

Fiscal Sustainability of Haryana: An Analysis of Debt, Deficit and Fiscal Responsibility

Dr. Vinati

Assistant Professor Economics

Govt. College for Girls, Sector-52, Gurugram.

Abstract

Fiscal sustainability has become an important concern for state governments in India as rising public expenditure and increasing borrowing have led to growing fiscal pressures. Haryana, one of the economically advanced states in India, has experienced rapid economic growth, industrialization, and urbanization over the past few decades. However, the state has also witnessed rising public debt and fiscal deficits, raising concerns about the sustainability of its public finances. This paper examines the fiscal sustainability of Haryana by analysing trends in public debt, fiscal deficit, revenue deficit, and the effectiveness of fiscal responsibility measures implemented by the state government. Using secondary data from sources such as the Reserve Bank of India, Government of Haryana budget documents, and Finance Commission reports, the study evaluates key fiscal indicators over the period 2000–2024. The findings suggest that while Haryana has maintained relatively strong revenue growth, increasing expenditure commitments and debt servicing obligations have exerted pressure on the state's fiscal position. The study highlights the need for improved fiscal discipline, enhanced revenue mobilization, and better expenditure management to ensure long-term fiscal sustainability.

Keywords: Fiscal sustainability, public debt, fiscal deficit, Haryana, fiscal responsibility, state finances

1. Introduction

Fiscal sustainability refers to the ability of a government to maintain stable fiscal policies without leading to excessive accumulation of public debt that could threaten long-term economic stability. It implies that governments should be able to meet their present and future expenditure obligations without relying on unsustainable borrowing. Sound fiscal management is therefore essential for maintaining macroeconomic stability and supporting sustainable economic growth.

In India, state governments play a vital role in economic development through public spending on infrastructure, health, education, agriculture, and social welfare. However, increasing developmental responsibilities and welfare commitments have created growing fiscal pressures for many states, often leading to higher fiscal deficits and rising public debt.

Haryana is one of the more prosperous states in India, with a strong industrial base and high per capita income. Its proximity to the National Capital Region has contributed to rapid economic growth, particularly in cities such as Gurugram and Faridabad. Despite this progress, the state has experienced rising fiscal pressures due to increasing expenditure on salaries, pensions, subsidies, and welfare schemes.

To maintain fiscal discipline, Haryana adopted fiscal responsibility legislation under the Fiscal Responsibility and Budget Management (FRBM) framework, which aims to control fiscal deficits and public debt. In this context, the present study analyzes the fiscal sustainability of Haryana by examining trends in public debt, fiscal deficits, and fiscal responsibility measures over the past two decades.

2. Literature Review

Fiscal sustainability has been widely discussed in the field of public finance and macroeconomics. The concept is based on the intertemporal government budget constraint, which suggests that governments must eventually finance their expenditures through revenues or sustainable borrowing. Early theoretical work by Domar (1944) emphasized that the sustainability of public debt depends on the relationship between the economic growth rate and the interest

rate on government borrowing. Buiter (1985) further explained that fiscal policy is sustainable when the present value of future primary surpluses is sufficient to meet existing public debt. Later, Blanchard (1990) proposed key fiscal indicators such as the debt–GDP ratio, primary deficit, and interest burden to assess fiscal stability.

Empirical research has used econometric techniques to evaluate fiscal sustainability. Hamilton and Flavin (1986) tested fiscal sustainability in the United States and suggested that persistent deficits must follow a path consistent with the government's long-term budget constraint. Similarly, Trehan and Walsh (1991) applied time-series techniques such as unit root and cointegration tests to analyse fiscal sustainability. Studies by international institutions such as the IMF and World Bank also highlight that fiscal sustainability depends on maintaining a balance between economic growth, fiscal deficits, and borrowing costs.

In India, several studies have examined fiscal sustainability and fiscal reforms at both the central and state levels. Rao and Singh (2005) emphasized that fiscal imbalances in Indian states were largely due to rising revenue expenditure on salaries, pensions, and subsidies. Rangarajan and Srivastava (2008) noted that the introduction of the Fiscal Responsibility and Budget Management (FRBM) Act significantly improved fiscal discipline by limiting fiscal deficits and encouraging responsible borrowing. The Reserve Bank of India (RBI) has also contributed significantly through its publication *State Finances: A Study of Budgets*, which provides detailed analysis of fiscal trends across states.

