CHAPTER 3

HOUSEHOLD FINAL CONSUMPTION EXPENDITURE

3.1 Data

So far, the discussion of inter-State disparity has been limited to State Domestic Product, i.e., the measure of income originating within the boundaries of the State. Conceptually this estimate gives an idea of the pattern and structure of production within each of the States without any measure of the income earned by the residents of the State i.e. no indication of the levels of living of the people of each of these States.

Conceptually the levels of Per Capita Consumption Expenditure (PCCE) is one of the most satisfactory comprehensive measures of the standard of living of the people. In this section on the basis of data on PCCE, an attempt has been made to examine the disparity in the standard of living of the people within the States - both inter-State and intra-State - and also the nature of changes which have occurred over the period 1966-88. The data refer to the results of the eleven National Sample Survey (NSS) (Consumer Expenditure Survey) rounds within this period. The data being based on all-India surveys are comparable between the States and between the rounds and, therefore, create no problem. The per capita monthly consumption expenditure data available from various NSS rounds are at current prices and are given separately for the rural and urban population of each of the States and also at the all-India level. These have been first converted to annual estimates and then combined with population weights to obtain overall State/all India figures.

Since the data are available at current prices only, they need to be converted to constant price base of a given year for using them for determining the rates of growth of PCCE of individual States. The current price data directly available have, therefore, been converted to constant price (1980-81 as base) using independent cost of living indices separately for urban and rural areas (Appendix H.2 and H.3). For deflation of rural PCCE the consumer price indices for agricultural labourers (converted to base 1980-81 from given base of 1960-61) have been used with weighting diagram of 1960-61. The urban cost of living indices (base 1980-81 from given base of 1960-61 with weighting diagram (1960-61) unchanged) have been constructed as the simple average of Consumer Price Indices for Urban Non-Manual Employees (CPIUNME) and Industrial workers (CPIIW). The State average consumer price indices for both the urban Non-manual Employees and Industrial Workers had to be constructed first as

weighted averages of CPIUNME/CPIIW of State centres for each State. The urban PCCE at current prices have been deflated by this urban cost of living indices (base 1980-81) to derive the corresponding constant price estimates. The overall State/all India constant price (base 1980-81) estimates of PCCE have been worked out as the weighted average of urban and rural constant price estimates of PCCE with urban and rural population as weights (Appendix H.1). The overall implicit cost of living indices have then been derived by using the combined PCCE estimates at current and constant prices. The data on the cost of living indices are at Appendix I.

Substantial work has been undertaken by Minhas *et al* (1988, 1990, 1991) to construct rural and urban cost of living indices for different NSS periods between 1970-71 and 1987-88. These indices are available not only separately for rural and urban areas but also separately for States. These indices are based on the same retail price data which have gone into the construction of the official consumer price indices for different occupational groups referred to above i.e., for agricultural labour, industrial workers and non-manual employees. The primary departure is in terms of the weighting diagram, the authors having used the NSS-based consumer expenditure patterns which are more meaningful if the indices are to be used for deflation of the consumption expenditure of the total population in urban/rural areas. One could consider the question of using the indices specially constructed for the total population rather than the official indices for selected occupational groups. This has not been preferred in the present study for a number of practical reasons. Firstly, in this study for analysis, attempt has been made to cover more or less the same period under SDP and Household Consumption Expenditure. This requires data from 1966-67 onwards and therefore obtaining comparable indices for the period prior to 1970-71 i.e., beginning 1966-67. It is not possible to construct such indices for the earlier period using the approach of Minhas *et al.* Secondly, it has been the aim of the current study to construct all constant price series with 1980-81 as base while the specially constructed cost of living indices do not give the figures for 1980-81 and have the series constructed with weighting diagrams as 1970-71 and 1983. Using the cost of living indices for the more recent years with 1983 weighting diagram would create additional problems of comparability. Besides, the cost of living indices for more recent years have been constructed with the agricultural (July-June) rather than the financial (April-March) year as the reference period. Since the current analysis refers to not only household consumption expenditure but also SDP, it was considered desirable not to adopt this series with a different reference period. Use of this data would also create problem as and when the study is to be extended to cover more recent years. Finally, the broad conclusion which emerges from the analysis by Minhas and his associates is that the newly constructed general cost of living indices both for rural

