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Impact of Economic Preferences on Food and Nutrition Security in Risk-Prone, Rural Environments

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Abstract

The probability of a sufficient calorie intake and a diverse diet is related to various social, economic and political factors. Often neglected, individual preferences and motivation often form nutrition choices as well. Particularly core concepts of behavioural economics – altruism, risk and time preferences – can impact food and nutrition security of individuals, and of dependent household members. Yet, empirical evidence is scarce. Therefore, this study explores the linkages between behavioural preferences and food and nutrition security utilising a household-level survey.

The household survey is carried out in rural areas of East India, in regions with severe malnutrition rates and high poverty rates. 954 households are interviewed with each having at least one child below 2 years of age. The households are selected using a stratified randomized sampling technique from 85 villages. FNS indicators are obtained (e.g. FIES, MDDW, MAD, anthropometric measurements) and form a comprehensive understanding of malnutrition rates among households and individuals. Hypothetical games are used in a mix of qualitative and quantitative questions for preference assessment. These elicit risk preference, time preference and altruism of the household heads and the spouses. Additionally, socioeconomic, demographic and social aspects are surveyed. Additionally, a village-level recall questionnaire is utilised in focus group discussions.

Basic descriptive statistics hint at severe nutritional status of the households. Key informant interviews indicate qualitatively the relation of time preference and preferred food consumption and the level of altruism to the nutritional status of dependent children. Risk and time preferences seem to be dominated by risk averse behavior and short-term preference. Final results will indicate to which extent behavioural preferences impact the nutritional status focusing on women in reproductive age and on their children below 2 years of age, controlling for determinants that have been established in previous literature. The study will add to the literature by empirically assessing the influence of core concepts of behavioural economics on food and nutrition security.

Keywords: Economic preferences, food nutrition security, India, risk, rural areas