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The Nature and Extent of Inequality in West Bengal in The Distribution of Consumer Expenditure

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Abstract **Original Research Article**

This study examines the nature and extent of inequality in the distribution of consumer expenditure in West Bengal. Using a qualitative research approach based entirely on secondary data sources, the study reviews existing literature, government reports, and survey-based research to understand patterns of consumption inequality across rural and urban areas, social groups, and regions within the state. The findings indicate that consumer expenditure inequality in West Bengal is shaped by structural economic differences, social stratification, and regional disparities. Urban areas demonstrate higher consumption levels but also greater inequality, while rural areas experience lower consumption levels and limited access to services. The study highlights the need for inclusive development policies to reduce disparities.

Keywords: Consumer Expenditure, Economic Inequality, West Bengal, Consumption Distribution, Rural–Urban Disparities, Household Welfare.

CHAPTER 1 - INTRODUCTION

1.1 Background of the Study

Economic inequality remains one of the most pressing challenges in contemporary development discourse. While economic growth has lifted millions out of poverty across developing countries, the distribution of its benefits has been uneven, leading to persistent and, in some cases, widening inequalities. Traditionally, inequality has been analysed through the lens of income and wealth distribution (Tripathi, 2018). However, over time, scholars have increasingly recognised that consumer expenditure offers a more reliable and welfare-oriented measure of economic well-being, particularly in economies characterised by income volatility, informal employment, and underreporting of earnings.

Consumer expenditure reflects the actual living standards of households by capturing their ability to meet basic needs such as food, housing, healthcare, education, and other essential and non-essential goods and services. As argued in welfare economics, consumption smooths temporary income shocks and therefore provides a more stable indicator of long-term economic status (Rajora, 2024). Consequently, inequality in the distribution of consumer expenditure has emerged as a critical area of inquiry for understanding disparities in material well-being.

In India, the analysis of consumption expenditure inequality has been central to debates on poverty, development, and social justice. Large-scale household surveys conducted by the National Sample Survey Office (NSSO) and the National Statistical Office (NSO) have enabled researchers to examine patterns of consumption across regions, social groups, and time periods. While national-level studies provide valuable insights into overall trends, they often mask significant sub-national variations (Tripathi, 2018). States differ widely in their economic structure, demographic composition, social institutions, and policy frameworks, necessitating state-specific analyses of consumption inequality.

1.2 Consumer Expenditure Inequality in the Indian Context

India's economic transformation over the past few decades has been marked by rapid growth alongside structural changes in employment, urbanisation, and consumption patterns. Despite substantial reductions in absolute poverty, inequality remains a persistent concern. Evidence suggests that while income inequality has increased in recent years, consumption expenditure inequality has exhibited more complex and nuanced trends, varying across rural and urban areas, regions, and social groups.

Consumption inequality in India is shaped by multiple factors, including disparities in employment opportunities, access to education and healthcare, land ownership, and the reach of social protection programmes (Rajora, 2024). The rural-urban divide continues to play a significant role, with urban households generally exhibiting higher average consumption levels and greater inequality than their rural counterparts. Furthermore, social stratification based on caste, tribe, and class remains a defining feature of consumption disparities, with historically disadvantaged groups such as Scheduled Castes and Scheduled Tribes consistently reporting lower levels of consumption expenditure.

Recent national surveys indicate a modest decline in consumption inequality at the aggregate level, attributed partly to welfare interventions and increased consumption among lower expenditure groups (Yadav, & Yadav, 2025). However, such aggregate trends obscure important regional and state-level dynamics. Understanding how consumption inequality manifests within individual states is essential for designing targeted and effective policy responses.

1.3 West Bengal: Socio-Economic Context

West Bengal occupies a distinctive position in India's economic and social landscape. Located in eastern India, the state is characterised by a diverse economy encompassing agriculture, industry, services, and a large informal sector. Historically, West Bengal has experienced periods of industrial prominence as well as economic stagnation, leading to uneven development across regions and sectors.

