

Growth Performance of Indian States after the Recession

¹Kshamanidhi Adabar and ²Dhiren Jotwani

¹Assistant Professor, IMNU, Ahmedabad

²Ph.D Scholar, IMNU, Ahmedabad

Since India is integrated with the rest of the world, the global financial crisis that originated in USA could affect the growth rate of real GDP and employment in India. There has been a lot of discussion on the subject across the countries to come out from these recessionary trends in output/income and unemployment. Accordingly, these countries have taken different kinds of steps (monetary and fiscal policy), particularly by providing fiscal stimulus packages to create effective demand and build the consumers' and investors' confidence. Despite this, many countries are yet to recover from the financial crisis. During the recession period, India's economic growth slowed down as well. In this context, it is interesting to see the sources of the slowdown in Indian GDP growth. In other words, has the recession affected growth performance at the state and sectoral levels in India? Which states and sectors were badly affected? In this paper, an attempt is made to examine the sectoral and state level performances to understand the impact of recession for 19 Indian states from 1999-2000 to 2009-10.

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