

Economic Analysis of States

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A study of the Northern and Central States of India





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Economic Analysis of States

A study of Northern & Central states of India

August 2012



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Sandip Somany
President

Foreword

The Indian states have played a vital role in scripting the economic history of the country. Though the states are quite diverse in terms of area, population or governance, they are operating under similar policy environment and hence endowed with almost equal opportunity to grow and prosper. Despite this, states have exhibited diverse growth trends over the years making this subject an interesting and evolving area of research.

Typically most of the Indian states are agrarian in nature, with large proportions of the population dependant on the sector. However, the recent expansion of the service sector and consequent robust economic growth in the states is indeed a major development. In comparison to the industrial sector which has flourished in only a few states, the service sector has contributed to massive employment generation in most of the states.

The PHD Chamber is an apex regional Chamber catalyzing process of economic development in the Northern and Central states of India through promotion of trade, entrepreneurship and socio-economic development. The Chamber serves the states of Chhattisgarh, Delhi, Haryana, HP, J&K, MP, Punjab, Rajasthan, UP, Uttarakhand and the UT of Chandigarh. The study has analysed the growth dynamics of all these states from various economic parameters and identified critical areas of strengths and weaknesses of the states.

I am hopeful that this would go a long way in enhancing the horizons of research in this field and contribute to its growing literature.

Sandip Somany



Susmita Shekhar
Secretary General

Preface

Economic Analysis of states: A study of Northern & Central states of India, is one of the first exhaustive report on the relative economic performance of states that the PHD Chamber has come up with and it gives me immense pleasure and honour to present it to our esteemed readers. This study is unique in its kind, as it captures the essence of the socio-economic development in the states.

The study is based on extensive secondary research. Since governance and policies lie at the core of states' performances and reforms drive inclusive growth, the report has dealt with the policy issues and thrust areas in the states in details to elucidate the findings. It also brings together latest developments in the states and highlights potential roadmap for their further growth by making recommendations on measures to improve the various sectors of the economy.

The PHD Chamber has always aimed to be an important stakeholder in the development of the northern and central states of India and the nation. I hope that this study helps in framing policies in the States, so as to serve as a vehicle for their inclusive growth and socio-economic development.

I commend and appreciate the efforts of PHD Research Bureau; which has come up with this report with their focused approach.

I hope that this report serves as a handy and informative readers' guide!

Susmita Shekhar

Contents

Sr. No	Topic	Page No
1.	Abstract	1
2.	Economic Overview	1
3.	Economic Structure	5
4.	Ranking of the States	9
5.	Cost of Doing Business	12
6.	Fiscal Performance	13
7.	Investment Outlook	16
8.	Infrastructure	18
9.	Social Sector	20
10.	Poverty & Unemployment	22
11.	State Development Index	23
12.	State Policy Focus	27
13.	Conclusions & Recommendations	31
14.	Annexure: Snapshot of Policy focus of the State Governments	37

Tables

Serial No.	Topic	Page No.
1.	State- wise Scores on Socio-economic Parameters	9
2.	State- wise Ranks based on Degree of Economic Freedom	10
3.	Average Rate of Electricity	11
4.	Industrial Investment Proposals	16
5.	Pattern of Flow of FDI in States	17
6.	Road Length in States	18
7.	Railway Length in States	18
8.	Number of Airports in states	19
9.	State-wise Total Installed Generation Capacity of Electricity	19
10.	State Development Scorecard	25
10.	Ranking of States according to State Development Index	26
11.	Summary of Economic Indicators	36

Charts

Serial No.	Topic	Page No.
1.	Contribution of Northern & Central States in India's GSDP	1
2.	State-wise Contribution to India's Real GSDP	2
3.	Trend in Growth of Real GSDP	2
4.	Economic Size of Northern & Central States (Bn US\$)	3
5.	Geographical Size of Northern & Central States (Sq km)	3
6.	Population in Northern & Central States (Mn)	4
7.	Per- capita Income of Northern & Central States (Rs.)	4
8.	Contribution of the Agricultural Sector in GSDP (% Share)	5
9.	Contribution of the Industrial Sector in GSDP (% Share)	5
10.	Contribution of the Services Sector in GSDP (% Share)	6
11.	Growth of Agricultural Sector	6
12.	Growth of Industrial Sector	7
13.	Growth of Services Sector	7
14.	Trend in Economic Growth vis-à-vis share of Services in GSDP	8
15.	Pattern of Share of Manufacturing in GSDP	8
16.	Yield of Food Grain Production (kg/Hectare)	9
17.	State Composite Scores	10
18.	Ranking according to the Economic Freedom Index	11
19.	Ranking according to State Competitiveness	11
20.	Trend in Minimum Wage Rate (Rs.)	12
21.	Revenue Receipts as a Percentage of GSDP	13
22.	State-wise Aggregate Expenditure as a Percentage of GSDP	13
23.	Pattern of Expenditure	14
24.	Gross Fiscal Deficit as a Percentage of GSDP	14
25.	Debt as a Percentage of GSDP	15
26.	Economic Growth of States vis-à-vis Debt Burden	15
27.	State-wise Scores	16
28.	Industrial Investment & FDI as a Percentage of India's total Investment	17
29.	State-wise Gross Annual Per-capita Consumption of Electricity (In KWh)	20
30.	Literacy Rate in Northern and Central States	20
31.	State-wise Infant Mortality Rates	21
32.	Provision of Safe Drinking Water (% Population)	21
33.	State-wise Unemployment Rates	22
34.	Percentage population Below Poverty Line	22
35.	Aggregate Scores of States	25
36.	State-wise Differences from Mean	26

