

Analysis Of Inter-State Imbalances In Social Sector Expenditure With Growth Experiences In Major Sectors

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ABSTRACT

This paper analyses the Inter-state imbalances in Social Service Expenditure with growth in the 15 major states of India. It uses two Principal components which are GSDP(Gross State Domestic Product) and Social Sector Expenditure(SSE). The observation is made for certain variables in Dynamic Panel Data for the 11 major years of the 21st century (in terms of Economic Trajectory shift) from 2004 - 2015 . Social Service Expenditure is measured by the total Expense being done by the Central and State Government in the promotional & Development Activities. This Expenditure leads to increase in capabilities of people and in turn will boost Economic Growth (2 way Causality).

As Human Capital is a Elementary for growth , SSE is for Human Capital Formation. In the late 2000s the growth rate has been 7.5%, The Service Sector has recorded highest growth , Agriculture remaining Stagnant in terms of Contribution to GDP, even though much more percentage of Population depends on it and Industry has not yet been exploited to its full potential. In this Study the results of Regression do confirm that SSE has been inadequate in Proportion of Revenue Expenditure of States and they do not show a very Systematic Pattern or Proportional Relationship with GSDP.