and urban population gives higher levels of indices. In other words, the official price indices of agricultural labour, industrial workers and non-manual employees under-estimate the extent of general price rise in the 1980s in comparison with the appropriately constructed consumer price indices for both the rural and urban areas. In the case of the rural cost of living index numbers, the price series has been substantially improved by replacing the fixed value price relatives of firewood with the actual data on prices which are independently available. However since the weightage of fuel and light group in the overall rural cost of living indices is not very high, the extent of its influence on the overall trend is not known. Also, no such factor influences the urban cost of living indices. Moreover, since the primary purpose of the current analysis is a study of inter-State differentials and not comparison of absolute levels of per capita expenditure (unlike for example, incidence of poverty), the use of readily available official price series was preferred and their use is not likely to affect the overall conclusions.

3.2 Inter-State Disparity in Standard of Living

The actual data on PCCE have been presented in Appendix (H.1 - H.3) while Tables (9.1-9.3, 10.1-10.3) either rank them in descending order or present the results as indices with all-India = 100.

A close look into the results highlights the fact that the gap in the PCCE between the State with the highest PCCE and the States of Kerala and Andhra Pradesh has reduced significantly. However, in the majority of cases the gap has remained more or less the same as in the initial year. Thus in the case of States with highest and lowest PCCE i.e., Punjab and Bihar respectively, in the initial year (1966-67) Punjab had PCCE at constant prices 1.96 times that of Bihar and in 1987-88 the ratio has remained almost the same (1.8 times).

Ranking the States in the descending order of levels of PCCE (rural urban combined) at constant prices gives the first five States in 1966-67 as Punjab, Rajasthan, Assam, Maharashtra and Jammu and Kashmir. Though their respective ranks have differed marginally over the period (1966-88), in 1987-88 the same States (except Assam) have had the first five positions with the fourth place being occupied by Kerala. Among the five States ranked lowest in 1966-67 (Andhra Pradesh, Karnataka, Orissa, Kerala and Bihar) there has been significant improvement in the standard of living of Andhra Pradesh and Kerala while Assam has joined rank as one of the lowest five from the top position in the earliest period. The relative position of the rest remained

unaltered in 1987-88. In other words there has been hardly any shift in the *inter-se* position of the States over the two decades under analysis except for one or two States moving to the top (Kerala and Andhra Pradesh) and Assam coming down.

To look at the problem from a different angle, the growth rates of PCCE of the States have been studied next (Appendix J). The fact that some under-developed States are growing as fast as or even faster than the developed States (see Tables 11 and 12 on growth rates) is not enough to reduce the gap between the top and the bottom, because arithmetically, reduction in gap depends not only on the difference in rates of growth of different States but also on the initial extent of the gap. Consider for example, the gap in PCCE at constant prices between the top-most State-Punjab and the most backward State-Bihar. In 1966-67 the gap was Rs.701.88 and in 1987-88 it went up to Rs.833.23. Thus, inspite of Bihar having a higher rate of growth (on the average) the gap in PCCE between the well off State of Punjab and backward State of Bihar has widened. A little further investigation shows that the gap in some cases have reduced i.e., between Punjab and Kerala reduced from Rs.673.88 in 1966-67 to Rs 479.59 in 1987-88. This is due not only to the fact that Kerala's rate of growth of PCCE was substantially higher than that of Punjab but because the initial gap was not as much as in the case of Bihar. As a result, Kerala has improved its ranking. This is not true of Bihar.

Similar analysis can be undertaken with data at current prices. It should, however, be remembered that Statewise levels of PCCE at current prices is only a rough measure of the standard of living of the people in different States, since there exists a wide diversity not only in the absolute levels of prices between States but also in the nature of price behaviour over time. An attempt at comparing the States on the basis of PCCE at current prices is an over simplification of the problem and does not depict the true picture of the gap. The variations in PCCE at constant prices should, therefore, be taken as a better measure of disparity across States over time.

In the results presented in Table 13, the CV of PCCE at constant prices have higher values and wider fluctuations than at current prices. However, the lower value of CV at current prices does not necessarily mean lower inter-State differential. This is no because, inter-State comparison in terms of PCCE implies comparison of values which are derived using actual prices prevailing in each State. Since there exists wide variation in absolute levels of prices between State the value measures of PCCE will show differences a part of which may be artificial being the result of inter-State absolute differences in price levels. Such analysis cannot therefore be totally meaningful even if measures at constant prices are compared and inter-temporal

differences in price behaviour i.e. effects of differential rates of inflation between States are eliminated. For a more meaningful inter-State comparison of absolute levels of PCCE it will be necessary to undertake an exercise similar to the International Comparison Project (at the national level) and work out the purchasing power parity between States. Using these purchasing power parities, values of PCCE at all-State average prices will have to be worked out before more realistic and meaningful measure of inter-State disparity can be attempted.

