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TITLE: ECONOMIC REFORMS AND SOURCES OF GROWTH OF INDIAN INFORMATION SECTOR

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ABSTRACT:

The economic reforms of 1991 changed the Indian business context from one of state centered control orientation, to a free, open market orientation- especially for hi-tech companies. It allowed Indian companies to start competing effectively on a global scale. More than a decade-and-a-half of opening of the Indian economy has produced new dynamism more dramatically in the IT sector. The new policies fostered a booming IT industry, which grew to billion-dollar state in mid 1990s and exceeded US \$28 billion in revenues by 2004-05. It is expected that India's strength in IT will be an important bulwark of export growth for many years to come in spite of recent economic crisis. Realizing such huge potential of Indian IT industry, an attempt has been made in this paper to study the sources of growth of the information sectors of India during 1993-94 to 2003-04, using input-output structural decomposition analysis. The paper also analyzes the implications of the findings.