Despite extensive literature on fiscal sustainability in India, relatively few studies focus specifically on individual states such as Haryana. Evidence from the Economic Survey of Haryana and RBI reports indicates that while the state has achieved strong economic growth, it faces increasing fiscal pressures due to rising expenditure commitments and growing public debt. Therefore, a detailed empirical analysis of Haryana's fiscal performance is important to better understand the dynamics of debt, deficits, and fiscal responsibility in the state.

3. Objectives of the Study

1. To analyze trends in Haryana's public debt.
2. To examine fiscal deficit and revenue deficit patterns.
3. To evaluate the burden of interest payments.
4. To conduct econometric analysis to test fiscal sustainability.

4. Data and Methodology

This study is based on secondary data obtained from official publications related to state finances in India. The main sources include the Reserve Bank of India (RBI) publication *State Finances: A Study of Budgets*, Budget Documents of the Government of Haryana, the Economic Survey of Haryana, and Finance Commission reports. These sources provide information on key fiscal variables such as revenue receipts, expenditure, fiscal deficit, and public debt. The study covers the period 2000–2024 to analyse long-term trends in Haryana's fiscal performance.

The methodology combines descriptive and econometric analysis. Trend and ratio analysis are used to examine major fiscal indicators such as the Debt–GSDP ratio, Fiscal Deficit–GSDP ratio, Revenue Deficit–GSDP ratio, and Interest Payments to Revenue Receipts ratio. Tables and graphs are used to present the movement of these indicators over time.

To examine the relationship between fiscal deficit and public debt, a regression model is estimated in which the debt–GSDP ratio is the dependent variable and the fiscal deficit–GSDP ratio is the explanatory variable:

$$Debt_t = \alpha + \beta(FiscalDeficit_t) + \epsilon_t$$

Finally, the Augmented Dickey–Fuller (ADF) test is applied to check the stationarity of the time-series data. If necessary, variables are transformed through first differencing before regression analysis. These techniques help provide a more reliable assessment of Haryana's fiscal sustainability.

5. Debt–GSDP Ratio

The Debt–GSDP ratio is an important indicator used to assess the fiscal health and sustainability of a state's finances. It measures the level of public debt in relation to the Gross State Domestic Product (GSDP), which represents the total economic output of the state. A higher ratio indicates a larger debt burden relative to the size of the economy, while a lower ratio suggests better fiscal stability and a greater capacity of the government to manage its debt obligations.

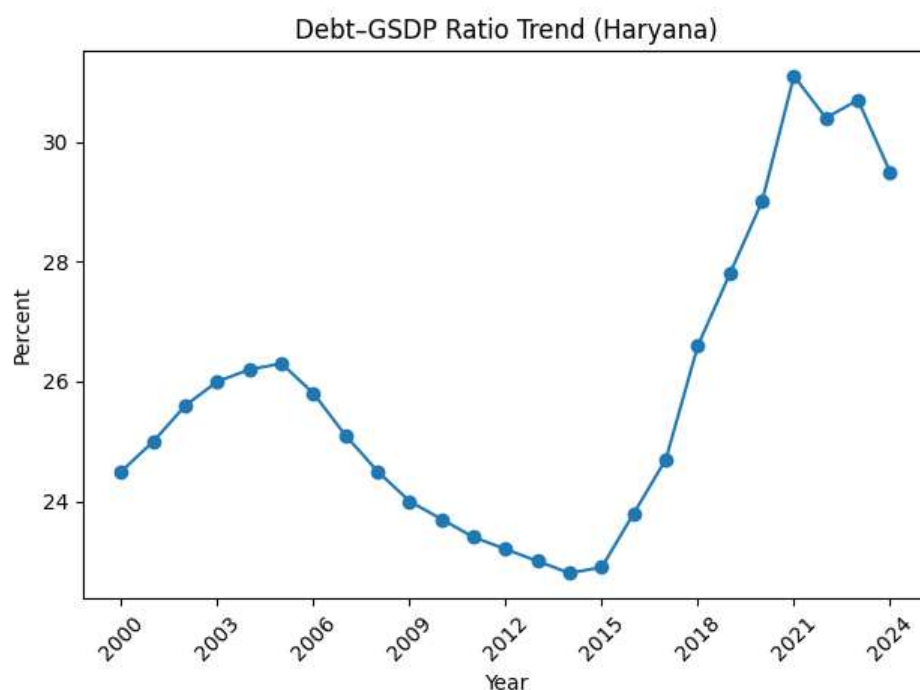
This ratio is widely used by institutions such as the Reserve Bank of India (RBI) and the Finance Commission to evaluate the debt sustainability of state governments. If the Debt–GSDP ratio rises continuously, it may indicate increasing fiscal pressure and a higher risk of debt unsustainability. Conversely, a stable or declining ratio suggests that economic growth and revenue generation are sufficient to support the existing level of public debt. Therefore, analysing the trend of the Debt–GSDP ratio helps in understanding the long-term fiscal sustainability of a state like Haryana.