In the absence of such results, as a measure of disparity in the standard of living among States, the CV in PCCE rural urban Combined as well as rural and urban separately) at current/constant (base 1980-81) prices have been worked out for each of the years and results presented (Table 13). The CVs show no definite trend though there is some tendency of reducing the disparity after 1977-78. The CV both at current and constant prices have shown fluctuations starting from 19.34 at constant prices (14.29 in current prices) in 1966-67 reaching a maximum of 22.67 in constant prices (20.81 in current prices) in 1977-78 and a minimum level of 14.10 (12.19) in 1973-74. It should however be mentioned that the year of minimum variation i.e., 1973-74 was an abnormal year to the extent that several of the States at the top (e.g. Punjab, the topmost) recorded a fall in PCCE. Thus for Punjab the PCCE at constant prices was reduced to a level of Rs.1537.14 in 1973-74 from Rs.1716.37 in 1972-73 implying a fall of 10.44% in 1973-74 over 1972-73. Similarly, Jammu and Kashmir ranking third in the descending order of PCCE also experienced a fall in 1973-74 over 1972-73. However, the States appearing at the bottom in inter-State ranking viz. Orissa, Andhra Pradesh, Kerala experienced positive rates of growth over the same period. This obviously reduced the gap in the level of PCCE between the States in this particular year. Thus the fall in CV to a minimum level in 1973-74 should not be interpreted in absolute term as a genuine improvement in the levels of living of the people in the backward States. Generally speaking, though there is no definite indication of trend, disparity measured in terms of CV, shows some rise at current prices - both for urban-rural combined and rural with a fall in urban. At constant prices on the other hand, there is a general indication of fall in disparity as measured through CVs. The absolute level of CV at current prices has consistently been lower than at constant prices in each of the years of study except the last two years. In the last two years, the CV at current prices were higher than at constant prices. This suggests a variation in the behaviour of prices between States and a reduction in inter-State disparity when measured at current prices.

To understand the exact nature of the influence of differences in prices among States on the CV of PCCE of States, a regression of CV of PCCE at current prices has been run on CV of prices (CVP). The results give a negative relationship between CV of PCCE (at current prices) and CVP, with regression coefficient significant at .05 level. The regression coefficient of CVP is -0.3861 and the intercept parameter is 12.0874. This implies that greater the degree of variation in prices among States, lesser is the variation in the levels of consumption at current prices. This can also be explained by a comparison of price behaviour between the better off States and the worse-off States. It is seen that the worse off States are associated with higher rates of inflation as compared to the better off States (Appendix I). The annual rates of growth of price indices for the top five and bottom five States have been worked out and the annual growth of price indices of the bottom five States is seen to be significantly higher during 1967-68 and 1973-74 as compared to that of the top five States. Thus one may argue that the CV of PCCE in these years has fallen partly due to this nature of price changes which reduces the gap in PCCE between States.

The CVs of PCCE at both current and constant prices in rural areas show a pattern similar to the urban-rural combined, though in rural areas the absolute values of the coefficients are somewhat higher. Also, for rural areas CVs at constant prices are higher than those at current prices but decrease over the period to reach a level lower than the current price value by the end of the period of study (in the last two years). In the case of urban areas the CV at current prices have shown a marginally higher level of disparity in the standard of living than at constant prices. This is again due to the differences in price behaviour between States in the urban areas. However by 1987-88 inter-State disparity as measured through CVs came down both in urban and rural areas. The CV at constant prices in rural areas was the maximum (23.98) in the initial year falling to a minimum level of 16.11 in 1986-87 and 16.36 in 1973-74 where as the CV at constant prices in urban areas was generally of a lower order e.g., 14.85 in 1966-67 (the maximum level over the whole period) and a minimum of 9.27 in 1983 increasing slightly, thereafter. Thus, inter-State disparity in the standard of living in urban areas is not only lower than in rural areas but also of the same order in current and constant prices.