Abbreviations

Bn	Billion
BPL	Below Poverty Line
Cr	Crore
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GFD	Gross Fiscal Deficit
GSDP	Gross State Domestic Product
GW	Giga Watt
HP	Himachal Pradesh
J&K	Jammu & Kashmir
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
Km	Kilo Meter
KW	Kilo Watt
KWh	Kilo Watt Hour
MCD	Municipal Corporation of Delhi
Mn	Million
MP	Madhya Pradesh
NTPC	National Thermal Power Corporation
PD	Primary Deficit
PPP	Public Private Partnership
PWD	Public Works Department
RD	Revenue Deficit
Sq	Square
UP	Uttar Pradesh
UR	Unemployment Rate

Abstract

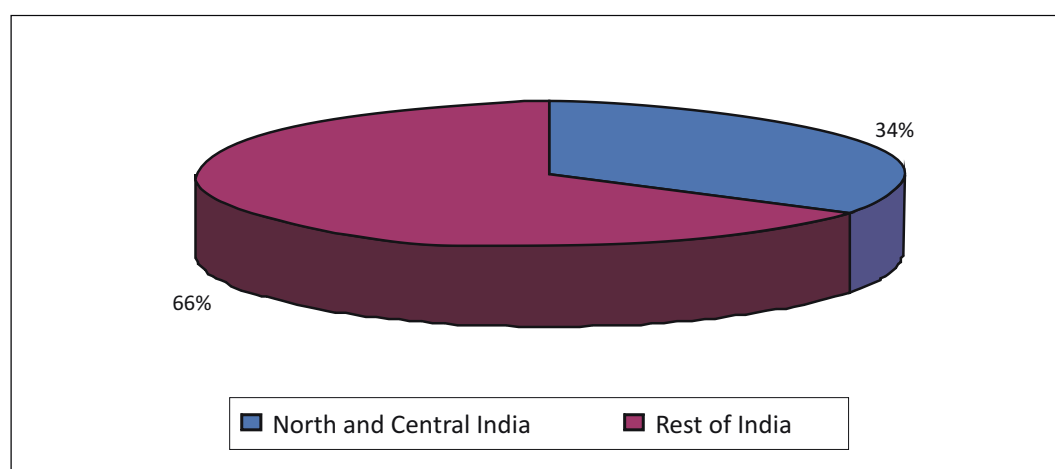
Indian economic development has been scripted by the development of the grass roots: the states. Since national development is an aggregation, failure in one state undermines the success in others, in turn retarding the overall growth of the total. Hence it becomes pertinent to study the performance of states in terms of their relative positions within the country's landscape.

The PHD Chamber of Commerce & Industry is an apex regional Chamber dedicated to catalyzing the process of socio economic development in the Northern and Central states of India. The rationale of this present study is to analyze the overall development scenario in the states and to rank the states according to their relative performance. The objective is to identify the areas of concern, and adopt policies which would pave the way for progress among the states.

1. Economic Overview

The Northern and Central states namely, Chhattisgarh, Delhi, Haryana, HP, J&K, MP, Punjab, Rajasthan, UP and Uttarakhand, are agrarian economies well known as 'the food basket of India' which are showing a gradual shift to high-tech industries and services sectors. Currently they constitute about 34% of India's total GSDP¹ and have huge potential to grow further. Few of the states like Delhi boast of world class infrastructure while the rapidly growing new states of Uttarakhand and Chhattisgarh have a promising future in tourism and industry sectors. Punjab and Haryana, which comprise the 'wheat basket of India', have shown high potential growth in the cropping intensity. Himalayan states of J&K and HP have exhibited immense potential in terms of alternate energy generation, while Rajasthan and UP are making efforts to boost agri-business.

Contribution of Northern & Central States in India's GSDP



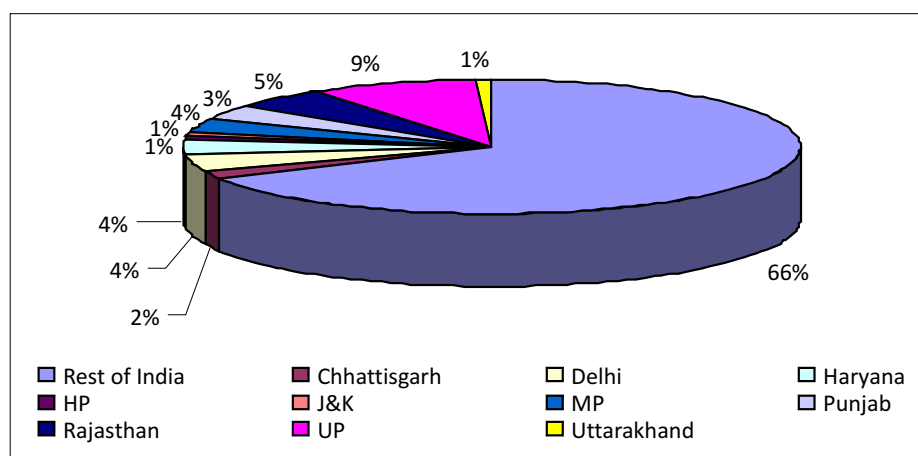
Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

¹ India's GSDP has been computed by summing all the Indian states' GSDP
Data pertains to 2008-09 at constant prices

State-wise Contribution to India's GSDP

The state-wise contribution to India's GSDP ranges from around 1% to 9%. While Uttar Pradesh contributes the highest among the states at 9%, it is followed by Rajasthan at 5% and Delhi, Haryana, MP and Punjab at about 4%. Chhattisgarh stands at about 2% and Uttarakhand, HP, J&K, constitute less than 1% of the country's GSDP.