The state exhibits substantial heterogeneity in terms of geography, population density, urbanisation, and socio-economic conditions. While urban centres such as Kolkata and its surrounding areas demonstrate relatively higher consumption levels and access to services, large parts of rural and tribal-dominated regions lag behind in terms of income opportunities and consumption capacity (Karmakar, & Sarkar, 2023). Inter-district disparities in infrastructure, education, healthcare access, and employment opportunities contribute to variations in household consumption expenditure across the state.

West Bengal also has a significant proportion of socially disadvantaged populations, including Scheduled Castes and Scheduled Tribes, whose consumption patterns are shaped by historical exclusion, limited asset ownership, and labour market vulnerabilities. These structural factors make the state an important case for examining the nature and extent of inequality in the distribution of consumer expenditure.

1.4 Rationale for the Study

Despite a growing body of literature on poverty and inequality in India, relatively few studies focus explicitly on consumer expenditure inequality at the state level, particularly for West Bengal. Existing research often prioritises poverty estimation, with inequality treated as a secondary outcome. Moreover, much of the empirical work is quantitative in nature, emphasising measurement over interpretation, and providing limited integration with broader theoretical perspectives on welfare and inequality.

There is a need for a comprehensive and qualitative synthesis of secondary research that examines how consumption expenditure inequality in West Bengal has evolved, what patterns it exhibits across regions and social groups, and what structural factors underlie these disparities. Such an analysis is essential for understanding whether improvements in average consumption levels have been accompanied by more equitable distribution, or whether inequalities persist despite economic progress.

Furthermore, recent developments in consumption data and inequality measurement call for renewed examination of state-level patterns. By focusing on West Bengal, this study seeks to contribute to the regional inequality literature and provide insights relevant for policy formulation and academic debate.

1.5 Objectives of the Study

The present study is guided by the following objectives:

- To examine the nature of inequality in the distribution of consumer expenditure in West Bengal.
- To assess the extent of consumer expenditure inequality across rural and urban areas within the state.
- To analyse disparities in consumption expenditure among different social groups and regions of West Bengal.
- To synthesise existing theoretical and empirical literature on consumption inequality in order to contextualise the findings.
- To derive policy-relevant insights for reducing consumption-based inequality and improving household welfare in West Bengal.

1.6 Scope and Significance of the Study

The study is based on secondary data and published literature, including national household consumption surveys, government reports, and peer-reviewed academic studies. By adopting a qualitative and descriptive approach, the research aims to integrate theoretical perspectives with empirical evidence rather than generate new statistical estimates.

The significance of this study lies in its focus on consumption expenditure inequality, which provides a welfare-oriented perspective on economic disparities. By concentrating on West Bengal, the research highlights sub-national dynamics that are often overlooked in national-level analyses. The findings are expected to be relevant for policymakers, researchers, and development practitioners interested in addressing inequality through region-specific and socially inclusive interventions.

1.7 Organisation of the Study

The study is organised into several chapters.

- Chapter 1 introduces the research problem, outlines the objectives, and establishes the rationale and significance of the study.
- Chapter 2 presents a detailed review of relevant literature, covering theoretical perspectives, methodological approaches, and empirical findings related to consumption expenditure inequality.
- Chapter 3 describes the data sources and methodological framework adopted for the study.
- Chapter 4 discusses the nature and extent of consumer expenditure inequality in West Bengal based on secondary evidence.
- Finally, Chapter 5 concludes the study by summarising key findings, discussing policy implications, and suggesting directions for future research.

CHAPTER 2 - REVIEW OF LITERATURE

Introduction to the Review of Literature

The review of literature situates the present study within the broader theoretical and empirical discourse on economic inequality, with particular emphasis on consumption expenditure as a key indicator of household welfare. Over time, inequality research has evolved beyond income-centric analyses to incorporate consumption-based measures that better capture living standards, especially in developing economies characterised by income volatility and informality (Cowell, 2007). In the Indian context, a substantial body of literature has examined poverty and inequality using consumption expenditure data from large-scale surveys such as the National Sample Survey (Chauhan *et al.,* 2015; Mohanty *et al.,* 2016). These studies reveal persistent regional, social, and spatial disparities despite overall reductions in poverty. However, state-specific and integrative analyses of consumer expenditure inequality, particularly for West Bengal, remain limited. This review synthesises theoretical contributions, methodological advancements, and empirical findings at national, regional, and sub-state levels to establish the analytical foundation and research gap addressed by the present study.

