

Disparities In Food And Non-Food Expenditures Across Social Groups From Perspectives Of Poverty And Inequality In Contemporary India

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Abstract: The paper offers to the ongoing research over the dynamics of economic and social inequality focusing on food and non-food distinction of expenditure. The paper uses Indian Human Development Survey data to analyse the pattern of differentials of food and non-food expenditure among poor and social groups in India. It closely examines the effects of household characteristics on food and non-food expenditure for India. Further, it examines the effect of household and other characteristics on poverty status and the pattern of food and non-food expenditure among poor and non-poor households. The existing social hierarchy in the spending amount, pattern of expenditure and urban and rural divide is very clear. The amount of expenditure on each category shows a wide discrepancy between poor and non-poor. For per capita food and non-food expenditure, the models showed that sector, highest adult education, per capita income, size of the households and region have a significant and strong effect on food and non-food expenditure. The caste variable shows that in comparison to generals the OBCs are less likely to be food insecure but on the other hand, SCs and STs are on the lowest ladder and odds of being poor are very high for them. Education of adult female leads to significant decreasing odds of being a poor household for food expenditure model.

Index Terms: Caste, Differentials, Expenditure, Disparities, Poverty, Inequality, India

1 INTRODUCTION

The development process and measurement has seen a wide change over the centuries where 'physiocrats' emphasised on natural laws and 'mercantilists' on economic nationalism. Adam Smith provides the basis for natural laws and introduced economic development as a global perspective to build a wealthy economic nation, actually, there has been an integration of ideologies which were prevailing for capitalism. Nature of development economics has changed from 'traditional economics' as mere allocation of scarce resources to 'political economics' which focused on role of power and economic decision making which ultimately leads to 'development economics' which shifted the focus from growth to development that provides economic, cultural and political requirements for better living standard, freedom of action, equality, human dignity and equity (Todaro & Smith, 2013). These indicators provide the basis for sustained growth and ultimately development of poor, women and indigenous people. The sustainable development goals (SDGs) proposed by United Nations (UN) provide the basis for human dignity, equality, and equity. Out of seventeen (17) SDGs given by UN, this paper tries to touch and explore the issues on goal one (No poverty), goal two (Zero hunger), goal ten (reduced inequality) and goal twelve (responsible consumption and production).

The importance of consumption for an economy can be explained in terms of satisfaction which can be fulfilled by the direct and final consumption of goods and services, which frame the basis for a growing economy. The level of consumption (satisfaction) depends on one hand on the level of earnings (demand side) and on the other hand on availability of goods (supply side). The consumption can be divided into food and non-food items and production followed by apt distribution of goods and services forms an essential part of it. When it comes to income disparities studies (Cain et al., 2010; Dutta, 2005; Motiram & Vakulabharman, 2011) showed that over the years income as well as the wealth inequality has increased significantly however it is accompanied by poverty reduction (Cain et al., 2010). Households from urban areas are more vulnerable to these inequalities because the relationship between growth in income and reduction in poverty is much weaker in urban areas (Dev & Ravi, 2007). Subramanian & Jayaraj (2013) pointed out that the absolute measures of inequality e.g. in consumption expenditure showed a large consumption expenditure inequality across households. Empirical study (Meenakshi & Ray, 1999) using National Sample Survey (NSS) of various rounds proved regional differences in food expenditure pattern stressing more on behavioural aspect of food expenditure in India. The results clearly show that the demographic variables e.g. household size and composition, economic variable like prices and aggregate expenditure are important determinants of household expenditure allocation but cultural and other non-economic factors are also important leading to regional differences in household expenditure. The importance of household composition in determining the food expenditure differentials can also be seen in the study of Sabates et al. (2001) which provides cross country evidence. Basole and Basu (2015) pointed out that non-food spending being more unequal than food spending among households has increased the overall expenditure inequality over time for India. The increase in expenditure on non-food items like durables, consumer services, education, and healthcare mostly explains increased inequality. Deaton and Dreze (2009) also argued that average food expenditure have been stagnant in real terms so this is non-food expenditure which is

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