

**17/1998 *The Subsistence Constraint and Consumption Patterns in Economic Development: Theory and Evidence from Taiwan***

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In this paper we propose a model of consumption choice between foodstuffs of differing nutritional value when both a budget constraint and a subsistence constraint are operative. We use the model to derive testable propositions about the changing proportions of total expenditures as consumer incomes rise during the process of economic development, and we provide a test for identifying the level of consumer income at which the subsistence constraint becomes no longer binding. We then apply the analysis to the case of Taiwan, using data covering the period 1961-1994. We find that the subsistence constraint in Taiwan appears to have been broken around 1986, when GNP was about \$5,000 per capita.