State-wise Contribution to India's Real GSDP



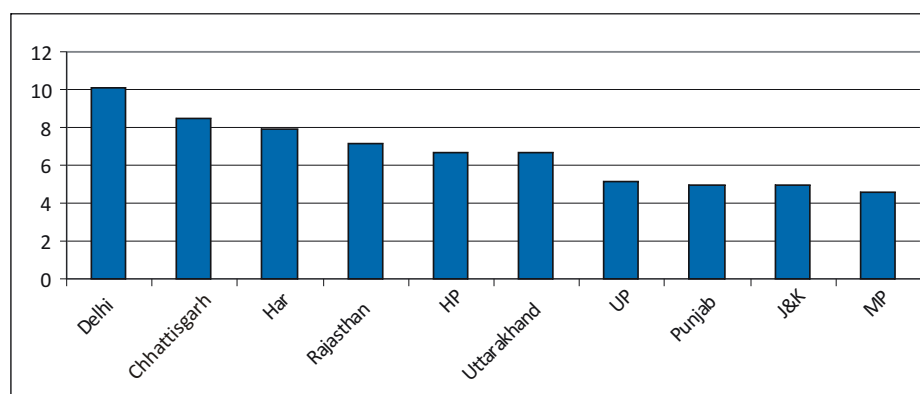
Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at constant prices

Economic Growth

The growth rates (real GSDP) vary in the range of 5% to 10%. Delhi has grown at the most rapid pace of more than 10% which is more than India's real GDP growth rate. Chhattisgarh and Haryana have grown at about 8% while the growth rates in Rajasthan, HP and Uttarakhand vary around 6-7%. UP, Punjab, J&K and MP indicate stagnant growth rates of about 5%.

Trend in Growth of Real GSDP



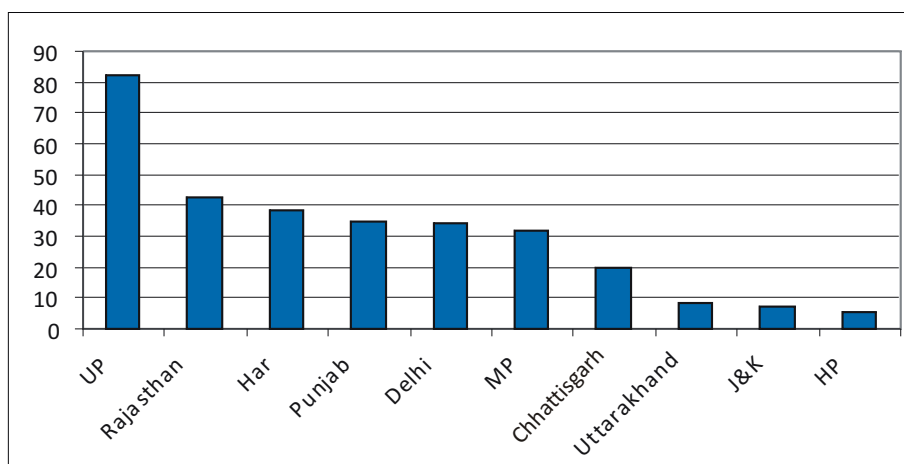
Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data has been compiled from the compounded average growth rate between FY05-FY09

Economic Size

The economic size of states range from \$5.6 bn to as high as \$82.04 bn. UP leads with GSDP of \$82.04 bn and is followed by Rajasthan and Haryana with \$42.45 bn and \$38.43 bn respectively. The Himalayan States of Uttarakhand, J&K and Himachal Pradesh have lowest GSDP with \$8.45, \$7.36 and \$5.6 bn, respectively.

Economic Size of Northern & Central States (Bn US\$)



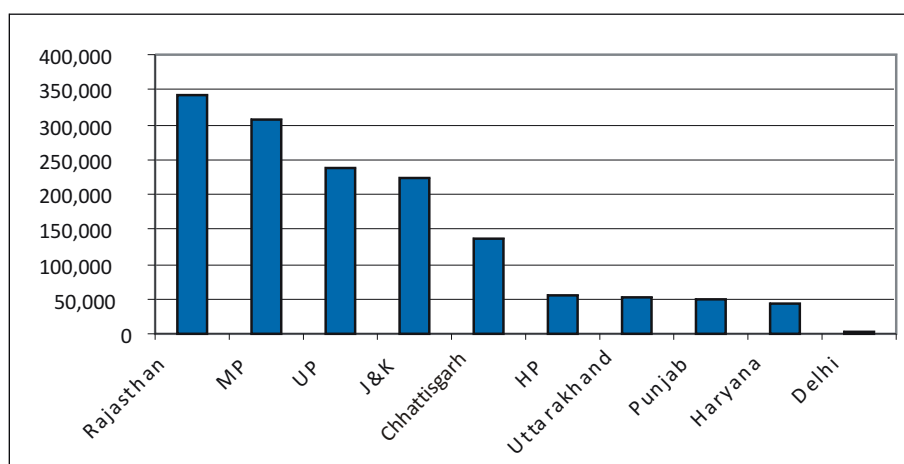
Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at current prices

Geographical Size

While Rajasthan is the largest state with 342236 sq km, it is followed by MP and UP with an area of 308144 sqkm and 238556 sqkm respectively. Delhi is by far the smallest, with an area of 1483 sqkm.

