

DEBT ACCUMULATION OF INDIAN STATES WITH SPECIAL REFERENCE TO UTTAR PRADESH

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Abstract

Serious deterioration in government fiscal finances in the late 1990s and early 2000s asked for prudent fiscal management. The fiscal deterioration of 1990s and 2000s led to elevated levels of debt liabilities at both the national and sub-national level. Uttar Pradesh (UP) fiscal position during 1990s and 2000s was one of the most vulnerable. Fiscal and revenue deficit and debt levels were appallingly high creating unmanageable pressure on fiscal finances. The UP government has enacted its FRBMA in 2004 with the aim to arrest rising deficits and debt which mandated reduction in deficit and debt levels within a limit in a given time frame. This study is an attempt to examine the level of indebtedness of the Government of India with special reference to the Uttar Pradesh. .This paper examines the debt structure of Uttar Pradesh (U.P.) since it occupies a central place in Indian federal fiscal system due to its large population size years The sustainability analysis has been made in the current study to capture the effect of reforms on debt position of Uttar Pradesh

Keywords: India, public finance, state finances, debt accumulation