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## Changing Levels of Living in Rural India: A Regional Perspective

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The new phase of globalization started around 1980s and many of the developing economies in the world proceeded towards market-orientated economies by removing restrictions on trade, movement of capital and technological transfer. India initiated structural reform policies in the year 1991. The economy was opened up for international markets by removing all the restrictions on import and the inflow of foreign capital and technology. The Indian economy achieved a high momentum in economic growth after economic reforms. The functioning of all the sectors of our economy has changed. The functioning of this market-oriented economy has affected income, and hence, the expenditure pattern of people irrespective of whether they belong to the rural or urban areas. It is expected that there will be a substantial change in the living standard of India's rural people. Interest in the changing pattern of rural levels of living in the Indian economy has grown as a result. This paper examines the extent and direction of actual changes in the standard of living in rural India. Regional disparity has been explicitly highlighted. Over time, changes in living standards may be attributed either to the change in per-capita expenditure or to the change in inequality or to the both. The effects of growth and distribution on the various in levels of living and their relative roles are examined by a scheme of algebraic decomposition. National Sample Survey Organization (NSSO) consumer expenditure data are used. We have taken 50<sup>th</sup> (1993-94), 61<sup>st</sup> (2004-05) and 66<sup>th</sup> (2009-10) round data on consumer expenditure (Mixed Reference Period) for fifteen major states of India. We have deflated the nominal consumption expenditure figure to compensate the impact of prices by using Consumer Price Index (CPI) for Agricultural Labourers. An improvement in rural levels of living is observed in India and its fifteen major constituent states during the period 1993-2010. A high inter-state disparity is reflected in the data. Kerala, Maharastra and Andhra Pradesh show rapid progress in changing rural standards of living whereas it is slow for Assam, Bihar, Orissa and UP. The effect of growth has become more pronounced during the period.

**Key words:** *Disparity, Living Standards, growth, Distribution*

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