1. Conceptual and Theoretical Perspectives on Inequality

The study of economic inequality has undergone significant conceptual expansion over the past few decades. Traditionally, inequality analysis was closely associated with the distribution of income and wealth. However, as argued by Cowell (2007), inequality has evolved into an independent field of economic inquiry, drawing theoretical strength from welfare economics and information theory. This shift reflects growing recognition that inequality cannot be adequately understood through income distribution alone, as welfare outcomes depend on broader dimensions of economic well-being, including consumption patterns, access to public services, and social opportunities.

Cowell (2007) emphasizes that modern inequality analysis focuses on both positive and normative dimensions. From a positive perspective, economic theory seeks to explain the mechanisms determining income and expenditure distribution, while the normative dimension evaluates inequality through ethical and social welfare considerations. Drawing on the foundational work of Sen and Foster, Cowell highlights the importance of inequality measures such as the Gini coefficient and entropy-based indices, which allow researchers to assess disparities while incorporating value judgments regarding social aversion to inequality. These theoretical insights provide a strong foundation for analysing consumer expenditure inequality, as consumption is widely regarded as a more stable and welfare-relevant indicator than income, particularly in developing economies.

2. Consumption Expenditure as a Measure of Economic Inequality

Consumption expenditure has gained prominence in inequality research due to its closer association with household welfare. Unlike income, which is often volatile and underreported, consumption reflects long-term living standards and the capacity of households to smooth income shocks. This makes consumption-based inequality especially relevant in contexts such as India, where informal employment and seasonal income variations are widespread (Agrawal & Agrawal, 2023).

Recent studies highlight that while income inequality in India has shown an increasing trend, consumption inequality has remained relatively stable or has declined marginally in recent years. Using nationally representative data, Agrawal and Agrawal (2023) demonstrate that government transfers and wage income play an equalising role in consumption distribution, whereas income from agriculture and business activities tends to widen disparities. These findings reinforce the argument that consumption expenditure provides a more nuanced understanding of inequality dynamics and welfare outcomes than income-based measures alone.

3. Methodological Advances in Expenditure Inequality Analysis

The measurement of expenditure inequality has benefited from methodological innovations that allow decomposition and disaggregation across population groups and expenditure components. El-Osta (2010) contributes to this literature by examining inequality in household living expenditures through decomposition techniques that assess the contribution of individual expenditure components to overall inequality. By incorporating life-cycle considerations and alternative social welfare weights, the study demonstrates how inequality varies across different stages of household life and under varying degrees of inequality aversion.

Although El-Osta's analysis is based on farm households in the United States, its methodological relevance extends to developing country contexts. The study underscores the importance of analysing disaggregated consumption components, as aggregate expenditure measures may obscure inequalities in access to essential non-food items such as healthcare, education, and housing. This insight is particularly applicable to India and West Bengal, where disparities in non-food expenditure contribute significantly to overall consumption inequality (Basole, & Basu, 2015).

4. Labour Market Dynamics, Vulnerability, and Household Inequality

Household consumption patterns are closely linked to labour market outcomes and economic vulnerability. Burkhauser *et al.* (2001) examine employment and household income dynamics among working-age populations with and without disabilities, demonstrating how labour market exclusion can exacerbate inequality even during periods of economic growth. Their findings show that despite increased disability transfers, households with disabled members experienced declining relative income, highlighting the limitations of income support mechanisms in fully offsetting labour market disadvantages.

While this study focuses on a developed economy, its implications are relevant for understanding consumption inequality in developing contexts. In India, labour market vulnerabilities such as informal employment, underemployment, and social exclusion similarly affect household income stability and consumption capacity (Financial Express, 2024). These factors play a critical role in shaping consumption expenditure inequality, particularly among socially and economically disadvantaged groups.

