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HOUSEHOLD CONSUMPTION PATTERN OF INDIA: A STUDY OF RURAL AND URBAN AREA

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Abstract

This study investigates the patterns and dynamics of household consumption inequality between rural and urban India, utilizing the Monthly Per Capita Consumption Expenditure (MPCE) as a key metric for standard of living. The research is based on a secondary analysis of the Household Consumption Expenditure Survey (HCES) 2023-24, conducted by the National Statistics Office, which provides a robust national sample of 2,61,953 households.

The findings reveal a complex landscape of disparity and change. While the absolute MPCE has increased universally, signaling an overall improvement in living standards, the analysis uncovers a significant and persistent rural-urban consumption gap. However, this gap has shown a notable relative decline, with the urban-rural MPCE differential falling from 83.9% in 2011-12 to 69.7% in 2023-24. This national trend of narrowing relative inequality is consistent across most states, with rural Gini coefficients generally improving, though urban areas continue to exhibit higher internal inequality.

The study further identifies stark regional variations, with states like Jharkhand and Chhattisgarh experiencing severe urban-rural divides (over 80%), in contrast to more balanced states like Kerala. Critically, the analysis exposes a rigid socioeconomic hierarchy, where consumption expenditure is stratified by social group, following the order: General Category, OBC, SC, and ST, with this pattern compounded by the urban-rural divide. The composition of consumption also differs, with rural spending weighted more towards food and urban spending towards non-food items.

The study concludes that despite aggregate economic progress, inequality in India remains a multifaceted challenge, deeply entrenched in regional and social identity, and that MPCE serves as a crucial indicator for measuring both the extent of deprivation and the mechanisms of its perpetuation.

India has attained the status of being third largest economy in the World. The existence of poverty and inequality created constrain in the path economic development while keeping inflation under control. The household consumption expenditure measure exposes the poverty, inequality, and social exclusion in the country. Inequality and household consumption are deeply intertwined, reflecting a landscape where economic growth has not been uniformly distributed. Variation in consumption is not merely a symptom of inequality but a powerful mechanism that perpetuates it, ultimately hampering a country's economic development. When consumption is concentrated in small elite, it creates a lopsided economy oriented towards luxury goods and non-productive assets, rather than the mass consumption that drives broad-based industrial growth and investment in productive capacity (Patnaik, 2020). Furthermore, high levels of consumption inequality are intrinsically linked to unequal investment in human capital; children from low-consumption households face nutritional deficiencies, limited access to quality education, and poorer health outcomes, which stunts their future productivity and earning potential, creating a vicious cycle of intergenerational poverty (Drèze & Sen, 2013). This underutilization of human talent represents a massive loss of potential innovation and labor quality for the economy. Consequently, as Stiglitz (2012) argues, such profound inequality erodes social cohesion and political stability, increasing uncertainty and deterring the long-term investments necessary for sustainable development. Therefore, variation in consumption creates a self-reinforcing trap where inequality stifles the aggregate demand and human capital formation that are fundamental to robust and inclusive economic progress.

Meaning of MPCE

The Monthly Per Capita Consumption Expenditure (MPCE) is a critical economic metric that represents the average amount of money spent by each member of a household on goods and services—both food and non-food items—over a one-month period. It serves as a direct and practical proxy for household income and, by extension, the standard of living,



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as consumption expenditure is often more reliably reported than income, especially in economies with large informal sectors like India.

