

## **Abstract for “Regional Disparity in India – A Study of Three Decades Using a Comparable Database”**

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Inter-regional disparities within a nation have been analysed largely due to its potential drag effect on the economic growth of the nation as a whole. Inter-state disparities in per capita income in India attracted researchers ever since independence. It received a boost post-1991 in light of the new economic policies. The indicator of interest in all these studies has been the Gross State Domestic Product (GSDP), the regional counterpart of GDP. Although piecemeal attempts at measuring GSDP dates back to as early as 1948-49, the first consistent estimates of state incomes based on standard concepts, definitions and methodology were the 1960-61 series made available by the Central Statistical Organisation (CSO). Subsequently, there have been five revisions to the base year to account for the structural changes in the economy resulting in five series – 1970-71, 1980-81, 1993-94, 1999-2000 and 2004-05, which are not strictly comparable. A long-run investigation of states’ economic performance therefore requires a comparable GSDP series preferably for the latest base year i.e., 2004-05. None of the earlier studies have attempted this rather arduous task of making the GSDP data comparable for a more robust analysis of regional convergence/divergence if any.

This study estimates a comparable series of GSDP from 1980-81 onwards, with respect to the common base year of 2004-05. It then divides the entire period (1980-81 to 2009-10) into three phases – the low growth phase (1980-81 to 1990-91), the post liberalization phase (1990-91 to 2002-03) and the high growth phase (2003-04 to 2009-20). It then takes a look at regional disparity in economic performance for the entire period as well as separately for the three phases. A sectoral decomposition of the growth trajectory of the regional economies is important to identify the sources of growth and its variability. This would potentially isolate the leading/lagging sectors in each state and changes in their relative importance over time which could in turn bear crucial policy implications. The study also tries to find out the leading and lagging sectors in groups of state. So the questions that the paper tries to answer are:

- i. Has growth benefited only the leading regions of the country resulting in widening inequality in income and other development indicators?
- ii. Or is it that all the regions have grown but relative differences have increased over the years?
- iii. What explains this differential growth performance across states?
- iv. Why some regions/states are still lagging in terms of growth and development?