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"FROM MILK TO MOBILE DATA: Everyday Essentials as Indicators of cost of living and Inflation across Economies"

Ms. Anjali Tiwari
Economics Student,
Vivekanand Education Society's,
College of Arts, Science and Commerce
(Autonomous), Mumbai (Maharashtra, India)
{OWNER OF RK TUTORIALS}

Mr. Akhilesh Prajapati
BSC. IT,
MSC. MATHEMATICS,
OWNER OF SRP TUTORIALS,
Mumbai (Maharashtra, India)

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Abstract:

Everyday consumer goods reflect the economic realities of a country more effectively than abstract macroeconomics indicators. Prices of essential commodities such as milk, rice, fuel electricity and mobile data acts as practical indicators of cost of living, inflation and purchasing power. This research paper examines how the prices of traditional necessities (milk, rice, fuel) and modern essentials (mobile data) vary across selected developed and developing economies. Using secondary data from global price databases, government publications and international reports, the study compares affordability and inflationary implications. The finding suggests that while developed economies exhibit higher nominal prices, affordability depends largely on income levels, purchasing power parity (PPP), subsidies and infrastructure efficiency. The paper concludes that everyday essentials provide a realistic microeconomics lens to understand inflation and living standards beyond GDP and CPI figures.

Keywords: *Cost of living, Inflation, Purchasing Power Parity, Global Economy, Price comparison, Everyday essentials*

Introduction:

Cost of living is one of the most significant determinants of economic wellbeing. It influences household consumption, savings behavior and overall quality of life. While gross domestic product GDP and consumer price index CPI are widely used macroeconomic indicators, they often fail to capture everyday economic realities.

Essential commodities such as milk rice petrol electricity and mobile data directly affect household budgets. Rising prices of these goods immediately reduce disposable income and purchasing power. There for, analyzing price variations in everyday is provides a practical understanding of inflation and living standards.

This study adopts a product based comparative approach, examining price differences across countries and assessing affordability in relation to income levels and policy interventions.

Review of Literature:

The consumer price index CPI is traditionally used to measure inflation international labor Organization ILO 2023. However, CPI baskets vary across countries and may not reflect consumption patterns of lower income households

Deaton 2010 argues that Cross country price comparisons must consider purchasing power parity PPP as nominal price differences alone do not determine affordability.

The World bank 2024 highlights that food and fuel prices disproportionately effect low-income household since these items constitute a major share of their expenditure.

Hamilton 2009 demonstrate that fuel price shocks significantly influence inflation and macroeconomics stability.

The international telecommunication union ITU 2023 recognizes mobile data as a modern necessity essential for digital inclusion and economic participation.

The study integrates traditional and modern essentials into unified framework to examine cost of living dynamics.

Objectives of the study:

1. To compare prices of essential commodities across selected countries.
2. To examine how these price differences reflect inflation cost of living.
3. To asses affordability in developed and developing economies.
4. To analyze the role of government intervention in price determination.

Research Methodology:

Research Design -

The study follows are descriptive and comparative research design.

Nature of Data -

- The research is based entirely on secondary data collected from:
- Number Global Price Database (2024)
- World Bank World Development indicators (2024)
- ILO CPI Manual (2023)
- ITU Digital Reports (2023)
- Government consumer price and fuel reports

Sample Selection -

Country selected include both development developing economies to ensure comparative balance.

Tools of analysis -

- Price comparison tables
- Qualitative interpretation
- PPP based discussion
- Policy analysis

Limitations -

- Data represents approximate averages.
- Exchange rate fluctuations may affect rupee conversion.
- No primary survey conducted.

Comparative Price Tables

Table 1: Milk Prices {Rs. per litre – approx.}

COUNTRY	PRICE
SINGAPORE	278
CHINA	163
JAPAN	128
USA	96
PAKISTAN	72
BANGLADESH	67
NEPAL	64
INDIA	60

Interpretation: Developed economics show highest milk prices due to higher production cost and labor wages. However higher incomes partially offset affordability concerns.

Table 2: - {Rs. per kg – approx.}

COUNTRY	PRICE
JAPAN	450
USA	280
SINGAPORE	250
CHINA	180
PAKISTAN	120
BANGLADESH	90
NEPAL	85
INDIA	60

Interpretation: Rice prices are significantly higher in developed economies due to import dependence and qualities standards. Developing countries maintain affordability through domestic production and subsidies.