5. Regional Patterns of Poverty and Inequality in India

Regional inequality constitutes a central theme in the Indian inequality literature. Chauhan et al. (2015) provide a comprehensive regional analysis of poverty and inequality using consumption expenditure data from multiple rounds of the National Sample Survey. Their findings reveal that although poverty declined across most regions between 1993 and 2012, economic inequality increased in a majority of regions. The widening dispersion in poverty headcount and gap ratios indicates growing regional divergence.

Importantly, the study finds that inequality tends to be higher in relatively developed regions, suggesting that economic growth does not automatically translate into equitable consumption gains. This regional perspective is crucial for understanding states like West Bengal, which exhibit significant intra-state disparities across districts and socio-economic groups. Chauhan *et al.* (2015) thus provide an essential empirical backdrop for state-level analyses of consumption expenditure inequality.

6. District-Level Inequality and Consumption Disparities

Moving beyond regional averages, Mohanty et al. (2016) highlight the importance of district-level analysis in understanding poverty and inequality in India. Using pooled NSS consumption expenditure data, the study estimates poverty and inequality indices for over 600 districts, revealing substantial heterogeneity within states. The results indicate that inequality patterns often differ from poverty patterns, with higher inequality observed in more developed districts.

The study also identifies key correlates of poverty and inequality, including fertility rates, dependence on agricultural labour, and wealth indices. For states like West Bengal, which display marked inter-district variation in economic development, such findings underscore the limitations of state-level averages and reinforce the need for spatially disaggregated consumption inequality analysis.

7. Urban Consumption Inequality and Evidence from West Bengal

Urban inequality has emerged as a critical concern in the context of rapid urbanisation in developing countries. Mukherjee and Chatterjee (2014) examine urban poverty and inequality in India, with special reference to West Bengal, using NSS unit-level consumption expenditure data and Lorenz curve techniques. Their analysis shows that urban poverty and inequality have declined over time, particularly in recent decades.

In the case of West Bengal, the decline in urban poverty is attributed to factors such as faster urbanisation, smaller household size, declining inequality, growth in per capita industrial income, and increased public expenditure on education and health (Das, 2020). Although this study predates 2015, it remains highly relevant for understanding the urban dimensions of consumption inequality in West Bengal and provides important insights into the role of policy interventions in improving urban welfare outcomes.

8. Recent Evidence on Consumption Inequality in India

Recent data from the Household Consumption Expenditure Survey (HCES) 2022-23 indicates a decline in consumption inequality in both rural and urban India. Studies analysing this data suggest that lower expenditure groups have experienced relatively faster growth in consumption, leading to a modest narrowing of inequality (ICPP, 2023). However, significant disparities persist across regions, social groups, and expenditure categories, particularly in non-food consumption such as healthcare and education.

Moreover, methodological studies highlight that failure to account for relative price changes can lead to misestimation of real consumption inequality, especially in rural areas (Swathysree *et al.,* 2023). These findings point to the complexity of measuring and interpreting consumption inequality and underscore the need for context-specific and methodologically robust analyses.

9. Literature Gap

Despite a rich body of literature on poverty and inequality in India, several critical gaps remain, particularly in relation to consumption expenditure inequality at the state level. First, while national and regional studies provide valuable insights into broad inequality trends (Chauhan *et al.,* 2015; Mohanty *et al.,* 2016), there is a relative paucity of recent, state-specific analyses focusing explicitly on the nature and extent of consumer expenditure inequality in West Bengal using a comprehensive qualitative synthesis of secondary literature.

Second, existing studies often prioritise poverty estimation over inequality analysis, treating inequality as a secondary outcome rather than a central analytical focus (Mukherjee & Chatterjee, 2014; Mohanty *et al.,* 2016). As a result, the structural drivers and distributional characteristics of consumption inequality within West Bengal remain underexplored.

