

How Do We Choose Our Identity? A Revealed Preference Approach Using Food Consumption

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Are identities fungible? How do people come to identify with specific groups? This paper proposes a revealed preference approach, using food consumption to uncover identity choices. We focus on ethnic and religious identities in India. We first show that consumption of identity goods (e.g. beef and pork) responds systematically to forces suggested by social identity research -- group status and group salience, with the latter proxied by Hindu-Muslim violence. Moreover, consistent with economic theory revealed identity choices respond to the cost of identifying with a group. We propose and estimate an appropriately modified demand system. Using these estimates, we quantify how the endogeneity of identity modified the effects of shocks following the 1991 economic reforms in India. While conflict and status have been at the focus of social identity research in recent decades, our results indicate that prices play a dominant role.