Review of Literature

A comprehensive review of literature reveals that the analysis of Monthly Per Capita Consumption Expenditure (MPCE) is central to understanding India's evolving economic and social landscape, consistently highlighting a persistent rural-urban divide. Foundational work by scholars like Deaton and Drèze (2002) documented a period of "patented divergence" in the 1990s, where urban consumption growth outstripped rural, a finding corroborated by Sen and Himanshu (2004). This disparity is often attributed to structural factors; Sundaram and Tendulkar (2003) emphasized the role of differing occupational structures and income sources, while Bhalla (2003) pointed to uneven access to high-productivity sectors. The seminal work of Drèze and Sen (2013) further contextualized these inequalities within broader human development failures. The methodological robustness of the NSSO consumption surveys, analyzed by Srinivasan (2003) and Himanshu (2010), has been key to these findings, though debates on survey design persist, as noted by Sundaram (2001). Research by Chandrasekhar and Ghosh (2011) and Vakulabharanam (2010) linked this consumption gap to the agrarian crisis and rising informal sector vulnerability. More recent analyses by Chancel and Piketty (2019) and Alkire & Seth (2015) demonstrate that while absolute poverty has declined, relative inequality in consumption remains stark, intersecting with caste (Thorat & Sabharwal, 2020; Desai & Dubey, 2011) and gender dynamics (Agnihotri, 2000). The changing composition of MPCE, with a rising share of non-food items, has been extensively studied by Radhakrishna (2005), Kumar (2017), and Lanjouw & Murgai (2011), indicating a "nutritional transition." However, Patnaik (2005) and U. Patnaik (2007) argued that calorie intake has fallen despite rising expenditure, a point contested by Deaton (2008). The impact of specific policies on consumption patterns has been explored by Kochar (2005) on credit, Gaiha (2009) on public works, and Kapur (2020) on direct benefit transfers. The regional dimension is critical, with Bhide (2011) and Ghosh (2014) highlighting the growing inter-state divergence in MPCE. Finally, the latest data from the Household Consumption Expenditure Survey 2022-23, analyzed by K. Sundaram (2024) and K. S. James (2024), suggests a narrowing of the rural-urban MPCE ratio, a trend that requires further investigation to determine if it signifies a genuine reduction in inequality or a change in underlying economic dynamics.

The profound importance of MPCE in studying developmental inequality lies in its ability to quantify disparities in material well-being and access to resources across different population segments, such as rural versus urban dwellers, various social groups, and income quintiles. For instance, a high Gini coefficient calculated from MPCE data reveals significant consumption inequality, indicating that economic growth has not been inclusive (Desai, 2020). Furthermore, tracking MPCE trends over time allows for the assessment of how economic policies, such as liberalization or social welfare schemes, have differentially impacted the poor versus the affluent, often showing that the richest deciles capture a disproportionately large share of the consumption growth (Drèze & Sen, 2013). Disaggregated MPCE data is indispensable for identifying multidimensional poverty and the specific deprivation faced by marginalized communities, including Scheduled Castes and Scheduled Tribes, thereby highlighting the intersection of economic, social, and caste-based inequalities (Thorat & Sabharwal, 2020). Ultimately, as Panagariya and Mukim (2014) argue, regional disparities in development can be precisely mapped using MPCE, revealing a persistent gap between poorer and more prosperous states. Therefore, MPCE is not merely a number but a powerful analytical tool that lays bare the contours of inequality, making it foundational for formulating targeted policies aimed at achieving equitable and inclusive development (Chancel & Piketty, 2019). By analyzing the variance in MPCE, researchers can move beyond aggregate economic growth figures to expose the starkly unequal distribution of development's benefits.

Objective of the Study

The primary objective of this research is to investigate and characterize the patterns of household consumption inequality prevalent across rural and urban India. The study systematically examines the nature and extent of the disparity in per capita consumption expenditure, aiming to uncover the underlying dimensions of the socioeconomic gap that exists between these two fundamental sectors of the Indian economy. Given the survey of literature and scope, the objective established for the rationale of the study is:

[1] To examine the Monthly Per Capita Consumption Expenditure Pattern of Rural and Urban Area of India

Methodology



The methodology considered for this study is a secondary data of the Household Consumption Expenditure Survey (HCES) for the period 2023-24, collected by the National Statistics Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI), Government of India. The survey covered a period of twelve-months from August 2023 to July 2024. The primary estimates utilized in this analysis, specifically the Monthly Per Capita Consumption Expenditure (MPCE), are derived from an extensive and robust central sample encompassed of 2,61,953 households, strategically distributed across the entire nation, including all States and Union Territories. The sample was further delineated into 1,54,357 households from rural areas and 1,07,596 households from urban areas to ensure accurate representation of the diverse socio-economic landscape of India.