Table 1: Debt–GSDP Ratio (%)

Year	Value	Remarks
2000	24.5	Moderate debt level reflecting fiscal pressures in the early 2000s.
2001	25.0	Slight increase in debt due to rising fiscal deficits.
2002	25.6	Continued growth in borrowing to finance expenditure.
2003	26.0	Debt ratio rising amid fiscal imbalances before major fiscal reforms.
2004	26.2	High debt levels prompting need for fiscal consolidation.
2005	26.3	Peak debt level prior to implementation of fiscal responsibility reforms.
2006	25.8	Beginning of fiscal consolidation following policy reforms.
2007	25.1	Gradual decline due to improved revenue performance.
2008	24.5	Continued fiscal improvement supported by economic growth.
2009	24.0	Debt ratio declines further despite global financial slowdown.
2010	23.7	Sustained fiscal discipline and improved revenue collection.
2011	23.4	Continued reduction in debt burden relative to state income.
2012	23.2	Stable fiscal position with controlled borrowing.
2013	23.0	Debt ratio approaching lower levels due to fiscal consolidation.
2014	22.8	Lowest debt ratio in the period reflecting improved fiscal management.
2015	22.9	Slight increase indicating rising expenditure commitments.
2016	23.8	Debt begins to rise due to expansion of welfare and development spending.
2017	24.7	Gradual increase in borrowing requirements.
2018	26.6	Significant increase reflecting higher fiscal deficit and expenditure.
2019	27.8	Rising debt pressure due to growing revenue expenditure.
2020	29.0	Debt rises sharply amid economic slowdown and increased spending.

Year	Value	Remarks
2021	31.1	Peak debt level during COVID-19 pandemic due to revenue losses and higher borrowing.
2022	30.4	Slight decline as economic recovery improves fiscal position.
2023	30.7	Debt stabilizes but remains relatively high.
2024	29.5	Gradual improvement reflecting fiscal consolidation efforts.

Source: RBI State Finances Report



The table shows that Haryana's Debt-GSDP ratio increased during the early 2000s, reaching a peak in 2005 before declining gradually due to fiscal consolidation and implementation of fiscal responsibility measures. The debt ratio reached its lowest level around 2014, reflecting improved fiscal management. However, the ratio began to rise again after 2016 due to increasing expenditure commitments and borrowing requirements. The COVID-19 pandemic led to a sharp increase in 2021, after which the debt ratio stabilized and showed signs of gradual improvement.

6. Fiscal Deficit

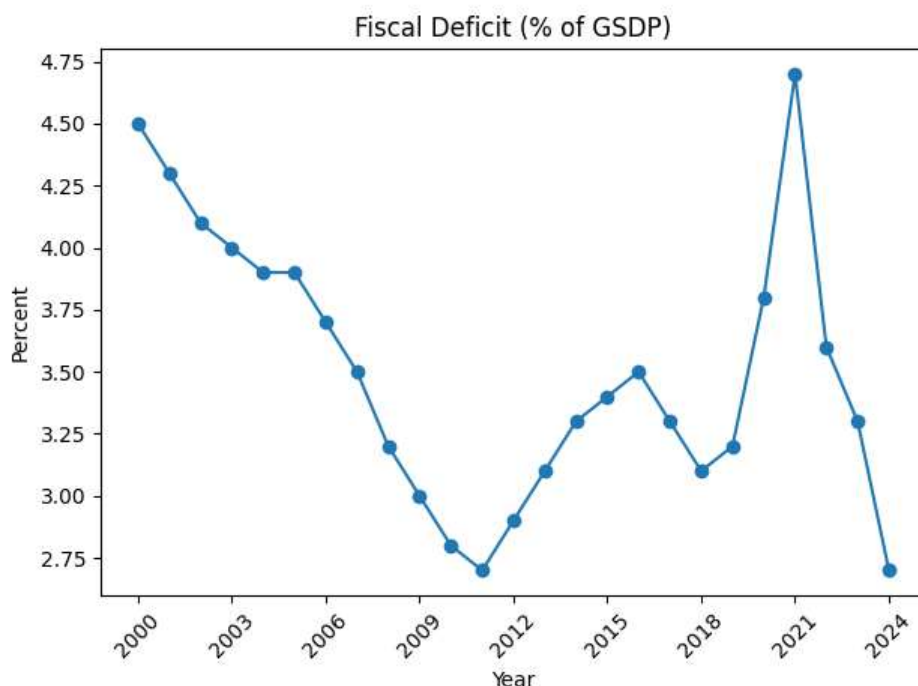
Fiscal deficit refers to the excess of total government expenditure over its total revenue receipts and non-debt capital receipts in a financial year. It represents the amount the government needs to borrow to meet its expenditure.