Third, while methodological contributions emphasise decomposition and life-cycle approaches to expenditure inequality (El-Osta, 2010; Basole, & Basu, 2015; Das, 2020), such techniques are rarely applied or discussed in the context of Indian states, limiting understanding of how different expenditure components contribute to inequality across socio-economic groups.

Finally, much of the existing literature relies heavily on quantitative estimation, with limited qualitative synthesis linking empirical findings to broader theoretical perspectives on welfare, inequality dislike, and regional development (Cowell, 2007; Agrawal & Agrawal, 2023). This creates a gap for a qualitative, secondary-data-based study that integrates theory, empirical evidence, and policy discourse to provide a holistic understanding of consumption expenditure inequality in West Bengal.

Addressing these gaps, the present study seeks to systematically examine the nature and extent of consumer expenditure inequality in West Bengal by synthesising post-2015 empirical evidence, theoretical insights, and policy-relevant findings, thereby contributing to the regional inequality literature in India.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Design

The present study adopts a qualitative research design based on secondary sources of data to examine the nature and extent of inequality in the distribution of consumer expenditure in West Bengal. Qualitative research designs are particularly appropriate when the objective is to analyse and synthesise existing knowledge, theoretical perspectives, and empirical findings rather than generate new primary data (Creswell & Creswell, 2018). In the context of economic inequality research, secondary analysis of published literature, statistical reports, and survey findings allows researchers to identify patterns, trends, and explanatory factors across time and space.

The study relies on a descriptive and analytical approach. The descriptive aspect focuses on summarising and interpreting findings from previously published studies related to consumption expenditure inequality. The analytical component involves synthesising these findings to identify common patterns, underlying determinants, and policy implications relevant to West Bengal. By integrating theoretical insights with empirical evidence, the study aims to provide a comprehensive understanding of consumption expenditure inequality in the state.

Secondary research has been widely used in inequality studies because of the availability of large-scale datasets and extensive empirical literature examining poverty, welfare, and consumption patterns in India (Chauhan *et al.,* 2015; Mohanty *et al.,* 2016). This methodological approach enables the researcher to draw upon a broad body of evidence to assess inequality trends without undertaking costly and time-consuming primary surveys.

3.2 Nature of the Study

This research is exploratory and interpretative in nature. It seeks to explore the existing body of literature on consumer expenditure inequality and interpret the findings in relation to the socio-economic context of West Bengal. The study does not attempt to construct new statistical estimates or econometric models; instead, it critically examines and synthesises the results of existing research.

The exploratory nature of the study is justified by the limited availability of comprehensive state-level studies focusing specifically on consumption expenditure inequality in West Bengal. While numerous studies examine poverty and inequality at the national or regional level, relatively fewer studies integrate these findings to provide a focused understanding of consumption inequality in a single state. Therefore, the present study aims to bridge this gap through systematic literature-based analysis.

3.3 Data Sources

The study is entirely based on secondary sources of data and published research. Secondary data refers to information that has already been collected and analysed by other researchers, institutions, or government agencies (Bryman, 2016). Such data are widely used in social science research to examine macro-level trends and patterns.

The sources of data used in this study include the following:

3.3.1 Academic Journal Articles

Peer-reviewed journal articles form the primary source of information for this research. These articles provide empirical evidence, theoretical perspectives, and methodological insights related to income and consumption inequality. Studies examining regional inequality, poverty, and expenditure distribution in India are particularly relevant for understanding the broader context of the research topic (Agrawal & Agrawal, 2023; Chauhan *et al.,* 2015).

3.3.2 Working Papers and Research Reports

Working papers and institutional research reports published by universities, policy institutes, and research organisations have also been used. These documents often contain recent analyses of consumption expenditure surveys and provide valuable insights into emerging trends in inequality.

3.3.3 Government Reports and Statistical Publications

Government publications and survey reports serve as important references for understanding consumption patterns in India. These include reports based on the Household Consumption Expenditure Survey (HCES) and earlier rounds of the National Sample Survey (NSS). These datasets are widely recognised as the most authoritative sources of information on household consumption expenditure in India.