Result and Discussion

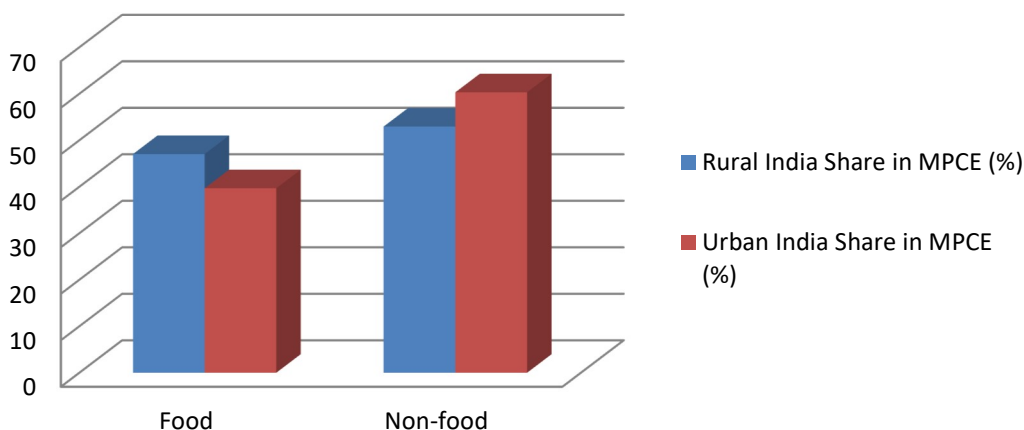
The collected data are presented and analyzed to illuminate stark economic disparities; the 2023-24 data on Monthly Per Capita Consumption Expenditure (MPCE) in India exposes severe inequalities in household consumption patterns, evident through pronounced urban-rural gaps and a vast chasm between the expenditure levels of the top and bottom population percentiles.

Table-1
Average MPCE(Rs.)and share of food and non-food items in 2023-24

Item Group	Rural India		Urban India	
	Average MPCE(Rs.)	Share in MPCE (%)	Average MPCE(Rs.)	Share in MPCE (%)
Food	1,939	47.04	2,776	39.68
Non-food	2,183	52.96	4,220	60.32

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24

Figure-1
Average MPCE(Rs.)and share of food and non-food



Source: Compiled from data analysis

Based on the data from Table 1 and the Figure -1, the composition of household spending in India reveals a clear economic pattern and a key aspect of the standard of living. In rural India, with an average MPCE of ₹4,122, nearly half (47.04%) is allocated to food, amounting to ₹1,939. The remaining 52.96% (₹2,183) is spent on non-food items. Conversely, in urban India, where the average MPCE is significantly higher at ₹6,996, the share spent on food drops to 39.68% (₹2,776),



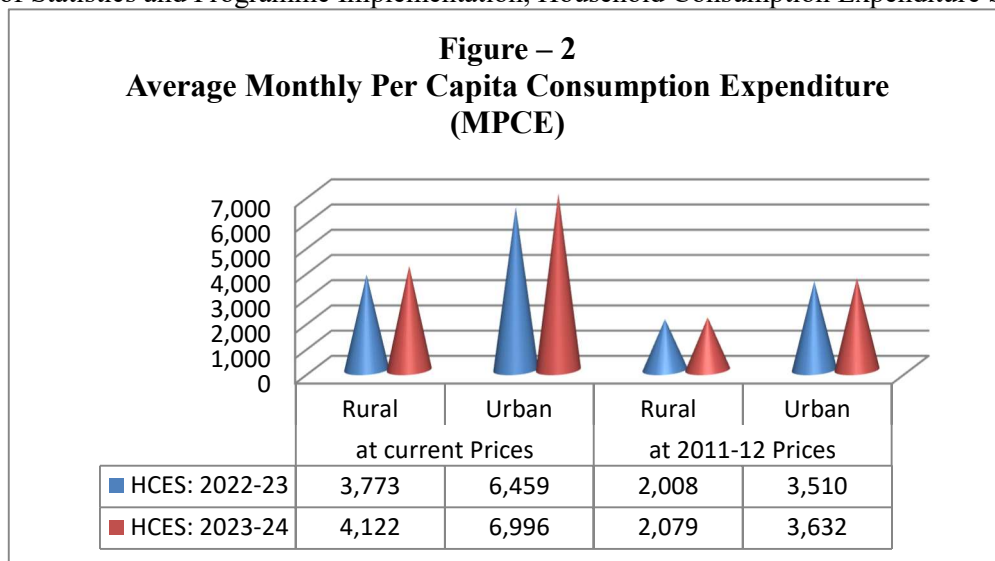
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while the share for non-food items rises to 60.32% (₹4,220). This data reveal that rural areas spent more amounts on food and urban areas spent more amounts on non food items. This shows that there is a variation in the consumption pattern among rural and urban population of India. This is further compare with previous year data. The values of average MPCE for HCES for 2022-23 and HCES: 2023-24 without considering the imputed values of the items received free of cost through social transfer at all-India level at current prices and at 2011-12 prices are given in Table 2 below:

Table No – 2 Average Monthly Per Capita Consumption Expenditure (MPCE)					
Survey	Period	at current Prices		at 2011-12 Prices	
		Rural	Urban	Rural	Urban
HCES: 2022-23	Aug 2022- Jul 2023	3,773	6,459	2,008	3,510
HCES: 2023-24	Aug 2023- Jul 2024	4,122	6,996	2,079	3,632

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24



Source: Compiled from data analysis

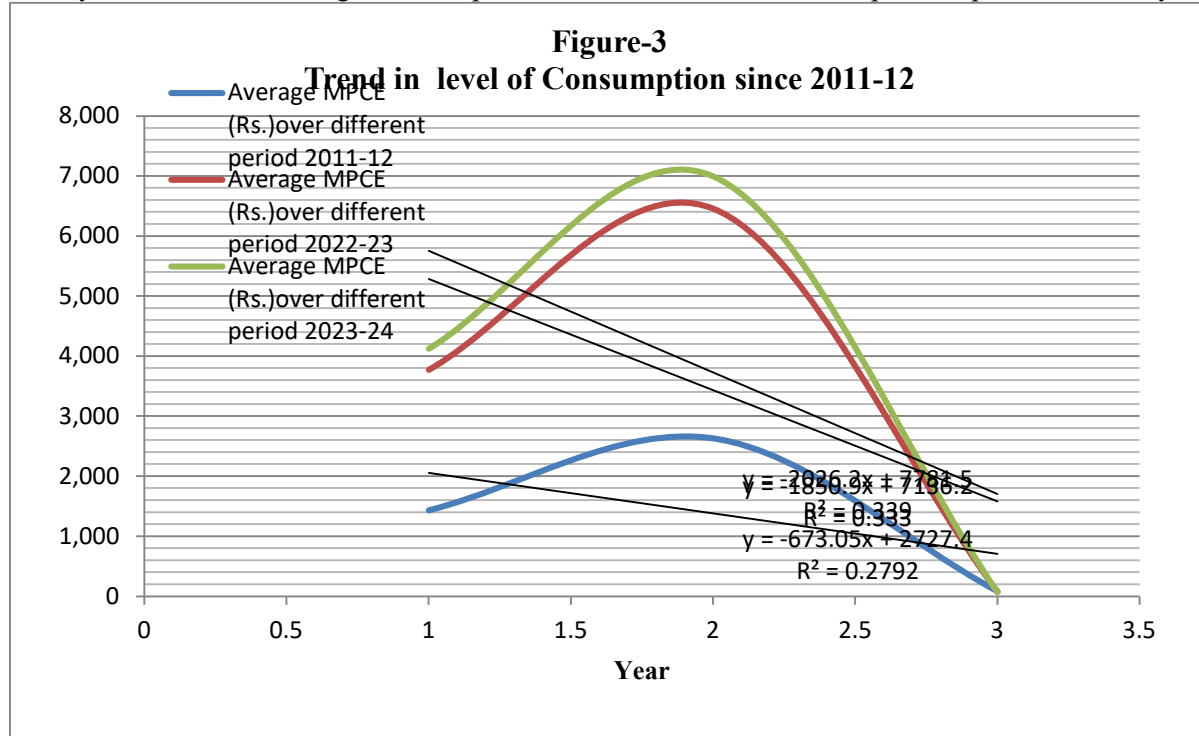
Based on the data from Table No. 2 and Figure-2, the Monthly Per Capita Consumption Expenditure (MPCE) in India showed a clear upward trend in both rural and urban areas from the 2022-23 survey periods to the 2023-24 periods. When measured at current prices, which include the effect of inflation, rural MPCE rose from ₹3,773 to ₹4,122, while urban MPCE increased from ₹6,459 to ₹6,996. However, a more accurate picture of real growth in consumption, after adjusting for inflation, is seen by looking at the figures in constant 2011-12 prices. At these constant prices, rural MPCE grew from ₹2,008 to ₹2,079, and urban MPCE from ₹3,510 to ₹3,632. This indicates that even after accounting for rising prices, there was a genuine, though modest, increase in the real consumption levels of both rural and urban household in India over this one-year period. **The Monthly Per Capita Consumption Expenditure (MPCE) constantly is increasing both in rural and urban areas of India. Hence, the standard of living of the people of rural and urban areas of India is improving.**