Inter-State disparities have been studied next in terms of the range in PCCE between the highest and the lowest (disparity ratio) as well as in terms of the Gini Coefficient (Table 13). As in the case of SDP, the highest and the lowest levels of PCCE is measured in terms of the average of the top six and the bottom six respectively. The results show that the inter-State disparity is generally higher in constant prices than in current prices irrespective of the measure considered. This same

statement would hold good if one attempted to study the inter-State disparity separately for rural and urban areas. In other words inter-State rural disparity is higher than the corresponding urban measure. It is also seen that there is a tendency for inter-State urban disparity to decrease over the period of study both at current and constant prices. This is not equally true of rural disparity or the overall combined measures -- particularly at current prices.

In summing up, the conclusions that follow from this analysis are:

(i) The disparity level between States in the urban areas is significantly lower as compared to that in the rural areas (ii) The results obtained from the exercise taking the urban-rural combined data can be explained more by the results of the rural areas. This is obvious as nearly 80% of the population in India is in rural areas (iii) The price variability in rural areas has been greater as compared to that of urban areas as is seen from the differences in the values of CV at constant and current prices as well as from the CV of prices in rural and urban areas. The values of CV of price indices in urban areas are not only lower than those of rural areas but also go down substantially over the period.

Finally, inter-State disparity of PCCE is lower than that of SDP which follows from inter-State movement of consumer goods according to demand. This is not pertinent to the measure of SDP which refers to income originating. In other words, inter-State disparity in the level of living of the people, on an average, is not as widespread as the figures of per capita SDP would suggest and this is more true for urban areas than for rural areas. It, therefore, follows that it is necessary to go more deeply into the details of consumer expenditure - may be by size classes separately for rural and urban areas before more meaningful results of inter-State disparity of conditions of living of the people can be obtained.

3.3 Rural Urban Disparity

Urban-rural disparity in the levels of living of the people (measured through income accruing or consumer expenditure) assumes a special significance in the context of the study of inter-State/intra-State disparity in economic development. There has not been much work on the empirical verification of the extent and the trend of urban-rural disparity in per capita income in India or within the State boundaries due to the absence of basic information on production originating in rural and urban areas or income accruing to the urban and rural population. However, utilising the population census data for 1970-71 and 1980-81 on workers and rural-urban estimates of value

added/earnings/wages per worker, estimates of net domestic product in rural and urban areas at the all India level have been prepared by the National Accounts Division of the Central Statistical Organisation for the years 1970-71 and 1980-81 (similar studies by private researchers for earlier periods are also available). These estimates provide per capita NDP for rural and urban areas for the year 1970-71 at current prices to be Rs.499 and Rs.1201 respectively as compared to Rs.638 for the country as a whole. For the year 1980-81 the levels have been found to be Rs.1242 and Rs.2887 respectively in rural and urban areas in comparison to the all-India figure of Rs.1622. If one tries to examine the absolute difference, the gap between urban and rural per capita income has widened tremendously within the period 1970-71 to 1980-81. But in relative terms there is a sign of reduction in disparity - the ratio of urban to rural per capita income having dropped from 2.40 in 1970-71 to 2.32 in 1980-81. The result on the basis of per capita consumption expenditure (worked for the current study) also reveal the same trend but the degree of change is more in per capita expenditure than in income. However, drawing conclusions regarding the pattern of urban rural disparity in the country on the 'basis' of these two point estimates only may not be desirable. To derive meaningful conclusions regarding the nature and behaviour of disparity, a time series analysis is obviously necessary. However, no such analysis is possible due to lack of basic data. As an alternative, attempts have been made by Deepak Mohanthy and A. George (1989) to construct annual series of total rural and urban NDP on the basis of the trend as emerging from the CSO's estimate of rural and urban NDP for two points of time (1970-71 and 1980-81). The year-wise estimates were prepared by interpolation of respective rural share of each industry taking the corresponding year-wise estimates of net value added in each industry from NAS. However drawing conclusions regarding urban-rural disparity on the basis of these estimates may be biased due to the assumptions implied in the construction of the annual series. In another article published in Economic Times, August 11 1990, on the basis of several indicators these authors argue that the urban-rural disparity has decreased. NCAER Survey of 1987-88 also reveals a significant shift in the consumption pattern of rural population. The extent of rural consumption in respect of preferences for consumer durables is rather revealing.