3.3.4 Online Academic Databases

Relevant literature was identified through academic databases and digital repositories such as Google Scholar, ResearchGate, JSTOR, SpringerLink, and institutional archives. These platforms provide access to peer-reviewed articles and working papers related to economic inequality and consumer expenditure distribution.

3.4 Criteria for Selection of Literature

To ensure the relevance and quality of the data used in this study, specific criteria were applied in selecting the literature.

First, priority was given to peer-reviewed journal articles and reputable research publications, as these undergo rigorous academic scrutiny and are considered reliable sources of evidence. Second, studies focusing on consumption expenditure, poverty, and inequality in India were selected to provide contextual relevance to the research topic. Third, research examining regional or state-level inequality patterns was prioritised because such studies provide insights applicable to the case of West Bengal.

Additionally, recent publications were emphasised to ensure that the analysis reflects current trends and developments in consumption inequality. However, a few earlier foundational studies were also included where they provided essential theoretical or methodological contributions to inequality research.

3.5 Data Analysis Method

The analysis in this study is conducted through qualitative content analysis and thematic synthesis of the selected literature. Content analysis is a widely used method in qualitative research for systematically examining textual information in order to identify patterns, themes, and relationships (Bryman, 2016).

The process of analysis involved several steps.

First, the selected articles and reports were carefully reviewed to identify key themes related to consumption expenditure inequality. These themes included patterns of expenditure distribution, rural-urban disparities, social group differences, and regional inequality.

Second, the findings of different studies were compared to identify similarities and differences in their conclusions. This comparative approach helps reveal broader trends in inequality and allows the researcher to assess whether the findings are consistent across different contexts and time periods.

Third, the identified themes were organised into conceptual categories to facilitate interpretation and discussion. For example, studies focusing on regional disparities were grouped together, while those examining methodological approaches to inequality measurement were analysed separately.

Finally, the synthesised findings were interpreted in relation to the socio-economic characteristics of West Bengal in order to assess the nature and extent of consumer expenditure inequality within the state.

3.6 Ethical Considerations

Since the present research relies entirely on secondary sources, ethical considerations primarily relate to the proper acknowledgement and citation of original authors. All data, ideas, and findings derived from previous studies have been appropriately cited using the APA referencing style. This ensures transparency and maintains academic integrity in the research process.

Furthermore, the study avoids misrepresentation of original findings and aims to present an accurate interpretation of the literature. Proper referencing also enables readers to trace the original sources used in the analysis.

CHAPTER 4: RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results and discussion of the study on the nature and extent of inequality in the distribution of consumer expenditure in West Bengal. Since the research is based on secondary sources, the analysis draws upon findings from previously published studies, government reports, and survey-based research on consumption expenditure inequality in India. The results are organised according to the research objectives, focusing on the nature of inequality, the extent of disparities between rural and urban areas, and the differences in consumption patterns across social and regional groups.

4.2 Nature of Consumer Expenditure Inequality in West Bengal

Consumer expenditure inequality reflects disparities in household living standards and access to goods and services. In the context of West Bengal, inequality in consumption expenditure is influenced by several structural factors such as income distribution, employment opportunities, regional economic development, and social stratification.

Studies examining inequality in India suggest that consumption expenditure distribution tends to be less unequal than income distribution because households often smooth consumption through savings, borrowing, and social transfers (Cowell, 2007). Nevertheless, disparities in consumption patterns remain significant across different population groups. Research indicates that economic growth and structural transformation have led to changes in consumption patterns, with higher-income households allocating greater shares of expenditure to non-food items such as healthcare, education, housing, and consumer durables (Basole & Basu, 2015).

In West Bengal, these differences in consumption behaviour highlight the uneven distribution of welfare across households. Urban households generally spend more on non-food items, reflecting higher income levels and better access to services, while rural households allocate a larger share of their expenditure to basic necessities such as food. This divergence indicates the presence of structural inequality in the distribution of consumption expenditure within the state.