Table 3 Trend in level of Consumption since 2011-12			
Sector	Average MPCE (Rs.)over different period		
	2011-12 (68thround)	2022-23	2023-24
Rural	1,430	3,773	4,122



Urban	2,630	6,459	6,996
Difference as % of Rural MPCE	83.9	71.2	69.7

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24



Source: Compiled from data analysis

Based on the data in Table 3 & Figure-3, the level of average Monthly Per Capita Consumption Expenditure (MPCE) in India has shown a substantial upward trend in both rural and urban areas since 2011-12. Over this period, rural MPCE grew from ₹1,430 to ₹4,122, while urban MPCE increased from ₹2,630 to ₹6,996. A significant finding is the notable narrowing of the urban-rural consumption gap. **But, the difference in expenditure, expressed as a percentage of the rural MPCE, has consistently declined from 83.9% in 2011-12 to 69.7% in 2023-24. This indicates that while the absolute spending gap has widened, the relative disparity between urban and rural consumption has been reducing over the last decade.** The analysis further investigates the urban-rural differences in MPCE across major Indian states which is presented in the following table.

Table 4 Average MPCE and urban-rural differences in MPCE in 2022-23 and 2023-24, major States						
Major State	2022-23			2023-24		
	Average MPCE (Rs.)		Urban-Rural differences (%) in MPCE	Average MPCE (Rs.)		Urban-Rural differences (%) in MPCE
	Rural	Urban		Rural	Urban	
Andhra Pradesh	4,870	6,782	39	5,327	7,182	35



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Assam	3,432	6,136	79	3,793	6,794	79
Bihar	3,384	4,768	41	3,670	5,080	38
Chhattisgarh	2,466	4,483	82	2,739	4,927	80
Gujarat	3,798	6,621	74	4,116	7,175	74
Haryana	4,859	7,911	63	5,377	8,427	57
Jharkhand	2,763	4,931	78	2,946	5,393	83
Karnataka	4,397	7,666	74	4,903	8,076	65
Kerala	5,924	7,078	19	6,611	7,783	18
Madhya Pradesh	3,113	4,987	60	3,441	5,538	61
Maharashtra	4,010	6,657	66	4,145	7,363	78
Odisha	2,950	5,187	76	3,357	5,825	74
Punjab	5,315	6,544	23	5,817	7,359	27
Rajasthan	4,263	5,913	39	4,510	6,574	46
Tamil Nadu	5,310	7,630	44	5,701	8,165	43
Telangana	4,802	8,158	70	5,435	8,978	65
Uttar Pradesh	3,191	5,040	58	3,481	5,395	55
West Bengal	3,239	5,267	63	3,620	5,775	60
All-India	3,773	6,459	71	4,122	6,996	70

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24

This table provides a detailed analysis of the urban-rural consumption divide across India's major states for the periods 2022-23 and 2023-24, revealing significant regional disparities. While nearly **all states saw an increase in both rural and urban Average Monthly Per Capita Expenditure (MPCE) in 2023-24**, the magnitude of the urban-rural gap varies dramatically. **States like Kerala and Punjab consistently exhibit the smallest disparities (18-19% and 23-27%, respectively), indicating more balanced development.** In stark contrast, states such as Jharkhand (83%), Chhattisgarh (80%), and Assam (79%) suffer from the most severe divides, where urban consumption is disproportionately higher than rural. The national picture shows a slight narrowing of the gap from 71% to 70%, a trend mirrored in several states like Andhra Pradesh, Bihar, Haryana, and Karnataka. However, this trend is not universal, as states like Jharkhand, Maharashtra, and Rajasthan experienced a widening of their urban-rural consumption chasm. This data underscores that despite overall economic growth, the challenge of bridging the urban-rural consumption gap remains particularly acute in certain regions of the country. The Gini coefficient is a crucial statistical measure in economic analysis for quantifying income or consumption inequality within a country or region which is represented as a value between 0 and 1, often expressed as a percentage, where 0 signifies perfect equality and 1 represents perfect inequality. In the context of MPCE analysis, calculating the Gini coefficient based on consumption data would reveal the level of inequality within the urban or rural populations, which is presented in the following table.