Geographical Size of the Northern & Central States (Sqkm)

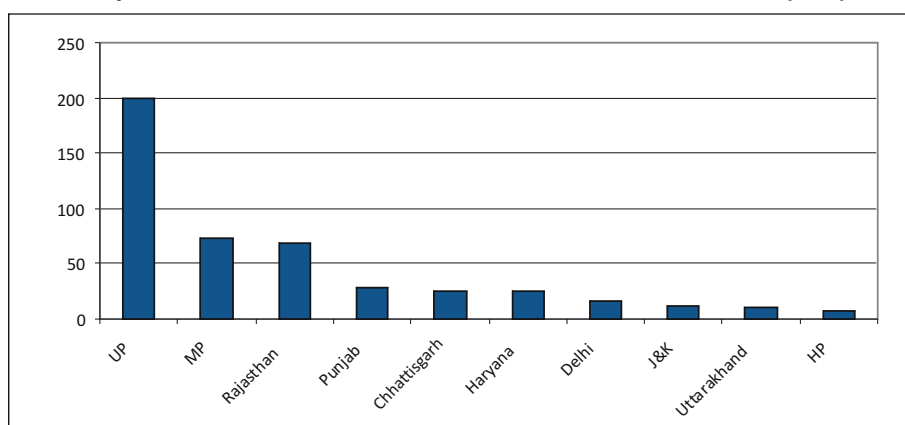


Source: PHD Research Bureau, compiled from various sources

Population Size

UP is the most populous state with a population of 199.5 mn, followed by MP with a population of 72.6 mn. The largest state of Rajasthan (in size) has the third largest population of 68.6 mn. HP is the least populous state with 6.9 mn people. The northern and central states together constitute about 38.5% of India's total population.

Population in the Northern & Central States (Mn)

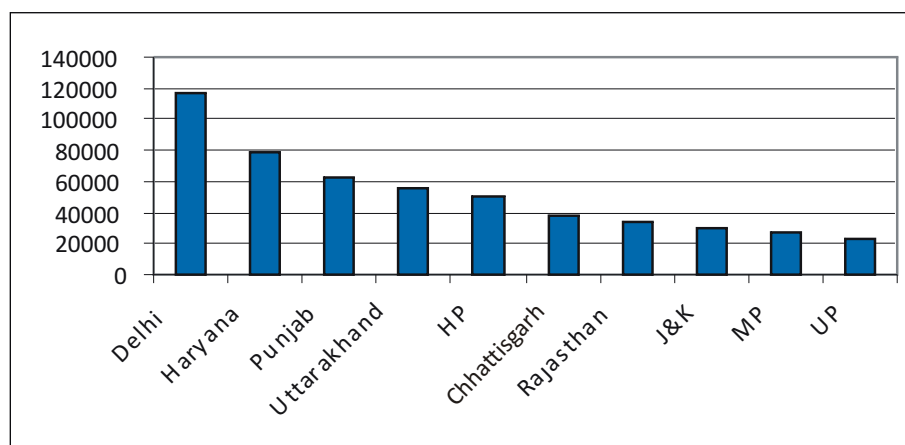


Source: PHD Research Bureau, compiled from Census 2011, Ministry of Home Affairs, Govt. of India

Per- capita Income of States

The nominal per capita income of states is led by Delhi with Rs117,000 followed by Haryana at Rs78,781 and Punjab at Rs62,153. The per- capita income of Uttarakhand and HP lie within the range of Rs.50,000 to Rs.60,000 and Chhattisgarh, Rajasthan and J&K lie within the range of Rs.30,000 to Rs.40,000. The states of MP and UP rank last with lowest per capita incomes of Rs 27,250 and Rs23,132 respectively.

Per- capita Income of Northern & Central States (Rs.)