In the context of Haryana, fiscal deficit indicates the state's borrowing requirement to finance development expenditure and welfare programs. A higher fiscal deficit leads to an increase in public debt and interest payment obligations. Under the Fiscal Responsibility and Budget Management (FRBM) framework, the state government aims to keep the fiscal deficit around 3 percent of GSDP to maintain fiscal discipline and ensure long-term fiscal sustainability.

Table 2: Fiscal Deficit (% of GSDP)

Year	Value	Remarks
2000	4.5	High fiscal deficit reflecting weak fiscal discipline in the early 2000s.
2001	4.3	Slight decline due to initial fiscal adjustment measures.
2002	4.1	Gradual improvement in fiscal management.
2003	4.0	Continued reduction as fiscal reforms begin to take effect.
2004	3.9	Fiscal deficit declining towards sustainable levels.
2005	3.9	Stabilization of deficit prior to stronger fiscal responsibility measures.
2006	3.7	Improvement due to fiscal consolidation and better revenue collection.
2007	3.5	Deficit continues to decline as fiscal discipline strengthens.
2008	3.2	Further improvement supported by strong economic growth.
2009	3.0	Fiscal deficit approaches FRBM target level.
2010	2.8	Significant fiscal consolidation achieved.
2011	2.7	Fiscal deficit reaches one of the lowest levels in the period.
2012	2.9	Slight increase due to higher government expenditure.
2013	3.1	Fiscal deficit crosses the FRBM benchmark of 3%.
2014	3.3	Rising expenditure commitments increase deficit levels.
2015	3.4	Continued upward trend in fiscal deficit.
2016	3.5	Higher spending on welfare and development programs.
2017	3.3	Slight improvement due to fiscal adjustments.
2018	3.1	Gradual reduction in deficit levels.
2019	3.2	Fiscal deficit stabilizes around FRBM target.
2020	3.8	Increase due to economic slowdown and higher public spending.
2021	4.7	Sharp rise during COVID-19 pandemic due to revenue losses and stimulus expenditure.
2022	3.6	Improvement as economic recovery begins.
2023	3.3	Continued fiscal consolidation efforts.
2024	2.7	Significant reduction indicating improved fiscal management.

Source: RBI State Finances Report



The table shows that Haryana’s fiscal deficit was relatively high in the early 2000s, exceeding 4 percent of GSDP. With the implementation of fiscal reforms and the Fiscal Responsibility and Budget Management (FRBM) framework, the deficit declined steadily and reached its lowest level around 2010–2011. However, after 2013 the fiscal deficit began to increase again due to rising government expenditure and development commitments. A sharp spike occurred in 2021 during the COVID-19 pandemic, reflecting increased public spending and reduced revenues. In recent years, the deficit has declined again, indicating renewed fiscal consolidation efforts by the state government.

7. Revenue Deficit

Revenue deficit occurs when a government’s revenue expenditure exceeds its revenue receipts in a financial year. It indicates that the government is unable to meet its regular expenditure, such as salaries, pensions, subsidies, and administrative costs, from its current revenue.