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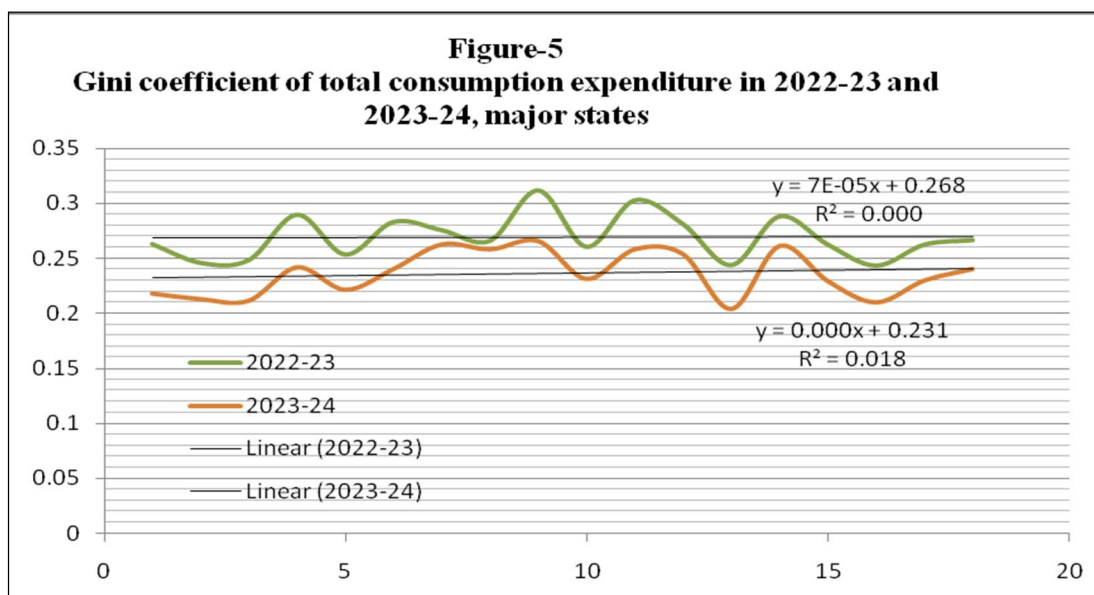


Table-5						
Gini coefficient of total consumption expenditure in 2022-23 and 2023-24, major states						
Major state	2022-23			2023-24		
	Rural	Urban	Average	Rural	Urban	Average
Andhra Pradesh	0.243	0.283	0.263	0.196	0.24	0.218
Assam	0.207	0.285	0.246	0.183	0.243	0.213
Bihar	0.219	0.278	0.2485	0.191	0.232	0.2115
Chhattisgarh	0.266	0.313	0.2895	0.211	0.273	0.242
Gujarat	0.226	0.281	0.2535	0.21	0.233	0.2215
Haryana	0.234	0.332	0.283	0.187	0.294	0.2405
Jharkhand	0.255	0.296	0.2755	0.22	0.306	0.263
Karnataka	0.225	0.307	0.266	0.227	0.29	0.2585
Kerala	0.286	0.337	0.3115	0.255	0.277	0.266
Madhya Pradesh	0.23	0.291	0.2605	0.208	0.255	0.2315
Maharashtra	0.291	0.314	0.3025	0.229	0.288	0.2585
Odisha	0.231	0.331	0.281	0.221	0.287	0.254
Punjab	0.221	0.267	0.244	0.19	0.218	0.204
Rajasthan	0.283	0.293	0.288	0.241	0.282	0.2615
Tamil Nadu	0.245	0.28	0.2625	0.21	0.249	0.2295
Telangana	0.208	0.279	0.2435	0.164	0.256	0.21
Uttar Pradesh	0.231	0.294	0.2625	0.191	0.269	0.23
West Bengal	0.228	0.305	0.2665	0.196	0.285	0.2405
All-India	0.266	0.314	0.29	0.237	0.284	0.2605

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24

Based on the data in Table 5, the **Gini coefficient for consumption expenditure reveals a significant and positive trend of reducing economic inequality within both rural and urban areas across most major Indian states between 2022-23 and 2023-24. At the national level, the rural Gini coefficient fell from 0.266 to 0.237, while the urban coefficient decreased from 0.314 to 0.284, indicating that the distribution of consumption became more equitable.**