Source: PHD Research Bureau, compiled from various sources

Note: Data pertains to 2010 at current prices

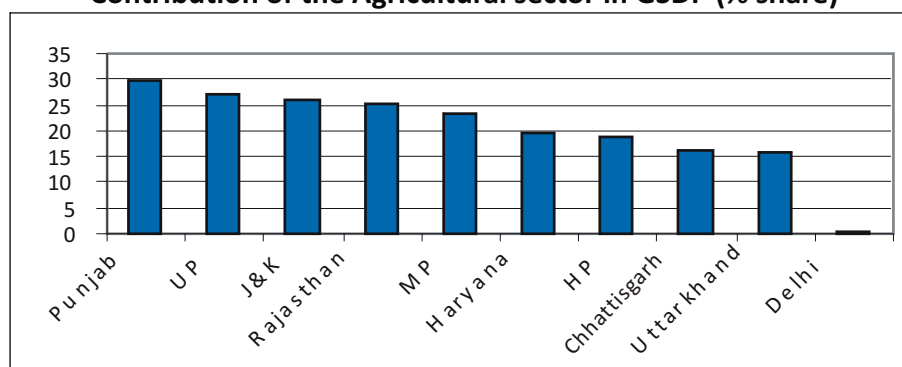
2. Economic Structure

Sectoral Contribution in States' Economy

Most of the states are dominated by the services sector², with exceptions of Chhattisgarh and Himachal Pradesh for which the industrial sector has the largest contribution. The industrial sector assumes second position in the states of UP, Rajasthan, Haryana, Delhi, Uttarakhand and J&K. The agriculture sector exceeds the industry in Punjab and MP.

The contribution of the agriculture in GSDP varies from 0.53% in Delhi to 29.75% in Punjab. Agriculture contributes considerably in UP, J&K and Rajasthan with the share of more than 25% and in MP and Haryana with around 20%. HP, Chhattisgarh and Uttarakhand post agricultural contribution of less than 20%.

Contribution of the Agricultural sector in GSDP (% share)

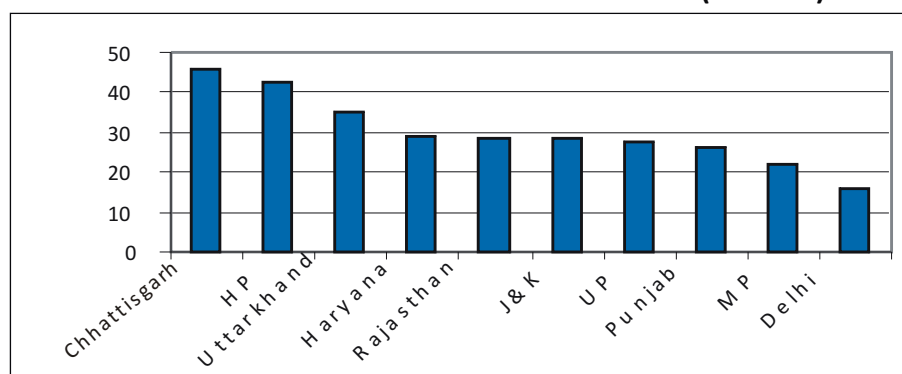


Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at constant prices

Industry captures a decent share in most of the states. While Chhattisgarh leads with highest share of around 46% of GSDP by the industry sector, Delhi has the lowest share with around 16%. Industry contributes very high proportion to the economies like Uttarakhand and HP which ranges within 35% to 43% and for the economies like Punjab, UP, J&K, Rajasthan and Haryana, the share ranges within 25% to 30%.

Contribution of the Industrial sector in GSDP (% Share)

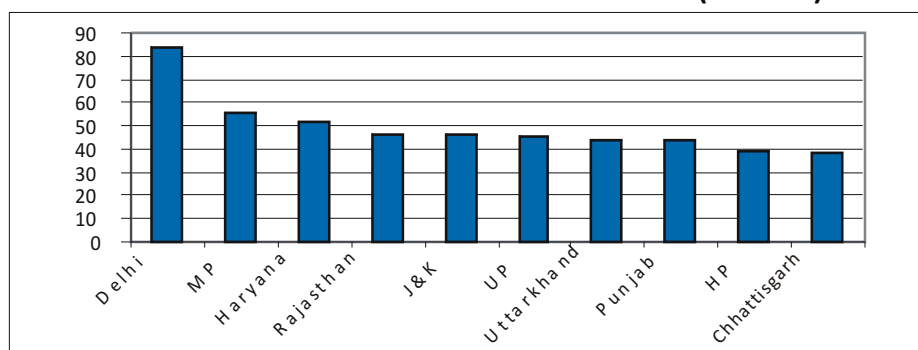


Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at constant prices

The services sector captures a lion's share in almost all states with its contribution ranging from 38.3% in case of Chhattisgarh to 83.46% in the case of Delhi. The average share of services stands at 50%, which is high. Delhi has by far outperformed all states in this sector, however, the share for MP, Haryana and Rajasthan at 55.5%, 51.37% and 46.36% respectively are also quiet high. HP and Chhattisgarh (at about 39%), post the lowest share of services sector among the states.

Contribution of the Services sector in GSDP (% Share)



Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at constant prices

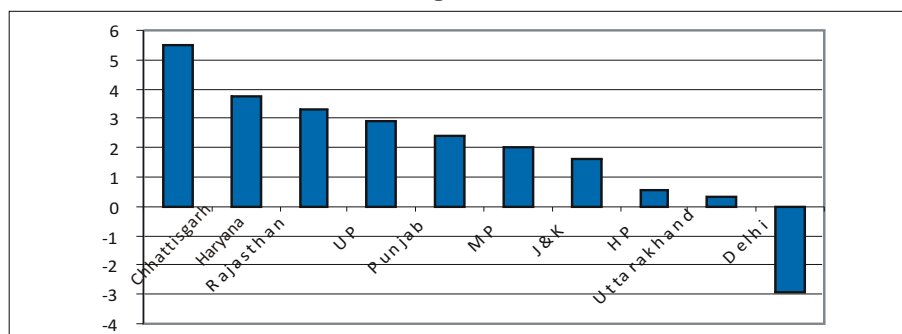
Sectoral growth

Sectoral Growth³ of agriculture, Industry and Services has been analysed according to the latest available data. Chhattisgarh registers the highest growth rate in agriculture, Uttarakhand registers the highest growth rate in industry while Delhi posts the highest growth in services.

