

***Abstract:***

Social Welfare and Household Consumption in India

We use a modification of the well-known statistical concept of the Lorenz curve – the Generalized Lorenz curve- and its associated social welfare properties, to measure changes in wellbeing of households in India during the last decade, using the NSS data on household consumption expenditure for 2004-05, 2009-10 and 2011-12. The results show that at the All-India level, there has been an unambiguous fall in poverty during these years. This pattern is also observed in most (but not all) states.

We also compare the rate of growth of per capita consumption expenditure of the bottom four deciles and that of the population as a whole. The scatter diagram of the rates of growth for these deciles and of average consumption shows an upward trend, providing some indication that the trickle-down hypothesis may have worked.