

## **Regional Income Inequality and Economic Growth during the Post-reform Period in India**

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**Abstract:** This paper examines the trends of Per Capita Net State Domestic Product (PCNSDP) growth rate across 31 states and UTs of India for the time period 1993-94 to 2020-21. The study also conducts ranking and convergence analysis (using  $\sigma$  and  $\beta$  indicators). The results show that regional inequality has increased over time across Indian States. It mainly occurred due to the divergence of the manufacturing sector. However, the service sector is offsetting the overall divergence. These outcomes indicate that embracing the appropriate policy for pro-poor growth schemes requires some comprehension of state distinctions based on income inequity. Our findings can be the road map for policymakers to understand the country's profile and achieve poverty reduction measures globally.

**Keywords:** Regional Inequality, Economic Growth, Economic Reforms, Convergence, Divergence

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