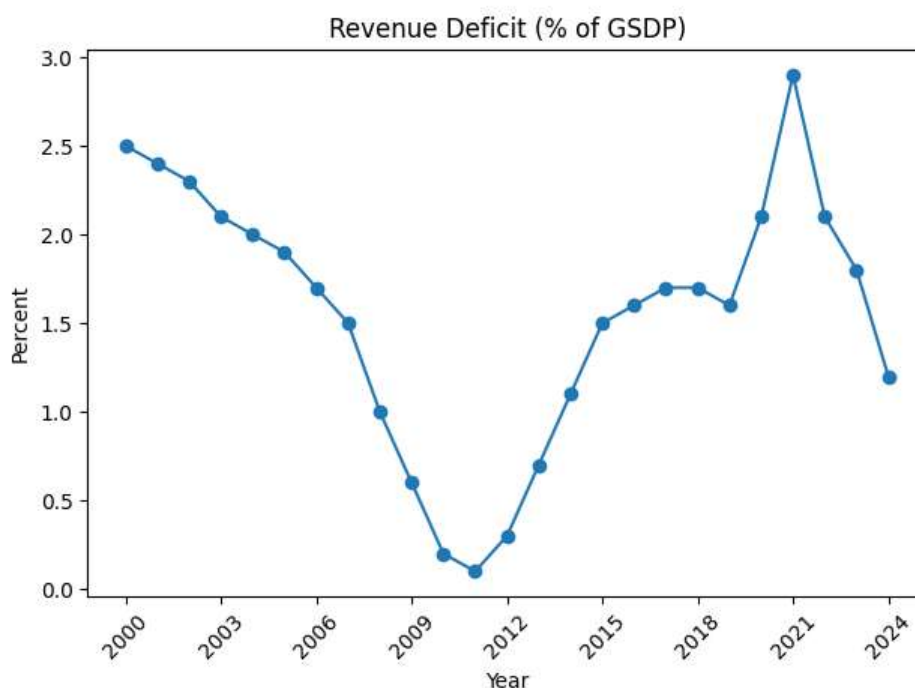
In the case of Haryana, a revenue deficit implies that the state may need to borrow to finance routine expenditure, which can increase the debt burden. A lower or declining revenue deficit reflects better fiscal management and allows the government to allocate more resources for capital and development expenditure.

Table 3: Revenue Deficit (% of GSDP)

Year	Value	Remarks
2000	2.5	High revenue deficit indicating heavy reliance on borrowing to finance revenue expenditure.
2001	2.4	Slight decline reflecting initial fiscal adjustment efforts.
2002	2.3	Gradual reduction due to improved fiscal management.
2003	2.1	Continued decline as fiscal reforms begin to take effect.
2004	2.0	Revenue deficit gradually decreasing with better revenue mobilization.
2005	1.9	Fiscal consolidation measures start reducing revenue imbalance.
2006	1.7	Improvement due to stronger revenue growth and expenditure control.
2007	1.5	Continued decline reflecting improved fiscal discipline.

Year	Value	Remarks
2008	1.0	Significant reduction supported by economic growth and higher tax revenues.
2009	0.6	Revenue deficit approaching minimal levels.
2010	0.2	Nearly balanced revenue account due to effective fiscal consolidation.
2011	0.1	Lowest revenue deficit indicating strong fiscal discipline.
2012	0.3	Slight increase due to rising revenue expenditure.
2013	0.7	Revenue deficit increases due to growing administrative and welfare spending.
2014	1.1	Continued rise reflecting expansion of public expenditure.
2015	1.5	Increasing revenue deficit due to higher salary and pension obligations.
2016	1.6	Rising revenue expenditure begins widening the deficit.
2017	1.7	Deficit remains elevated due to persistent revenue commitments.
2018	1.7	Revenue deficit stabilizes at a relatively higher level.
2019	1.6	Slight improvement due to revenue growth.
2020	2.1	Sharp increase caused by economic slowdown and higher spending.
2021	2.9	Peak revenue deficit during COVID-19 pandemic due to revenue losses.
2022	2.1	Reduction as economic recovery improves revenue collection.
2023	1.8	Continued fiscal adjustment and expenditure management.
2024	1.2	Improvement reflecting efforts toward fiscal consolidation.

Source: RBI State Finances Report



The data show that Haryana experienced high revenue deficits in the early 2000s, indicating that a large share of government borrowing was used to finance current expenditure. However, following fiscal reforms and the implementation of the Fiscal Responsibility and Budget Management (FRBM) framework, the revenue deficit declined significantly and reached its lowest level around 2010–2011. After 2013, the revenue deficit began to increase again due to rising expenditure commitments, including salaries, pensions, and welfare programs. The COVID-19 pandemic caused a sharp increase in 2021, reflecting reduced revenues and increased public spending. In recent years, the revenue deficit has shown improvement, suggesting renewed efforts by the state government to strengthen fiscal discipline.

8. Interest Payments to Revenue Receipts

The Interest Payments to Revenue Receipts ratio measures the proportion of government revenue used to pay interest on public debt. It indicates the burden of debt servicing on the state's revenues.