This pattern of declining inequality is remarkably consistent, observed in nearly every major state. **For instance, states like Telangana, Andhra Pradesh, and Haryana saw substantial improvements in their rural Gini coefficients. The data also confirms that urban areas consistently exhibit higher inequality than their rural counterparts in the same state, as seen in values like Jharkhand's urban 0.306 versus its rural 0.220 in 2023-24. However, a few exceptions to this improving trend exist, most notably in Karnataka's rural areas and Jharkhand's urban areas, where inequality saw a slight increase.** The further explored with the help of Lorenz curve. It shows the actual distribution compared to a hypothetical line of perfect equality, with the distance between the two curves indicating the degree of inequality. The greater the gap between the Lorenz curve and the 45-degree line of perfect equality, the greater the inequality.



Source: Compiled from data analysis

This chart presents a critical analysis of economic inequality across major Indian states, revealing two key findings. Primarily, it demonstrates a complete lack of correlation between a state's economic size (measured by its share of India's GDP) and its level of inequality measured by the Gini coefficient of consumption expenditure, as evidenced by the near-zero slope and R-squared values of the trend lines for both 2022-23 and 2023-24. Secondly, the chart indicates a significant structural shift in inequality between the two years, shown by the change in the trend lines' intercepts and the widespread repositioning of data points, highlighting dynamic and varied economic experiences across India. The analysis further examines the Monthly Per Capita Consumption Expenditure (MPCE) across different social groups. The following table details these disparities, revealing how consumption patterns vary significantly between groups.

Table -6
Average MPCE by social groups in 2022-23 and 2023-24: All-India

Social Group	2022-23		2023-24	
	Average MPCE (Rs.)		Average MPCE (Rs.)	
	Rural	Urban	Rural	Urban
Scheduled Tribe (ST)	3,016	5,414	3,363	6,030
Scheduled Caste (SC)	3,474	5,307	3,878	5,775
Other Backward Classes (OBC)	3,848	6,177	4,206	6,738
Others	4,392	7,333	4,642	7,832
All	3,773	6,459	4,122	6,996

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24

This table on Average Monthly Per Capita Consumption Expenditure (MPCE) reveals a persistent and graded hierarchy of economic well-being across India's social groups for both 2022-23 and 2023-24. The data consistently shows that the "Others" (General Category) have the highest consumption expenditure in both rural and urban areas, followed by Other Backward Classes (OBC), Scheduled Castes (SC), and with Scheduled Tribes (ST) at the bottom in rural areas and often second-lowest in urban settings. This pattern confirms that there is an increase in their nominal MPCE from 2022-23 to 2023-24, indicating general economic growth, the relative gaps between the top ("Others") and bottom (ST/SC) groups remain stark and largely unchanged. Furthermore, the



substantial urban-rural divide within each social group highlights the additional dimension of inequality based on geography, compounding the disparities driven by social identity. This is further analysed with the help of household type which is presented in the following table.

Table - 7
:Average MPCE by household type in 2022-23 and 2023-24

Household type	Average MPCE (Rs.)	
	2022-23	2023-24
Rural		
Self-employed in agriculture	3,702	4,033
Self-employed in non-agriculture	4,074	4,407
Regular wage/salaried earning in agriculture	3,597	3,972
Regular wage/salaried earning in non-agriculture	4,533	5,005
Casual labour in agriculture	3,273	3,652
Casual labour in non-agriculture	3,315	3,653
Others	4,684	4,747
All	3,773	4,122
Urban		
Self-employed	6,067	6,595
Regular wage/salaried earning	7,146	7,606
Casual labour	4,379	4,964
Others	8,619	9,159
All	6,459	6,996

Source: Ministry of Statistics and Programme Implementation, Household Consumption Expenditure Survey: 2023-24

This table on Average Monthly Per Capita Consumption Expenditure (MPCE) by household type delineates a clear economic hierarchy based on the nature of employment, a pattern that holds true across both rural and urban India in 2022-23 and 2023-24.

In rural areas, households relying on casual labour, particularly in agriculture, consistently report the lowest MPCE, underscoring the precarious financial state of this group, while regular wage earners in non-agricultural sectors enjoy the highest consumption levels within the rural landscape.

