

Welcome!

I have submitted my PhD dissertation titled “Essays on Applied Welfare Economics” in January, 2017. My research interests are applied welfare economics, development economics, food and agricultural trade and applied econometrics.

Working Papers

“Does Heterogeneity Affect the Group Cost of Living Index?” (with Bharat Ramswami)

Updated: December 2016. Available on request

Abstract:- Although the theory of cost of living indices has been developed for individual welfare, policy interest and practical questions have invariably been concerned with group cost of living indices as a measure of changes in the welfare of that group. In literature, a widely used definition is to consider the average of individual cost of living indices as group cost of living index. Aggregation is an issue when there is heterogeneity across the consumers. We have considered a framework where all consumers face the same prices. Heterogeneity across the consumers comes from the difference in spending patterns which leads to difference in budget shares. The question is whether such heterogeneity matters to the aggregate/ group cost of living index. The paper finds that in most important cases, increase in the heterogeneity in budget shares increase the group cost of living index. On further investigation, it turns out that the impact of heterogeneity is larger, greater is the change in relative prices. Our results bear some relation to the ‘representative consumer’ literature. Statistical agencies that use average budget shares to construct aggregate cost of living indices implicitly assume no heterogeneity. The resulting bias can be captured by our methods.

“ Border Prices, Pass-Through and Welfare: Palm Oil in India (with Bharat Ramaswami)

Updated: December 2016. Available on request

Abstract:- India is the world's largest importer of edible oils. This follows a sustained program, initiated in the 1990s, of eliminating quantitative restrictions, removing the monopoly of government agencies in oils imports. India, however, maintains restrictions on import of oilseeds. Among the oil imports, palm oil constitutes the largest share. Besides being the cheapest oil, the major palm oil exporting countries (Indonesia and Malaysia) are relatively closer than the major soya oil(which is the second largest imported edible oil in India) exporting countries.

This paper examines the effect of a change in the border price of palm oil on the domestic edible oil price and the agricultural wage rate. This paper also considers the spatial variation of these impacts. We build a theoretical model to show that the spatial difference occur due to the transportation cost and varying competitive structure across regions.

From empirical investigation, we find a positive and statistically significant impact of the border price of palm oil (induced by the change in the world price, tariff rate of palm oil or exchange rate) on domestic edible oil price and real agricultural wage rate in the post trade liberalization period. We estimate and compare these price and wage effects between port and hinterland as well as between the high and low oilseeds producing regions. Finally we discuss the implication of these spatially varying effects on the welfare of the consumers and workers.

Paper:-“ Poverty, Gender and Well Being: A Study on the Slum Population in Delhi”

Updated: December 2016. Available on request

Abstract:- In their studies; Banerjee, Deaton and Duflo (2004) and Case and Deaton (2005) find that poor tend to report high levels of happiness/life satisfaction. This is quite a surprising finding given their low standard of living, inconveniences in life and deprivation in terms of facilities they receive. On the other hand, their studies find that the poor report low levels of financial satisfaction. These authors conjecture that the poor people are adapted to their life they experience every day. Yet they are not adapted in the same way to their financial status. But does the story of adaption hold universally? The poor in urban areas are geographically proximate to affluent neighbourhoods and the consumption of the wealthy and hence adaptation may play a lesser role in reporting life satisfaction. This paper reports on a recent survey on the low income population across the slums of Delhi intended to throw some lights on this issue.

Our findings are quite similar to Banerjee, Deaton and Duflo (2004) and Deaton and Case (2005). We find the reported life satisfaction of the urban poor to be on the higher side. But there are more people reporting about low value of financial satisfaction.

This paper also investigates the variation across gender of the relative importance of the factors that are correlated to the self reported measures of well being. Education shows the most interesting gender varying correlation in our data. The differential effect of education on life satisfaction across gender turns out to be statistically significant i.e. the reported life satisfaction score is significantly higher for an educated man compared to an educated woman. We connect this finding to the literature.

Other Research Projects (ongoing):-

”Dietary diversification and structural transformation within food and agriculture” with Bharat Ramaswami (work in progress)

**”Impact of target utility level on the change in expenditure: Some thoughts”
(work in progress)**