IGIDR Proceedings/Project Reports Series PP-062-34A

Weak Aversion to GM Foods: Experimental Evidence from India

Bharat Ramaswami

Quantitative Approaches to Public Policy –
Conference in Honour of Professor T. Krishna Kumar

Held in conjunction with the
Fourth Annual International Conference on Public Policy and Management
Indian Institute of Management Bangalore (IIMB)

9-12 August 2009

School of Business and Management
Queen Mary, University of London
London, United Kingdom

Indira Gandhi Institute of
Development Research
Mumbai, India

Centre for Public Policy
Indian Institute of Management
Bangalore, India

http://www.igidr.ac.in/pdf/publication/PP-062-34A.pdf

Weak Aversion to GM Foods: Experimental Evidence from India

Sangeeta Bansal
Centre for International Trade & Development
School of International Studies
Jawaharlal Nehru University
New Delhi 110067, India
sangeeta@mail.jnu.ac.in

Sujoy Chakravarty
Centre for Economic Studies and Planning
Jawaharlal Nehru University
New Delhi 110067, India
sujoyc@gmail.com

Bharat Ramaswami
Planning Unit
Indian Statistical Institute
7, S.J.S. Sansanwal Marg
New Delhi 110016, India
bharat@isid.ac.in

Abstract

The paper makes two important contributions to the literature studying consumer attitudes towards genetically modified foods. First, it elicits willingness- to- pay for similar food products that differ only in their content of GMOs. Second and more importantly, it examines how probabilistic information matter to the formation of food preferences. The paper advances a definition of consumers who are weakly GM averse, i.e., those who do not react to probabilistic information unless it comes in the form of a label. An experiment involving auctions of food products is designed to estimate such consumers. In the experiment, about one-fifth of GM averse subjects are weakly averse. Presence of such consumers may have implications for the potential market size for labeled GM foods.

Key words: Genetically modified foods, experimental methods, GM aversion, consumer attitudes, probabilistic information, GM-label

JEL Codes: Q13, Q16, Q18, L15