Chapter 12
Population Number and Consumer Income and Expenditure Dynamics: An Analysis of World Countries

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ABSTRACT

The population issue is one of the most complex subjects to analyze since all the science dimensions are related to it in varied proportions. In this chapter, population is analyzed according to consumer income and expenditure. Both the dynamics and disparities among countries regarding population, income, and expenditure are studied and multiple analyses from different views are undertaken. Given the numerous categories of consumer expenditure, only the food and non-alcoholic beverage consumer expenditure category is researched, in this chapter, both from a general perspective and from a narrower viewpoint restricted to each class. Several forecasts of the consequences of increasing the rice, wheat, corn, and coffee consumption are made.

INTRODUCTION

The level of domestic consumption in any country is influenced by at least three factors: population number, population income and specific consumption patterns for each country (Figure 1).

Each factor has its own importance and it is highly correlated with the other two. The consumption of high price goods is almost absent in low income per capita countries and vice versa, the overall consumption will become constant at one particular level in high income per capita countries. This opinion is based on John Maynard Keynes' marginal propensity to consume according to which "men are disposed, as a rule and on the average, to increase their consumption as their income increases, but not by as much as the increase in their income" (Keynes, 2008, p. 87).

On the other hand, by maintaining the income per capita constant, a country with more people will have a higher domestic consumption than a country with fewer people. Besides these,

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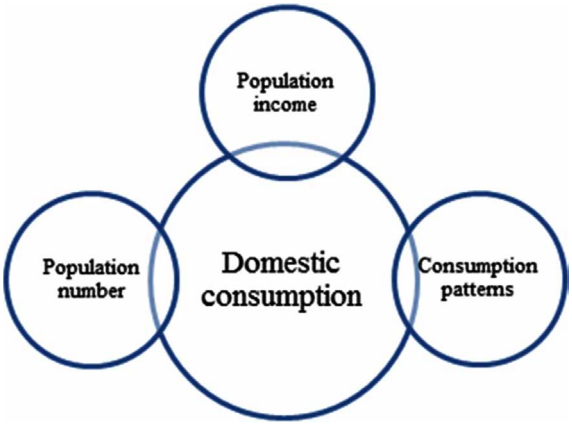
Figure 1. Relation among domestic consumption, population number and income, and consumption patterns
Source: Made by author



hypothetically speaking, if there are at least two countries with the same population number and income per capita, the consumer expenditure for durable and non-durable goods, services etc. will be different due to specific patterns which have strong roots in the country's culture.

Starting from the importance of the way population, income and consumption are intertwined, the chapter has five main objectives.

The first objective is to analyze the population dynamics in order to emphasize the key countries that have the potential to establish the future trends in world economy.

The second objective is to study the consumer disposable income dynamics and to highlight the states with the highest and lowest income per capita and with the growth or decrease rates of disposable income per capita.

The third objective is to examine the food and non-alcoholic beverage consumer expenditure dynamics by means of five analyses which are meant to underscore the countries with the highest and the lowest level as well as to highlight the corresponding growth or decrease rates of food and non-alcoholic beverage consumer expenditure.

The fourth objective is to analyze the food and non-alcoholic beverage consumer expenditure for two subcategories and nine classes against both the food and non-alcoholic beverages category and disposable income.

The fifth objective is to study the interaction of population number, consumption and food and non-alcoholic beverage consumer expenditure categories.

BACKGROUND

Population is defined in different manners by various scientific disciplines, such as demography, biology, ecology, statistics etc. The fundamental starting point is the demographic perspective, according to which the population represents "any group of persons who can be delimited on the basis of some observable characteristics" (Hinde, 2002, p. 18). The criteria used to group people as population are varied and depend on the research goals, such as country boundaries, geographical region, time span (year), gender, education, ethnic affiliation, and social and economic indicators etc.

Turchin (2003) and Bacaër (2011) state that the causes of changing the population number and composition in time and space can be explained by analyzing the population dynamics.

Hummel (2008) underscores that between social, cultural, economic, political, ecological etc. factors and population dynamics there is a two-way relationship, i.e. these factors influence the population dynamics and, in turn, population dynamics have an effect on the country's cultural, social, economic etc. system, in the short, medium and long term. Nevertheless, the importance of the ecological factor cannot be neglected, since the interaction between people and environment is continuous.

Kupiszewski and Kupiszewska (2011) draw attention to the international migration issue, which