The urban sector mirrors and amplifies this disparity, with regular wage and salaried households at the top of the economic ladder, followed by the self-employed, and with **casual labourers facing a significant consumption deficit**, lagging far behind. The data further reveals that even within the same broad category, such as self-employment or regular wages, **engagement in non-agricultural activities generally yields higher consumption expenditure** than their agricultural counterparts. The consistent increase in nominal MPCE for nearly all groups from 2022-23 to 2023-24 indicates broad-based economic growth; however, the entrenched gaps between different employment types highlight how one's source of livelihood remains a fundamental determinant of economic inequality and standard of living, with stable, formal employment providing a clear and substantial advantage over informal and casual work.

Findings and Recommendations

The analysis provides substantial evidence to the following key points:

1. Rural-Urban Consumption Patterns:

- Rural India (Avg. MPCE ₹4,122) spends 47.04% (₹1,939) on food and 52.96% (₹2,183) on non-food items.
- Urban India (Avg. MPCE ₹6,996) spends a lower share, 39.68% (₹2,776), on food and a higher share, 60.32% (₹4,220), on non-food items.



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2. Rising Consumption Expenditure:

- Nominal MPCE (with inflation): Rural MPCE rose from ₹3,773 to ₹4,122; Urban MPCE rose from ₹6,459 to ₹6,996.
- Real MPCE (constant 2011-12 prices): Rural MPCE grew from ₹2,008 to ₹2,079; Urban MPCE grew from ₹3,510 to ₹3,632.

3. Long-Term Trend & Narrowing Gap:

- Since 2011-12, MPCE has grown substantially: Rural (₹1,430 to ₹4,122) and Urban (₹2,630 to ₹6,996).
- The urban-rural expenditure gap, rural MPCE, has narrowed from 83.9% (2011-12) to 69.7% (2023-24).

4. State-Wide Variations in Urban-Rural Gap:

- The gap is smallest in states like Kerala (18-19%) and Punjab (23-27%).
- The gap is largest in states like Jharkhand (83%), Chhattisgarh (80%), and Assam (79%).
- While the national gap narrowed slightly, states like Jharkhand, Maharashtra, and Rajasthan saw their gaps widen.

5. Declining Economic Inequality (Gini Coefficient):

- National rural Gini fell from 0.266 to 0.237; urban Gini fell from 0.314 to 0.284.
- Urban inequality is consistently higher than rural (e.g., Jharkhand: Urban 0.306 vs. Rural 0.220).
- Exceptions like Karnataka (rural) and Jharkhand (urban) saw a slight increase in inequality.

6. Inequality by Employment Type:

- Rural: Casual labour in agriculture has the lowest MPCE (₹3,652), while regular wage earners in non-agriculture have the highest (₹5,005).
- Urban: Casual labour has the lowest MPCE (₹4,964), while regular wage/salaried households have the highest (₹7,606).
- Non-agricultural employment yields higher MPCE than agricultural employment within the same category.

Limitation

A fundamental limitation of this study is its exclusive reliance on secondary data from the Monthly Per Capita Consumption Expenditure (MPCE) Survey: 2023-24, published by the National Statistics Office (NSO), Ministry of Statistics and Programme Implementation, Government of India. As no independent primary survey was conducted by the author, the analysis is entirely constrained by the scope, definitions, and methodological framework of the official NSO data.

Conclusion

The analysis of India's household consumption patterns, shows a promising reduction in inequality—evidenced by a declining Gini coefficient (rural: 0.266 to 0.237; urban: 0.314 to 0.284) and a narrowing urban-rural consumption gap (from 83.9% to 69.7%)—profound and persistent disparities remain entrenched along social and occupational lines. The data reveals a rigid hierarchy where Scheduled Tribes and Scheduled Castes, alongside casual agricultural labourers, consistently exhibit the lowest Monthly Per Capita Consumption Expenditure (MPCE), underscoring that social identity and precarious employment are primary drivers of inequality. Hence, policy must move beyond broad regional development and instead target these specific disadvantaged groups through “strengthened and expanded social safety nets”, such as direct cash transfers, and “promote sustainable livelihood programs” focused on skill development and job creation in the non-agricultural sector for rural casual labour and marginalized communities, ensuring that economic growth translates into equitable improvements in living standards for all.

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