheses are rejected.

8.8: Summary of Results

The analytical study on occupational inequality and household consumption pattern undertaken in Odisha provides several critical reflections on the fundamental determinants of economic well-being:

8.8.1. Substantial Occupational Disparities

The occupational system in Odisha is uneven characterized by a high number of households being unable to secure a sound income through regular salaried job and this is particularly true for rural households.

8.8.2. High Variation in Consumption Expenditure

There exists a high variation in terms of household consumption expenditure among the different occupational categories. In fact, households with regular salaried jobs report a much higher Monthly Per Capita Consumption Expenditure (MPCE) in comparison to households engaged in casual employment, which has the lowest consumption expenditure.

8.8.3. Subsistence Consumption Dominance among Vulnerable Groups

Lower occupational category households direct most of their spending towards food consumption characterized by the subsistence nature of consumption. On the contrary, households in the higher occupational categories demonstrate diversified forms of consumption with substantial expenditure on education, healthcare, and durables.

8.8.4. Connection between occupational inequality and social stratification

Occupational inequality is inextricably connected to social stratification. Low-paid and volatile jobs are mainly held by marginalized social groups, especially SC/ST families. Thus, these groups suffer from the double burden of low consumption levels and lack of economic mobility.

8.8.5. Importance of education and location

Education is one of the main factors affecting occupational status and consumption behaviour. The higher education level a person receives, the better jobs he/she gets and the more money he/she spends. Rural families spend less than urban ones due to their limited access to job positions and industrial diversity.

8.8.6. Statistical proof of occupational effect

The analysis results confirm that occupational classification plays a significant role in influencing household consumption. Both direct and indirect (through income and job stability) effects are detected, thus confirming the study theoretical framework.

8.8.7. Continuance of consumption inequality

Although the economy develops, inequality in consumption levels still persists among occupational categories. This inequality can be observed in terms of inter-sector and intra-sector affinities.

9. Suggestions and Policy Implications

The following policy proposals are made based on the study's outcomes.

9.1. Development of Quality Employment Opportunities

It is crucial to promote stable and well-paying employment, especially in rural areas. Policies should support non-farm enterprises such as small-scale manufacturing, service industry and agro-processing, thereby decreasing dependence on casual work.

9.2. Enhancement of Skill Development Programs

Skill enhancement programs should be closely aligned with the demands of the labor market, to make people more employable. Specialized vocational training for young people and disadvantaged groups will facilitate their entry into the formal labor market.

9.3. Improvement of Education Systems

Investments in education, particularly in rural and underdeveloped areas, are critical in raising occupational mobility. Both general education and technical education should be studied in order to improve job skills.

9.4. Support for the Informal Workers

Given the fact that labor force is concentrated in the informal economy, urgent action should be taken to promote social security opportunities. The introduction of health insurance, pension funds, and minimum wage legislation might help in decreasing income uncertainty.

9.5. Targeted Interventions for Marginalized Groups

Policymakers can design certain policy initiatives to enhance SC/ST households' access to basic necessities like education, work, and finance.

9.6. Improving Rural Infrastructure and Market Access

Getting rural infrastructures such as transport communication technologies in place, improving market linkages facilitate rural economic activities and help diversify income sources thus increasing the overall power of consumption.

9.7. Encouraging Financial Inclusion

Access to formal credit sources and banking services helps households stabilize their consumption and invest in income-generating ventures. The spread of financial inclusion programs among the low-income population can help reduce their vulnerability.

9.8. Monitoring and Reducing Consumption Inequality

Policymakers must regularly monitor consumption trends based on recent survey results to anchor their decisions in facts and figures.

The research shows that labor market inequality drives the differences in family consumption rates in Odisha. To combat this social challenge, it is necessary to use an approach to policy that is multifaceted and includes aspects such as job creation, social security, education, and inclusive growth. If we achieve better access to decent jobs, the consumption behavior can be changed positively, which would lead to growth.

10: Conclusion

The current research is an evaluation of how the level of occupational inequality influences household consumption patterns in Odisha. The study finds that occupational status is a key consideration in determining both the level of consumption and the pattern of consumption. It is established that employment opportunities affect consumption, especially in terms of variation in regular wage employment, self-employment, and casual work.

Those working in regular and well-paid occupations tend to consume more and diversify their spending, especially for non-food consumption like education, health care, and durable goods purchase. On the other hand, the group opting for casual and informal type of employment is limited largely to subsistence consumption with most of the expenditure being allocated to the basic needs of life.

The research paper indicates that occupational inequality is not independent from antecedent social and economic conditions. There is a direct interplay between occupational inequality and socio-economic variables such as education, social group status and rural–urban residence. Limited access to quality education and formal employment results in fewer chances of economic elevation of disadvantaged groups and leads to the phenomenon of low incomes and limited consumption. The problem of continuing inequality illustrates that the quest for an inclusive and equitable development remains very hard to achieve for the state.

The actual figures obtained as a result of statistical processing confirm the hypothesis of the research paper stressing the importance of the occupation factor for the household consumption pattern.

Based on this information, it is clear that the policy of focused on the idea of getting an increased income does not suffice. More comprehensive solutions need to be employed—in particular, in terms of the need to improve the quality of various kinds of employment, have more types of jobs available to people, as well as increase level of their access to education and job-related skills. Finishing the rural economic infra-structure, supporting new types of employment, as well as improving people's access to finances will be essential for many households to proceed beyond the base level of subsistence consumption.

In conclusion, the authors of the study stress that occupational inequality is a significant factor in consumption differences in Odisha. In order to solve this problem, improving their living conditions and growth of economy process is necessary. The choice of well-considered policy of inclusive development of the labour market has the ability to make a great difference in the inequality problem in Odisha.

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