Agriculture Sector

Chhattisgarh marks the highest growth in agriculture and allied sector of about 5.5% followed by Haryana at 3.8%, Rajasthan at 3.3%, UP at 2.9% and Punjab at 2.4%. Delhi has a negative growth rate of around 3%.

Growth of Agricultural sector



Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

² Agriculture: Agriculture, forestry & logging and Fishing

Industry: Mining & quarrying, Manufacturing, Electricity, gas & water supply and construction

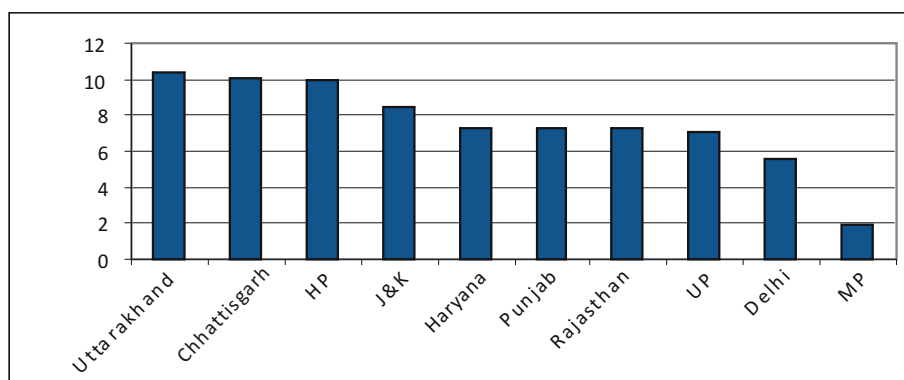
Service: Trade, hotel & restaurant, transport, storage & communication, Finance, Banking & insurance, Real estate, ownership of dwell and bus service, Community service & personal service, public admin & defence and others

³ The growth figures have been compiled from compounded average of growth over FY05-FY09 at constant prices

Industrial Sector

The growth rate of industry in all the States has been moderate. While the newly formed states of Uttarakhand and Chhattisgarh show healthy performance in the sector with above 10% growth, MP marks an extremely stagnant growth of less than 2%.

Growth of Industrial Sector

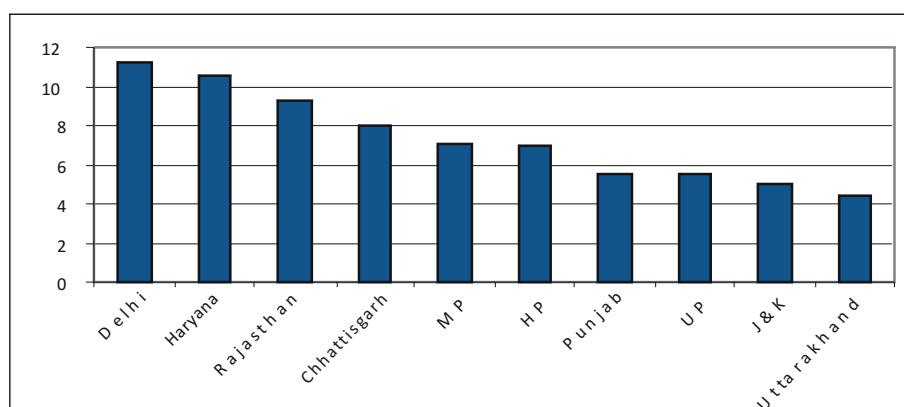


Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Service Sector

The growth rate in the service sector is very robust in the states. Delhi has shown a huge development in this sector with 11.23% growth. In fact this is the reason why despite the state being agriculturally and industrially weak, it has a decently good economic size and healthy growth rates. Delhi is followed by Haryana and Rajasthan which have achieved growth rates of 10.5% and 9.3% respectively. The growth of services is rather stagnant in states of UP, J&K and Uttarakhand which hover around 5%.

Growth of Services Sector



Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

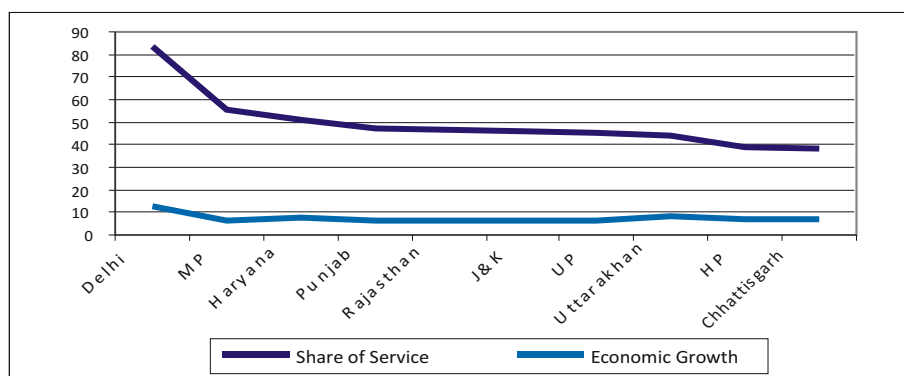
Critical Growth Drivers

It was observed that service sector is an important growth driver and the manufacturing sector is relatively stagnant while agriculture productivity varies significantly among states.

