

Why poor people buy TVs



Slum dwellers gather to watch TV in Mumbai, India

A researcher recollects his encounter with a man in a village of India. He was asked what he would do if he had money. He said he would buy more food. Then they asked him what would he do if he had ,even more, money. He said he would buy better-tasting food. The thing that surprised these researchers the most was that he had a TV a DVD player and a smartphone. When inquired why he had bought all this stuff if he felt that there was a shortage of food for the family, he giggled and said :

“Television is more important than food and nowadays so is a smartphone”

When we talk about poverty or problems faced by the poor people , the first few issues which come to our mind are hunger, unemployment and lack of access to basic health

and sanitation. It makes complete sense for a person to believe that all the money which a poor person earns would be spent in getting more nutrition for himself or his family. The reality is quite different from what one expects.

It is widely observed in the developing world that the poor people spend a considerable amount of money on weddings, dowries, christenings (partly because of societal pressure) and sources of daily entertainment like TV, DVD Player, Radio & Smartphone. As reported in one study where no television is available people spent a lot more on festivals instead of increasing expenditure on basic necessities.

If we take a close look at the lifestyle of poor people one can figure out that their spending is not very counter-intuitive. Every human tries to maximize happiness in his life with whatever resources he has. **It is very clear that the things which make life less boring are a priority for the poor as well.** This may be a television, a family function—or just a cup of sugary tea and pakoras (Indian fritters made with gram flour).

Consequently the poor choose their food not mainly for the nutritional value but how good it tastes. One would always be willing to substitute dull wholesome food for tasty & spicy food which when available at a cheap cost will mostly have a low calorific value. Let's take one example of a case that happened in China. In a few regions randomly selected poor households were given a large subsidy on the price of their basic staple. **We expect that as the price of something went down it should have been consumed more but the opposite of it actually happened.** Households that received a subsidy for wheat and rice consumed less of these two items and ate more of shrimp and meat even though their staples cost less now. Remarkably their calorie intake

also didn't increase. One likely explanation for this is that since the staples formed majority of their diet, a decrease in its price left the household richer and they chose to buy more expensive food.

If the consumption of staple is associated with being poor , feeling richer might have actually made them consume less of it. The bottom line is when given a chance people will always shift to more pleasurable food.

Coming back to the “idiot box” issue one must understand that these “indulgences” are not impulsive purchases made by people who are not thinking hard about what they are doing. They are well thought out, carefully planned and reflect some kind of compulsion, either internal or external. People save money for months to buy a new TV and Cable connection. Similarly, mothers in India start collecting small amounts of gold from early on for their daughter's wedding.

We are often inclined to see the world of poor as a land of missed opportunities and we wonder that why they don't put these purchases on hold and invest in something that might actually make their lives better. The poor on the other hand may well be more skeptical about supposed opportunities and the possibility of radical change in their lives. They often behave as if they think that any change that is significant enough to be worth sacrificing for will simply take too long. This could explain why they focus on the here and the now, on living their lives as pleasantly as possible , celebrating when the occasion demands it.

Luckily poor people buying televisions is not completely a sunk cost. Televisions and Radios have significantly

approved the access to information which was otherwise not easily available. In a lot of places television has been a big influence on the lifestyle of the people. In Brazil, for example, the “Telenovelas” aired and prime time would portray most of the female characters aged under fifty to have one kid or none. It was observed that in the areas where soap operas became available the number of births would drop sharply ; moreover, the mothers would name their children after the main characters in the soap. The novelas ended up projecting a very different image of the good life than the one Brazilians were used to and it had historic consequences.

To conclude the post I would like to mention what George Orwell has captured in *The Road to Wigan Pier*. Here he describes the phenomenon of how poor families coped up with their difficulties during depression and I feel this is very well applicable for poor families across developing countries

“Instead of raging against their destiny they have made things tolerable by lowering their standards. But they don’t necessarily lower their standards by cutting out luxuries and concentrating on necessities; more often it is the other way around—the more natural way, if you come to think of it. Hence the fact that in a decade of unparalleled depression, the consumption of all cheap luxuries has increased”