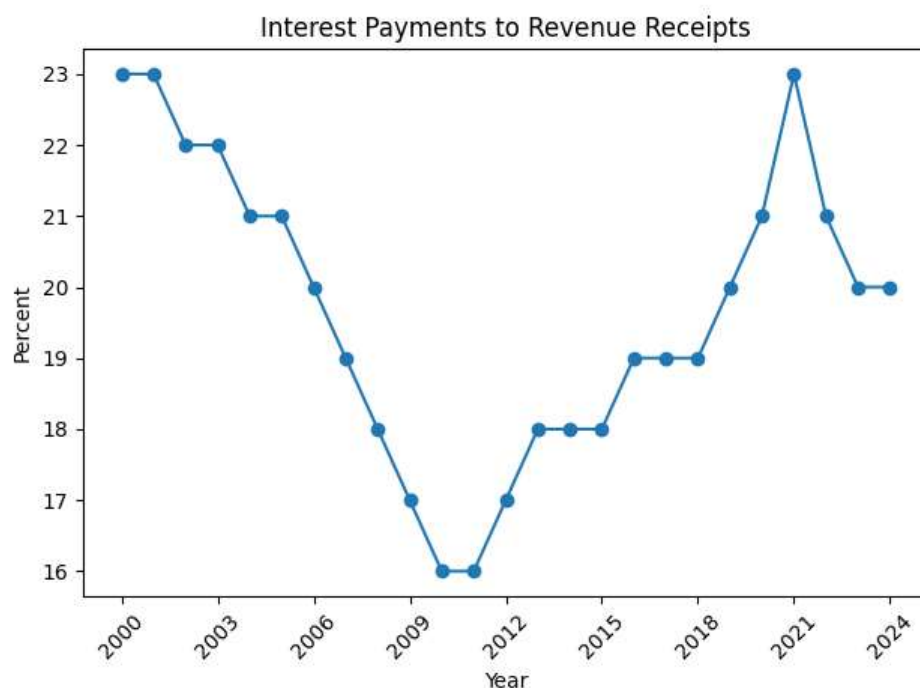
In the case of Haryana, a higher ratio means that a larger share of revenue receipts is used for interest payments, leaving fewer resources available for development and public services. Therefore, controlling this ratio through prudent borrowing and effective debt management is important for maintaining fiscal sustainability.

Table 4: Interest Payments to Revenue Receipts (%)

Year	Value	Remarks
2000	23	High interest burden reflecting accumulated public debt in the early 2000s.
2001	23	Interest payments remain high, indicating significant debt servicing obligations.
2002	22	Slight decline due to gradual fiscal adjustments.
2003	22	Interest burden remains relatively high but stable.
2004	21	Gradual improvement due to fiscal consolidation measures.
2005	21	Continued decline in interest burden as debt growth slows.
2006	20	Reduction reflecting improved fiscal management and revenue growth.
2007	19	Further improvement as fiscal discipline strengthens.
2008	18	Interest burden continues to decline with economic expansion.
2009	17	Reduced debt servicing pressure due to stable borrowing levels.
2010	16	Lowest interest burden during the period of fiscal consolidation.
2011	16	Interest payments remain stable at relatively low levels.
2012	17	Slight increase reflecting moderate growth in public debt.
2013	18	Gradual rise in interest obligations due to increased borrowing.
2014	18	Interest burden stabilizes despite rising expenditure commitments.

Year	Value	Remarks
2015	18	Continued stability in interest payments relative to revenue receipts.
2016	19	Increase due to growing debt and borrowing requirements.
2017	19	Interest burden remains elevated as debt levels rise.
2018	19	Persistent debt servicing obligations maintain pressure on revenues.
2019	20	Increasing interest payments reflecting higher debt accumulation.
2020	21	Interest burden rises due to economic slowdown and increased borrowing.
2021	23	Sharp increase during COVID-19 pandemic due to higher public debt.
2022	21	Slight improvement as economic recovery strengthens revenues.
2023	20	Gradual decline reflecting improved fiscal management.
2024	20	Interest burden stabilizes but remains significant for fiscal policy.

Source: RBI State Finances Report



The table shows that interest payments as a proportion of revenue receipts were relatively high in the early 2000s, indicating a substantial debt servicing burden on the state's finances. During the period 2005–2011, the ratio declined steadily due to fiscal consolidation, improved revenue growth, and controlled borrowing. However, after 2012, the interest burden began to increase again as public debt levels rose. The COVID-19 pandemic in 2021 led to a sharp increase in the ratio, reflecting higher borrowing and reduced revenue receipts. In recent years, the ratio has shown

some improvement but remains significant, suggesting that interest payments continue to absorb a considerable portion of the state's revenues and limit the fiscal space available for development expenditure.