Services Drives Growth

The contribution by the services sector and economic growth of states follow the same trend. In other words, the states with the strongest service sectors like Delhi and Haryana are the fastest growing economies.

Trend in Economic Growth vis-à-vis share of Services in GSDP



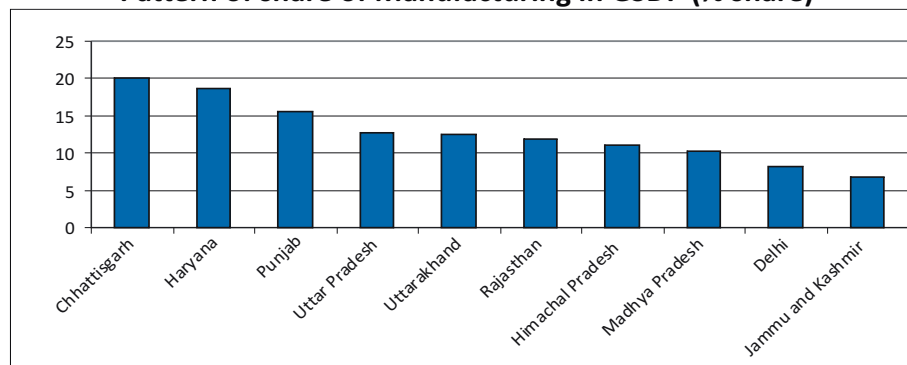
Source: PHD Research Bureau, compiled from National Income Statistics, CMIE, July 2010

Note: Data pertains to 2008-09 at constant prices

Manufacturing Activity Stagnant

The share of manufacturing sector in states has been rather lackluster. Chhattisgarh at 20%, Haryana at 18.6% and Punjab at 15.5% still put up a decent show with a share over the national average of around 16%. Other states like UP, Uttarakhand, Rajasthan, HP, MP, which lie within the range of 11% to 13%, fall below the national average. Delhi and J&K have low share of manufacturing.

Pattern of share of Manufacturing in GSDP (% share)



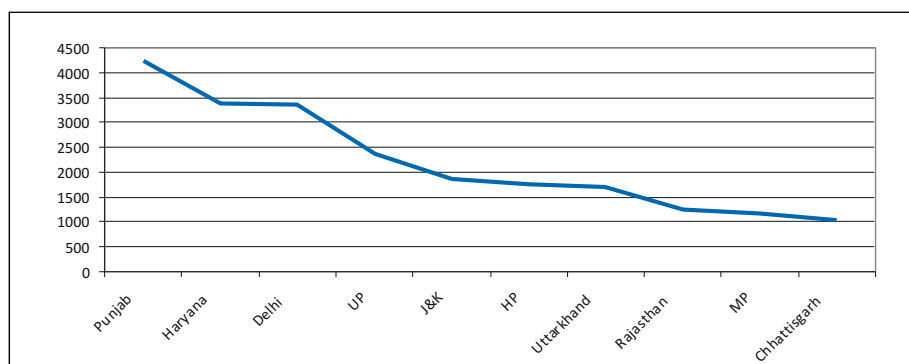
Source: PHD Research Bureau, compiled CSO estimates as on 12-04-2010

Note: Data pertains to 2007-08 at constant prices

Agriculture Productivity Varies

Punjab and Haryana, better known as the wheat basket of India, have the highest yield of food grains with 4231 kg per hectare and 3388 kg per hectare, respectively. While Delhi and UP lie above the national level of 1909 kg per hectare, J&K, HP and Uttarakhand fall slightly below. Rajasthan, MP and Chhattisgarh have lowest productivity of food grains with less than 1300 kg per hectare.

Yield of food grain production (kg/ Hectare)



Source: PHD Research Bureau, compiled from Ministry of Agriculture, GOI

Note: Data Pertains to 2008-09

3. Ranking of the States

Composite Ranking

The composite ranking of states, studies performance of states under the parameters of Investment Environment, Macro-economy, Agriculture, Consumer Markets, Primary Education, Infrastructure, Governance and Primary Health. Each state had been scored out of 10 (10 being highest and 0 being lowest), based on their overall performance in the above mentioned parameters.

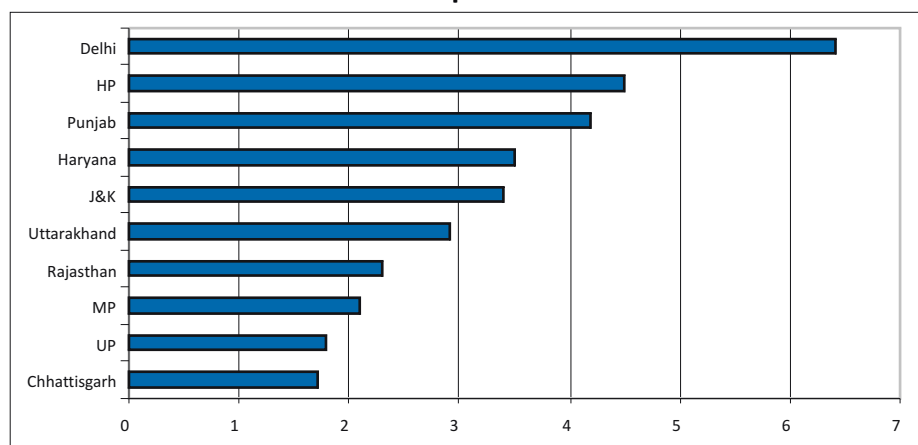
State-wise Scores on Socio-economic Parameters

