



INSTITUTE OF ECONOMIC GROWTH

University Enclave, University of Delhi (North Campus), Delhi-110 007, INDIA

April 24, 2019

SEMINAR NOTICE

Topic: "Does Economic Growth Influence Public Expenditure in Low Income States in India"

Speaker/s: **Rashmi Rastogi**
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Chair: Professor Manoj Panda, Director, IEG.

The seminar details are as follows:

Date & time: Friday, May 3, 2019 at 3.30 p.m.

Venue: A.M. Khusro Room
Institute of Economic Growth,
University Enclave, North Campus,
Delhi-110 007

All are welcome.

Sabyasachi Kar

(Sabyasachi Kar)
Seminar Convenor

Abstract:

This study examines whether economic growth influence public expenditure in the panel of low income states in India. We consider the components of total expenditure- expenditure on social sector and on economic services. Each of the expenditure is further divided into revenue and capital to find the nature of impact of economic growth. We consider annual data for the period 1980-81 to 2014-15. Using Auto-Regressive Distributed Lag Model (ARDL) and Pedroni's Cointegration Test, we find that Wagner's Law holds for total expenditure, social sector, and expenditure on economic services for panel of low income states. Results also validate the law for revenue expenditure and capital expenditure for each of the expenditure category for the panel of low income states. In the states Bihar and Jharkhand, Madhya Pradesh and Chhattisgarh, and Uttar Pradesh and Uttarakhand, we find that economic growth in these states results in an increase in revenue expenditure only.

Authors: Rashmi Rastogi, Sangeeta Chakravarty, Basanta Kumar Pradhan