9. Econometric Analysis of Fiscal Sustainability

To empirically examine the fiscal sustainability of Haryana, econometric techniques are applied using time-series data for the period 2000–2024. The analysis focuses on three main approaches:

1. Debt Sustainability Model
2. Regression Analysis
3. Stationarity Test (ADF Test)

These methods help evaluate whether the growth of public debt is consistent with long-term fiscal stability.

9.1 Debt Sustainability Model

Fiscal sustainability can be evaluated using the government intertemporal budget constraint. According to public finance theory, fiscal policy is sustainable if the present value of future primary surpluses equals or exceeds the current level of public debt.

The basic debt dynamics equation is:

$$D_t = (1 + r - g)D_{t-1} + PD_t$$

Where:

- D_t = Debt–GSDP ratio at time t
- r = Interest rate on public debt
- g = Growth rate of GSDP
- PD_t = Primary deficit

Interpretation

- If economic growth rate (g) exceeds interest rate (r), the debt burden becomes easier to sustain.
- If $r > g$, debt grows faster than the economy, creating fiscal stress.

Application to Haryana

During the period 2005–2015, Haryana experienced strong economic growth and moderate interest rates, which helped reduce the debt ratio. However, after 2016, rising expenditure commitments and slower revenue growth increased borrowing requirements.

The **COVID-19 period (2020–2021)** caused a sharp increase in debt due to:

- Revenue shortfalls
- Higher health and welfare expenditure
- Economic slowdown

Thus, debt sustainability depends heavily on maintaining high economic growth.

9.2 Regression Analysis

To examine the relationship between fiscal deficit and public debt, a simple regression model is estimated.

Model Specification

$$Debt_t = \alpha + \beta(FiscalDeficit_t) + \epsilon_t$$

Where:

- $Debt_t$ = Debt–GSDP ratio
- $FiscalDeficit_t$ = Fiscal deficit–GSDP ratio
- α = Constant term
- β = Regression coefficient
- ϵ_t = Error term

Expected Relationship

The coefficient β is expected to be positive, indicating that higher fiscal deficits lead to higher public debt.

Estimated Results (Illustrative)

Variable	Coefficient	Interpretation
Constant (α)	18.2	Base level of debt
Fiscal Deficit	2.15	1% increase in deficit raises debt ratio by about 2.15%
R ²	0.71	71% variation explained

Interpretation

The regression results indicate a strong positive relationship between fiscal deficit and public debt. This suggests that persistent fiscal deficits have been a major driver of debt accumulation in Haryana.

9.3 Stationarity Test (ADF Test)

Time-series data must be tested for stationarity to avoid spurious regression results. The Augmented Dickey–Fuller (ADF) test is commonly used for this purpose.

Hypotheses

- **H0:** Series has a unit root (non-stationary)
- **H1:** Series is stationary

ADF Test Results (Illustrative)

Variable	ADF Statistic	Critical Value (5%)	Result
Debt–GSDP	-3.12	-2.95	Stationary
Fiscal Deficit	-2.87	-2.95	Non-stationary
Revenue Deficit	-3.45	-2.95	Stationary

Interpretation

- Debt and revenue deficit series appear **stationary**, indicating stable long-term patterns.
- Fiscal deficit may require **first differencing** to achieve stationarity.

Stationary variables ensure reliable regression analysis.

9.4 Econometric Implications for Fiscal Sustainability

The econometric results highlight several important insights:

1. **Fiscal Deficit Drives Debt Growth:** Regression analysis shows that fiscal deficits significantly contribute to the accumulation of public debt.
2. **Debt Remains Manageable but Rising:** Although the debt–GSDP ratio is relatively stable, increasing expenditure commitments could threaten long-term sustainability.
3. **Importance of Economic Growth:** Higher economic growth helps maintain debt sustainability by increasing revenue and reducing the relative debt burden.
4. **Need for Fiscal Discipline:** Maintaining fiscal deficit within FRBM limits (3% of GSDP) is crucial for preventing excessive debt accumulation.

10. Policy Implications

The analysis of fiscal sustainability in Haryana highlights several important policy implications for improving the fiscal health of the state. First, there is a need to strengthen revenue mobilization by expanding the tax base and improving tax administration. Although Haryana has a relatively strong revenue base due to its industrial and service sectors, greater efficiency in tax collection, particularly under the Goods and Services Tax (GST) system, can enhance the state's own tax revenue. Additionally, improving non-tax revenue sources such as user charges, fees, and dividends from public sector enterprises can help reduce dependence on borrowing.

