

Who Benefited from India's Surging Economic Growth? An Examination of Socioreligious Group Disparities*

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Abstract

Research on income inequality in India seems to document two contradictory trends: (1) Income disparities between different social and religious groups appear to be increasing over time; (2) Poverty rates for the poorer socioreligious groups appear to be declining faster than for upper caste Hindus. We rely on panel data from a recently conducted household survey to reconcile these two ostensibly contradictory observations and investigate the disparities in consumption, income and inequality and changes in these indicators across different groups in India over the period 1993-94 and 2004-2005. We find that households in the lowest and highest income quartiles have benefited the most. Since bulk of the disadvantaged groups fall in the lowest income quartile, they experience faster decline in poverty rate. However, the higher annualised income growth among the households in the highest income quartile implies that the disparities on many indicators of well being are either stagnant or increasing.

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