Table 3: - {Rs. per litre – approx.}

COUNTRY	PRICE
SINGAPORE	210
UK	195
GERMANY	185
JAPAN	165
USA	95
BANGLADESH	110
PAKISTAN	105
INDIA	105

Interpretation: European countries impose environmental taxes leading to higher fuel prices. Developing economies balance between subsidies and fiscal sustainability.

Table 4 :- Mobile data Prices { Rs. Per GB – approx.}

COUNTRY	PRICE
SWITZERLAND	650
USA	500
JAPAN	320
UK	250
CHINA	75
PAKISTAN	35
BANGLADESH	25
INDIA	15

Interpretation: India offers the lowest mobile data prices due to competitive telecom markets and policy reforms. Developed countries have higher prices reflecting higher infrastructure and wage costs.

Comparative analysis:

The analysis reveals 3 key patterns:

- **Nominal prices –** Developed economies have higher prices for most essentials.
- **Income offset effect** – Higher wages compensate for higher prices.
- **Policy intervention impact** – Subsidy significantly influence affordability in developing economies

Milk and rice represent food security, fuel represents macroeconomic stability, mobile data represents digital inclusion. Affordability must therefore be analyzed relative to income rather than nominal price alone.

Inflation and cost of living link:

Food and fuel inflation directly impacts CPI fuel prices also indirectly raise transportation and production cost digital affordability influences human capital development thus essential commodity pricing is closely linked to inflationary pressures and living standards.

Challenges:

1. **Global supply chain disruptions –**

Reports by the World Bank and the International Monetary Fund, highlight how global supply chain shocks such as pandemics, geopolitical conflicts and shipping bottlenecks have exerted significant pressure on food and fuel prices countries that are heavily dependent on imports, experience greater volatility in essential commodities such as rice, milk powder and petroleum products impact sudden price spikes imported inflation fiscal stress in developing economies.

2. **Currency fluctuations –**

Exchange rate depreciation poses a major challenge for developing economies and domestic currency weakens imported commodities such as crude oil and fertilizers become more expensive. For example, petrol prices increases are not determined slowly only by global oil prices but also by exchange rate moments example rupee dollar fluctuation Economic effects higher transportation, cost push inflation, increased trade deficit pressures.

3. **Fiscal burden of subsidies –**

To maintain affordability many developing countries provide subsidies on food fuel and electricity. However, over the long-time excessive subsidies Contribute to fiscal deficits and reduce public investment capacity. According to analysis by the International Labor organization, targeted subsidies are more sustainable than universal subsidies key. Challenges are budget constraints, inefficient targeting leakages, and distribution system.

4. **Income Inequality –**

Nominal prices alone do not fully explain affordability within the same country the burden of essential good differs significantly between high income and low-income households. Low-income households often spend 40 to 60% of their income on food. A larger share on fuel and utilities result inflation as a disproportionate and unequal impact across income groups.

5. **Digital Divide –**

Mobile data has emerged as a modern essential report by the International Telecommunication Union indicated high data cost can create digital exclusion. Consequences limited access to online education, reduce employment, opportunities lower participation in digital financial services, digital

affordability is therefore directly linked to human capital development and economic inclusion.

Policy Suggestions:

1. **Strengthening Domestic Food Production –**

Government should improve agricultural productivity, develop cold storage and logistic infrastructure reduce post -harvest losses. These measures help stabilize milk and rice prices while enhancing food security.

2. **Smart and Targeted Subsidies –**

Instead of universal subsidies, government should adopt: Direct benefit transfer systems, digital identification for beneficiary targeting transparent monitoring mechanisms. This approach reduces fiscal burden while ensuring support reaches vulnerable households.

3. **Expansion of Renewable Energy –**

To reduce fuel related inflation, invest in solar and wind energy, promote electric mobility, strengthen public transportation system. Long term energy diversification reduces vulnerability to global oil price volatility.

4. **Promoting competitive telecom markets –**

Countries such as India have maintained low data prices through telecom competition and regulatory reforms policy measures include, transparent spectrum allocation, fair competition laws, investment in ruler connectivity. Affordable digital access enhances economic participation and productivity.

5. **Monitoring Essential Commodity Inflation –**

Government should create separate monitoring indices for essential goods within CPI frameworks. Maintain real time price dashboards this enables faster and more responsive policy interventions.

Conclusion:

The study concludes that everyday essentials from milk to mobile data serve as practical indicators of cost of living and inflation, while developed countries exhibit higher nominal prices affordability depends on purchasing power and income levels developing countries. Rely more on subsidies and policy intervention to maintain affordability a comprehensive understanding of economic well-being must therefore move beyond GDP and incorporate everyday consumption realities.

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