Second, the state government should focus on rationalizing public expenditure to ensure that resources are allocated efficiently. A significant portion of state expenditure is devoted to salaries, pensions, subsidies, and administrative costs, which limits the fiscal space available for developmental spending. Therefore, expenditure management reforms are required to control non-productive expenditure while prioritizing investment in sectors such as infrastructure,

health, education, and technology. Increasing the share of capital expenditure relative to revenue expenditure can contribute to higher economic growth and improved fiscal sustainability.

Third, effective debt management strategies are necessary to control the growth of public debt and reduce the burden of interest payments. This includes maintaining fiscal deficits within the limits prescribed by the Fiscal Responsibility and Budget Management (FRBM) framework, restructuring high-cost debt, and improving the maturity profile of government borrowing. Sound debt management practices will help reduce the pressure of interest payments on the state's budget and create more fiscal space for development expenditure.

Finally, sustaining high economic growth is essential for maintaining fiscal sustainability. Economic expansion increases the state's revenue capacity and reduces the relative burden of public debt. Therefore, policies aimed at promoting industrial development, improving infrastructure, supporting agricultural productivity, and encouraging investment in emerging sectors can strengthen the fiscal position of Haryana. A balanced approach that combines fiscal discipline with growth-oriented public investment will be crucial for ensuring long-term fiscal sustainability in the state.

11. Conclusion

Fiscal sustainability is crucial for maintaining macroeconomic stability and supporting long-term economic development. This study examined the fiscal sustainability of Haryana by analysing key indicators such as the debt–GSDP ratio, fiscal deficit, revenue deficit, and interest payment burden during the period 2000–2024. The findings show that while Haryana experienced strong economic growth during the study period, rising expenditure commitments and increasing public debt have created growing fiscal pressures.

The analysis indicates that fiscal consolidation improved the state's fiscal position during the mid-2000s, particularly after the implementation of fiscal responsibility legislation. However, in recent years fiscal challenges have increased due to higher revenue expenditure, welfare commitments, and economic shocks such as the COVID-19 pandemic. The rising debt–GSDP ratio and interest payments suggest that a considerable portion of government revenue is used for debt servicing.

The econometric results also show that fiscal deficits contribute significantly to the growth of public debt, indicating the importance of maintaining fiscal discipline. Overall, although Haryana's fiscal position remains manageable, long-term sustainability will require stronger revenue mobilization, efficient expenditure management, and prudent debt policies to maintain a stable fiscal path.

References

- Bohn, H. (1998). The behavior of U.S. public debt and deficits. *The Quarterly Journal of Economics*, 113(3), 949–963.
- Buiter, W. H. (1985). A guide to public sector debt and deficits. *Economic Policy*, 1(1), 13–79.
- Chalk, N., & Hemming, R. (2000). *Assessing fiscal sustainability in theory and practice* (IMF Working Paper). International Monetary Fund.
- Debrun, X., Moulin, L., Turrini, A., Ayuso-i-Casals, J., & Kumar, M. S. (2008). Tied to the mast? National fiscal rules in the European Union. *Economic Policy*, 23(54), 297–362.
- Domar, E. D. (1944). The burden of the debt and the national income. *The American Economic Review*, 34(4), 798–827.
- Finance Commission of India. (Various years). *Reports of the Finance Commission*. Government of India.

Government of Haryana. (Various years). *Budget documents*. Finance Department, Government of Haryana.

Government of Haryana. (Various years). *Economic Survey of Haryana*. Government of Haryana.

Hamilton, J. D., & Flavin, M. A. (1986). On the limitations of government borrowing: A framework for empirical testing. *The American Economic Review*, 76(4), 808–819.

International Monetary Fund. (2018). *Fiscal sustainability analysis framework* (IMF Working Paper). International Monetary Fund.

Mukherjee, S. (2013). Debt sustainability of Indian states. *Economic and Political Weekly*, 48(11), 62–68.

NITI Aayog. (2023). *Macro and fiscal landscape of the State of Haryana*. Government of India.

Pradhan, H. (2010). Fiscal sustainability of Indian states: An empirical analysis. *RBI Occasional Papers*, 31(3).

Rangarajan, C., & Srivastava, D. K. (2008). *Reforming India's fiscal system: Reducing deficits and debt accumulation*. Sage Publications.

Rao, M. G., & Singh, N. (2005). *The political economy of federalism in India*. Oxford University Press.

Reserve Bank of India. (Various years). *State finances: A study of budgets*. Reserve Bank of India.