

**Volume 31, Issue 4****Research Announcement****An empirical study between government sectoral expenditure and indian economic growth**

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**Abstract**

The purpose of the present study is to examine the growth effect of government expenditure on economic growth in India over a period from 1991 to 2010, with a particular focus on sectoral expenditures. Five key sectors were preferred (security, health, education, transportation and communication and agriculture.). The variables were tested for stationarity and co-integration analysis using the Johansen co-integration technique. Error-correction test was also performed. The result shows that in the short-run, expenditure on agriculture was found to be negatively related to economic growth. The impact of education, though also negative was not significant. The impact of expenditure on health was found to be positively related to economic growth. Nonetheless expenditures on national security transportation and communication were positively related to economic growth, the impacts were not statistically significant. It is possible that in the long-run expenditure on education could be positive if brain drain could be checked.

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