4.3 Extent of Rural-Urban Consumption Inequality

One of the most significant dimensions of consumption expenditure inequality in West Bengal is the rural-urban divide. Urban areas typically exhibit higher levels of consumption expenditure due to greater access to employment opportunities, infrastructure, and public services. However, urban areas also tend to show higher inequality because of large differences in income and consumption levels across socio-economic groups.

Research based on National Sample Survey (NSS) data suggests that consumption inequality in India is generally higher in urban areas than in rural areas (Chauhan *et al.,* 2015). This pattern is also reflected in West Bengal, where urban centres such as Kolkata and surrounding industrial regions display higher average consumption levels compared to rural districts. At the same time, the distribution of consumption within urban areas remains uneven, reflecting disparities between high-income households and those engaged in informal or low-paying occupations.

Rural areas of West Bengal, particularly those dependent on agriculture and informal labour, often experience lower average consumption levels. Although inequality within rural areas may be relatively moderate compared to urban areas, significant disparities still exist between land-owning households and agricultural labourers. These differences highlight the importance of economic structure and employment opportunities in shaping consumption inequality across rural and urban regions.

4.4 Social Group Disparities in Consumption Expenditure

Another important dimension of inequality in West Bengal relates to disparities among different social groups. Social stratification based on caste, tribe, and economic status has historically influenced access to resources, employment opportunities, and social mobility in India.

Evidence from household consumption surveys indicates that historically marginalised groups such as Scheduled Castes (SCs) and Scheduled Tribes (STs) tend to have lower average consumption expenditure compared to other social groups. These disparities are often associated with limited access to education, lower levels of asset ownership, and greater dependence on low-income occupations. As a result, households belonging to these groups may face constraints in meeting both basic and non-basic consumption needs.

Studies have also highlighted the relationship between inequality and structural socio-economic factors such as wealth distribution, fertility levels, and dependence on agricultural labour (Mohanty *et al.,* 2016). In West Bengal, districts with higher concentrations of disadvantaged populations often display lower consumption levels and greater vulnerability to poverty. These findings suggest that social inequality continues to play a significant role in shaping consumption patterns across the state.

4.5 Regional Disparities in Consumption Expenditure

Regional disparities within West Bengal also contribute to variations in consumption expenditure. The state exhibits considerable heterogeneity in terms of economic development, infrastructure, and access to services. While urbanised districts with diversified economic activities tend to have higher consumption levels, less developed rural districts often face lower income opportunities and limited access to markets and public services.

Research on regional inequality in India indicates that economic development does not necessarily lead to uniform improvements in consumption levels across regions (Chauhan *et al.,* 2015). In fact, some relatively developed regions may experience higher levels of inequality due to uneven distribution of growth benefits. This pattern is also evident in West Bengal, where economic activity is concentrated in certain districts, creating disparities in household consumption patterns across the state.

Regional differences in infrastructure, education, and employment opportunities further reinforce these disparities. As a result, households living in less developed regions may have lower consumption levels and limited access to non-food goods and services compared to those living in more economically advanced areas.

4.6 Discussion of Key Findings

The analysis of secondary literature reveals that consumption expenditure inequality in West Bengal is shaped by multiple interrelated factors, including economic structure, social stratification, and regional development patterns. The findings suggest that while improvements in economic conditions have contributed to rising consumption levels for many households, disparities persist across rural and urban areas, social groups, and regions.

Urban areas demonstrate higher average consumption but also greater inequality, reflecting the coexistence of affluent households and economically vulnerable populations. Rural areas, on the other hand, tend to have lower consumption levels overall, though disparities still exist based on land ownership and employment opportunities.

Social group disparities further highlight the role of historical and structural inequalities in shaping consumption patterns. Households belonging to marginalised communities often face barriers to economic advancement, which limits their ability to increase consumption and improve living standards.

Overall, the results indicate that inequality in the distribution of consumer expenditure in West Bengal is multidimensional, reflecting differences in income, occupation, location, and social status. Addressing these disparities requires policies aimed at improving employment opportunities, expanding access to education and healthcare, and strengthening social protection programmes.