However, all these studies refer to all-India analysis only. In the current study, an attempt has been made first to understand the nature of inter-temporal disparities in the standard of living within States separately for rural and urban areas. As a measure of intra-State disparity in standard of living therefore, the urban-rural disparity indices have been constructed separately for each State and for all India for each of the eleven points of time within the period 1966-88 (Appendix K). The disparity index in this case has been defined as the absolute difference between the urban and rural PCCE at a

point of time as the percentage of urban PCCE. It is evident from the results that on an average the urban rural disparity in PCCE at current prices has increased over the period 1966-88 but for minor exceptions. For example, in Assam and Maharashtra the average urban-rural disparity records a marginal fall in the seventies as compared to the sixties with again a rise in the eighties (Appendix K.2). In the case of Orissa and West Bengal on the other hand, the average disparity index falls marginally in the eighties. The intra-State urban-rural disparity in PCCE at constant prices, on the other hand, has generally fallen though there have been several ups and downs in some years for some of the States. The average all-India urban-rural disparity index at constant prices had also reduced to 33.37 in the seventies and 28.29 in the eighties as compared to 37.13 in the sixties. But for Punjab, Jammu and Kashmir and Rajasthan for which generally the ratio has been substantially low, the disparity has increased somewhat over the period of study though the rise is not uniform.

In absolute terms, the urban-rural disparity is generally higher at constant prices than at current prices though the trend has been a fall in the case of the former and rise in the case of the latter thus changing the pattern to some extent by the end of the period of study. In other words, there is a continuous differential behaviour in prices between States as well as between urban and rural areas within States which highlights the disparity in the level of living between urban and rural areas. Elimination of the effect of prices brings out more prominently the disparity which obviously becomes larger when measured in terms of actual levels of per capita consumption in rural and urban areas. The results suggest that this absolute level of disparity is gradually getting reduced even though it still continues to be high at current prices.

In terms of the performance of individual States (Table 14), it is seen that the States of West Bengal and Maharashtra have almost the highest disparity while Jammu and Kashmir and Punjab have the lowest though in the more recent years there is some tendency for this differential to increase in the case of both these two latter States. This is revealing to the extent that all the three States of Punjab, West Bengal and Maharashtra have high levels of per capita SDP throughout the period with structurally very different patterns of production. In terms of per capita expenditure on the other hand, West Bengal records large fluctuations and goes down in ranking. The lower urban rural disparity in the level of living of the people in Punjab has to be seen in the context of it being a prominently agricultural State as against West Bengal and Maharashtra which are primarily industrialised. The other State with low urban-rural disparity is Rajasthan which records high per capita expenditure but low per capita

income. The State which has recorded substantial lowering of urban-rural disparity over the period of study is Kerala which has reduced its ratio from 30.72 in 1966-67 to around 20.57 in 1987-88 at current prices and from 39.30 to 22.79 at constant prices.

To understand the inter-State variation the PCCE separately for rural and urban areas, the coefficient of variation, Gini Coefficient, Disparity Ratio between States have been worked out using the separate PCCE data for urban and rural areas at current and constant prices. These have already been discussed in the previous section suggesting lower overall disparity in urban areas than in rural areas. It is for consideration as to the extent to which this could be the result of the limitation of NSS data. The NSS data, it is generally felt, miss the top expenditure groups during the survey and this is likely to be more in urban areas than in rural areas. One thus comes back to the question of a more detailed study by income/expenditure size distribution for drawing more realistic conclusions regarding urban-rural disparity in the levels of living of the people.

3.4 Growth Rates

Finally growth rates in PCCE at the State level have been examined to see whether differential growth rates between States have helped in reducing the disparity in the levels of living of people between States (Appendix J). Ranking the States in descending order on the basis of the average rate of growth of PCCE during the period 1966-88 shows that States like Kerala, Bihar, Jammu and Kashmir which have low absolute levels of PCCE have high rates of growth while the States with high average real PCCE during the same period (i.e. Punjab, Rajasthan, and Gujarat) recorded substantially lower rates of growth of PCCE (Tables 11 and 12). This would suggest a possibility of reducing inter-State disparities in the near future since the most progressive States like Punjab, Rajasthan, Gujarat are lagging behind the backward States (Kerala, Bihar, Andhra Pradesh in the initial years) in terms of development and progress as measured through the growth rates of either SDP or PCCE. There is wide variation in growth rates between States and also within States between the rural and urban areas. This is very obvious from the results presented. Fall in per capita expenditure is not uncommon for most of the States though States like Kerala and Andhra Pradesh are exceptions with increase in per capita real expenditure all through the period of study. In spite of this pattern, however, Punjab has maintained its first position in PCCE both at current and constant prices while Bihar has been one of the States with the lowest PCCE. Thus Punjab's absolute level of PCCE has remained nearly double than that of Bihar even in the year 1987-88.

