

SEMINAR NOTICE

Topic:

Do Effective State-business Relations Matter for Economic Growth?
Evidence from Indian States

Speaker:

Professor Kunal Sen
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IDPM, School of Environment and Development
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The seminar details are as follows:

Date & time: Friday, August 13, 2010 at 3.30 p.m.

Venue: Committee Room, Institute of Economic Growth, University of
Delhi Enclave, North Campus, Delhi-110 007

Chair: Dr. Sudipto Mundle, Emeritus Professor (Hon.) National Institute of Public
Finance and Policy, New Delhi.

All are welcome. Tea will be served in the seminar.

(Sabyasachi Kar)
Seminar Convenor

ABSTRACT

Effective state-business relations are a set of highly institutionalised, responsive and public interactions between the state and the business sector. This paper examines the impact of effective state-business relations on economic growth across Indian states over the period 1985-2006. We propose a measure that captures the various dimensions of effective state business relations (SBR) at the sub-national level, and estimate standard growth regressions using dynamic panel data methods with this measure, controlling for other determinants of sub national level growth. Our results show that effective state-business relations contribute significantly to economic growth. This result is robust to the use of different specifications and methods for computing the SBR measure and appears to be driven by the intensity of the interactions between the state and the private sector as well as by the absence of harmful collusive behaviour between them.