CHAPTER 5: CONCLUSION AND POLICY IMPLICATIONS

5.1 Conclusion

The present study examined the nature and extent of inequality in the distribution of consumer expenditure in West Bengal using a qualitative approach based on secondary sources of data. Consumer expenditure is widely regarded as an important indicator of household welfare because it reflects the actual standard of living and the ability of households to meet their basic and non-basic needs. Through the review and synthesis of existing literature, government reports, and empirical studies, the research explored patterns of consumption inequality across rural and urban areas, social groups, and regions within the state.

The findings suggest that inequality in consumer expenditure in West Bengal is influenced by multiple structural and socio-economic factors. One of the key observations is the existence of a significant rural-urban divide in consumption patterns. Urban areas generally exhibit higher levels of consumption expenditure due to better employment opportunities, infrastructure, and access to services. However, urban regions also demonstrate higher inequality because of the wide gap between affluent households and economically vulnerable populations engaged in informal or low-income occupations.

In rural areas, although average consumption levels are lower than in urban areas, disparities still exist among different categories of households. Land ownership, access to agricultural resources, and employment opportunities play an important role in shaping consumption patterns. Households dependent on agricultural labour or informal employment often experience lower consumption levels and greater vulnerability to economic shocks.

The study also highlights social group disparities as an important dimension of consumption inequality in West Bengal. Historically marginalised groups such as Scheduled Castes (SCs) and Scheduled

Tribes (STs) generally report lower levels of consumption expenditure compared to other social groups. These disparities are closely linked to structural inequalities in education, asset ownership, and access to stable employment opportunities. As a result, social stratification continues to influence patterns of household welfare and consumption distribution in the state.

Another important finding relates to regional disparities within West Bengal. Economic activity and development are concentrated in certain districts, particularly urban and industrial regions, while many rural and peripheral districts lag behind in terms of infrastructure, employment opportunities, and access to public services. These regional imbalances contribute to variations in consumption expenditure across households and reinforce broader patterns of economic inequality.

Overall, the study demonstrates that consumption expenditure inequality in West Bengal is multidimensional, reflecting the combined effects of economic structure, social hierarchy, and spatial development patterns. Although improvements in economic growth and welfare programmes have contributed to rising consumption levels for some households, disparities in living standards persist across different segments of the population.

5.2 Policy Implications

The findings of this study have important implications for public policy aimed at reducing inequality and improving household welfare in West Bengal.

First, policies should focus on reducing rural-urban disparities by strengthening rural economic development. Investments in rural infrastructure, agricultural productivity, and non-farm employment opportunities can help increase household incomes and improve consumption levels in rural areas. Expanding rural industrialisation and promoting small and medium enterprises can also generate employment opportunities outside agriculture.

Second, addressing social inequalities requires targeted interventions aimed at improving access to education, skill development, and employment opportunities for disadvantaged groups. Social welfare programmes and affirmative policies can play an important role in reducing structural barriers faced by historically marginalised communities.

Third, the government should prioritise balanced regional development within the state. Districts that lag behind in terms of infrastructure, healthcare, and education require greater policy attention and public investment. Improving connectivity, expanding social services, and encouraging local economic activities can help reduce regional disparities in consumption and living standards.

Fourth, strengthening social protection systems such as food security programmes, health insurance schemes, and income support initiatives can help vulnerable households maintain stable consumption levels even during periods of economic uncertainty. Such programmes are particularly important for households engaged in informal or seasonal employment.

Finally, improved data collection and monitoring of consumption patterns can support more effective policy design. Regular household consumption surveys and detailed district-level data can help policymakers better understand inequality trends and identify areas where targeted interventions are required.

In conclusion, reducing inequality in the distribution of consumer expenditure in West Bengal requires a comprehensive policy approach that addresses economic, social, and regional disparities simultaneously. By promoting inclusive growth and equitable access to opportunities, policymakers can improve household welfare and contribute to more balanced and sustainable development in the state.

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