A comparison of growth pattern of PCCE at constant prices with changes in current prices reveals that in the year 1967-68 the rate of change over the previous year has been positive at current prices but negative at constant prices in the case of 9 States as well as in the case of all India average. This implies a sharp increase in prices in 1967-68 though all the States were not affected to the same extent. The main factors responsible for this pattern of price behaviour has been the sharp rise in the prices of foodgrains and food articles due to the scarcity created by drought in the previous year, the recessionary trends in some sectors of the economy and policy induced rise in prices of some products like "liquor and tobacco", "fuel, power, light and lubricants" (e.g. the rise in coal prices following the decontrol with effect from July 24, 1967). In the following year 1968-69 in three of the States viz., Bihar, Uttar Pradesh and West Bengal changes in PCCE over the previous year at current prices have been negative, but at constant prices positive, implying a fall in prices in 1968-69. The all-India average price index (base 1980-81) also fell by 7.52%. This is mainly due to the improvement in food situation and the consequent fall in the prices of foodgrains and food articles.

The intra-State behaviour of the growth of PCCE at constant prices presented in Table 12 with details in Appendix J shows that except for Andhra Pradesh, the annual rate of change has fluctuated widely over time registering a fall quite often. In the case of Andhra Pradesh the fluctuations have been the least with no fall in real PCCE either for rural areas or for overall economy and only a small decrease in 1970-71 in the case of urban PCCE. Both for rural areas and for the economy as a whole over the period of study (1967-88), Kerala records the average highest rate of increase in PCCE (3.97 p.c. in rural and 3.40 p.c. for the overall) with Rajasthan at the bottom with as low as 0.36 p.c. for rural and 0.39 p.c. for the State as a whole accompanied by very wide fluctuations over the period. Interestingly, Bihar records a reasonably high average increase in PCCE (3.29 p.c. for rural and 2.91 p.c. overall) with not a very wide fluctuation (as measured through CV values). For urban areas, on the other hand, Bihar has the lowest recorded average annual increase of 0.50 p.c. with very wide fluctuations ranging from a fall of 10.2 p.c. in 1987-88 to an increase of as little as 0.01 p.c. in 1967-68. Urban real per capita expenditure has generally increased less than in rural areas and ranges between 0.50 p.c. for Bihar and 2.69 p.c. in Jammu and Kashmir. The corresponding range for rural areas has been 0.36 p.c. in Rajasthan and 3.97 p.c. in Kerala. This is an obvious indication of the reduction in urban-rural disparity and is supported by the results presented in the earlier section.

Similar examination of the consumer price indices (Appendix I) used for the study shows much smaller fluctuation both between the States and over the period of study. Thus for the Consumer Price Index for Agricultural Labour - except for West Bengal where the overall average change is the least (3.91 p.c.) with wide fluctuations over the period of study - the average ranges between 6.04 p.c. in Assam (with fluctuations between -14.75 and 16.02 within a range of -17.22 to 29.84) to 8.30 p.c. in Uttar Pradesh. In the case of urban CPI the highest average is 9.25 p.c. for Kerala with wide fluctuations ranging from a rise of as much as 32.77 p.c. in 1973-74 to as little as 1.13 p.c. in 1969-70. In terms of annual changes, whereas, fall in prices were recorded for individual States, in the three years 1968-69, 1969-70, 1970-71, the subsequent period has recorded nothing but rise over the period. The inflation however never have been too high thus reaching two figures only in the year 1973-74. This pattern of inflation in seen both in rural and urban areas, the rise being generally more in rural areas than in urban areas. All this only supports the conclusion already drawn that for study of inter-State disparities in levels of living of the people it will be desirable to examine the results at constant prices rather than at current prices. However for absolute differences in conditions of living at a point of time, analysis of data at current prices will be more meaningful.