

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3387  
ANSWERED ON:25.04.2012  
NON PROFITABLE ECONOMIC POLICY  
Singh Shri Radha Mohan

**Will the Minister of PLANNING be pleased to state:**

- (a) whether the growth rate of various States is declining due to non-profitable economic policies of the Government;
- (b) if so, whether such economic policies are imposed on the States without taking into account the condition of the States; and
- (c) if so, the steps taken by the Government to improve the conditions of the States and to achieve the desirable growth rate?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) & (b): The Government follow macro- economic policy to achieve the optimum results in terms of promoting growth and well- being of the people. The state-wise annual growth rates of Gross State Domestic Product (GSDP) and the all India Gross Domestic Product (GDP) during the last three years given in Annexure-I indicate that various States registered different growth rates during this period. The traditionally low performing States like Bihar, Madhya Pradesh, Chhattisgarh, Uttar Pradesh etc performed better in terms of growth rate of GSDP during the last three years and many of them even registered growth rate higher than that of the national average. While Gujarat has recorded consistent increase in GSDP growth rate during the last three years from 6.78 percent in 2008-09 to 10.47 percent in 2010-11, however, in case of Bihar, the GSDP growth rate declined from 14.58 percent in 2008-09 to 10.42 percent in 2009-10 and again increased to 14.77 percent in 2010-11. The annual growth rates of GSDP of States depend on a number of factors which include resource endowments, infrastructure and various other state specific factors.

(c): The Government have taken several measures to improve the growth performance across the country in a balanced manner. The policy instruments in this regard include plan and non-plan transfer of resources from Centre to States favouring less developed States, tax incentives for setting up of private industries in the backward regions, etc. A number of programmes have also been initiated to reduce income disparity between States. These include Backward Regions Grant Fund (BRGF), Hill Area Development Programme/Western Ghats Development Programme, Border Area Development Programme etc. In addition, several centrally sponsored schemes and state specific schemes are being implemented which are expected to accelerate the growth rate of GSDP of various states.