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TITLE: TRENDS IN TECHNICAL PROGRESS IN INDIA, 1968 - 2003

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ABSTRACT:

The paper is based on the Input - Output (I-O) tables for the Indian economy for the eight years covering a period of 36 years from 1968-69 to 2003-04. The technical progress (TP) in the context of the I-O tables is based on the concept of the production function defining the relationship between gross output and material inputs as well as value added. Moreover, it is also at the disaggregated sectoral level. The paper would empirically verify some of the following hypotheses: (i) Indian economy experienced substantial TP continuously through out the period; (ii) The nature of the TP remained the same over time; (iii) The rate of TP during the inward looking and outward looking growth strategy phases of the Indian economy remained the same; (iv) The rate of TP at the disaggregated sectoral level is almost uniform over time; and (v) Liberalization and globalization have not impacted sectoral rates of TP differentially. In order to measure the rate of TP, the available eight national I-O tables in India are first made compatible for the number, scope and definitions of sectors as well as for prices by converting them at constant 1993-94 prices. Simple measures are also used for converting changes in technical coefficients into the aggregate rate of TP for a sector and for the economy.