CONSUMPTION INEQUALITY IN INDIA

AMITHA SHANBHOGUE

RESEARCH SCHOLAR,
GOA UNIVERSITY AND ASSISTANT PROFESSOR,
PARVATIBAI CHOWGULE COLLEGE OF ARTS AND SCIENCE, MARGAO, GOA.

ABSTRACT
Poverty and inequality are considered as the obstacles to economic development. Consumption expenditure is normally used for estimating poverty and inequality, which is mainly available with the National Sample Survey Office (NSSO), Government of India. This paper studies the consumption inequality in India during 2009-10 and compares it with 12 major states of 2004-05 data. To analyse this Gini coefficient and correlation coefficients have been worked out. Gini coefficient calculation reveals that smaller the states higher will be the consumption inequality in majority of states and vice versa. It is evident from the comparative analysis of 12 major states of 2004-05 and 2009-10 that in 2004-05, in all major states the rural inequality is less than the urban inequality but during 2009-10 the inequality in rural areas is more in all the states except Haryana. While there is a very insignificant decline in rural inequality from 2004-05 to 2009-10, there is a drastic decline in all India average of urban inequality during 2009-10 over 2004-05. Data analysis reveals weak inverse relationship between poverty and per capita income and direct relationship between poverty and inequality, while the correlation coefficients in both the cases being very low.

KEY WORDS: Consumption, MPCE, Gini coefficient, poverty, inequality, per capita income, correlation.