Parameters	Investment Environment	Macro Economy	Agriculture	Consumer Markets	Primary Education	Infrastructure	Governance	Primary Health	Composite Score
Chhattisgarh	2.5	2.8	0.7	1.6	2.6	1.8	0.9	1.1	1.7
Delhi	8.6	7.3	2.3	9.8	4.4	13.7	1.2	4.0	6.4
Haryana	4.0	4.1	5.7	3.0	3.0	5.8	1.0	1.3	3.5
HP	7.4	5.2	1.3	3.5	6.8	7.1	1.5	3.3	4.5
J&K	4.3	4.0	1.2	3.1	4.4	5.1	1.1	3.8	3.4
MP	1.9	1.6	1.6	1.5	2.6	4.4	1.6	1.4	2.1
Punjab	3.3	3.2	9.3	4.1	3.3	7.1	0.7	2.3	4.2
Rajasthan	1.9	2.1	1.8	2.3	2.5	4.8	1.5	1.5	2.3
UP	1.7	1.4	1.9	1.6	2.1	3.7	0.6	1.2	1.8
Uttarakhand	4.9	2.8	1.8	2.4	5.2	2.9	0.6	2.4	2.9

Source: PHD Research Bureau, compiled from India Today, November 29, 2010, an article by Bibek Debroy and Laveesh Bhandari

While HP topped in Investment environment and Primary Education, Delhi stands ahead in terms of Macro- economy, Consumer Markets, Infrastructure and Primary Health, Punjab has performed the best in Agriculture while MP topped in Governance.

State Composite Scores



Source: PHD Research Bureau, compiled from India Today, November 29, 2010, an article by Bibek Debroy and Laveesh Bhandari

Based on all the parameters, with highest overall score Delhi has been placed first according to the composite ranking, followed by HP, Punjab and Haryana, while, Chhattisgarh, with the lowest score has been placed at last.

Economic Freedom Index

An overall ranking for the states have been arrived at according to the Size of State, Legal System and Business Regulations and in each of the parameters, the 20 states under consideration were ranked between 1 to 20. The study compares the status of the states in 2005 and 2009.

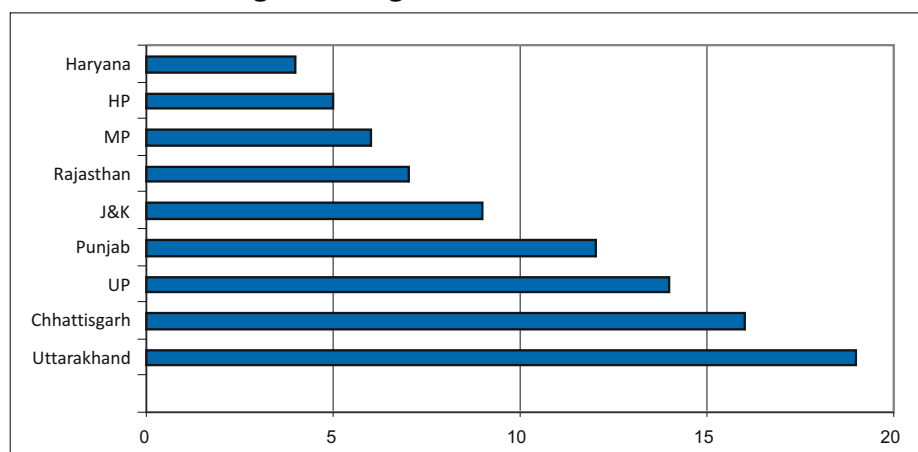
State-wise Ranks based on Degree of Economic Freedom

States	Size of State		Legal System		Business/ Labour regulation		Overall	
	2005	2009	2005	2009	2005	2009	2005	2009
Chhattisgarh	17	19	6	6	20	20	16	16
Haryana	7	3	3	7	11	7	4	4
HP	1	10	4	8	7	5	3	5
J&K	20	14	14	13	8	4	15	9
MP	14	17	2	2	3	11	2	6
Punjab	8	5	9	11	13	18	6	12
Rajasthan	18	13	5	4	14	16	12	7
UP	10	18	10	9	19	10	14	14
Uttarakhand	13	20	15	14	12	15	17	19

Source: PHD Research Bureau, compiled Economic Freedom of the States of India 2011 by Bibek Debroy, Laveesh Bhandari and Swaminathan Aiyar

Among the states under consideration, Haryana is placed highest in Economic Freedom, with the rank of 4th and Uttarakhand is placed last with the rank of 19th according to the overall ranking of the states for FY09. It is observed that the situation of J&K and Rajasthan had improved over FY05 to FY09 due to their progress in size of state and business regulations, however, MP and Punjab deteriorated due to failing business regulations. Haryana, UP and Chhattisgarh remained stable during the period.

Ranking according to Economic Freedom Index

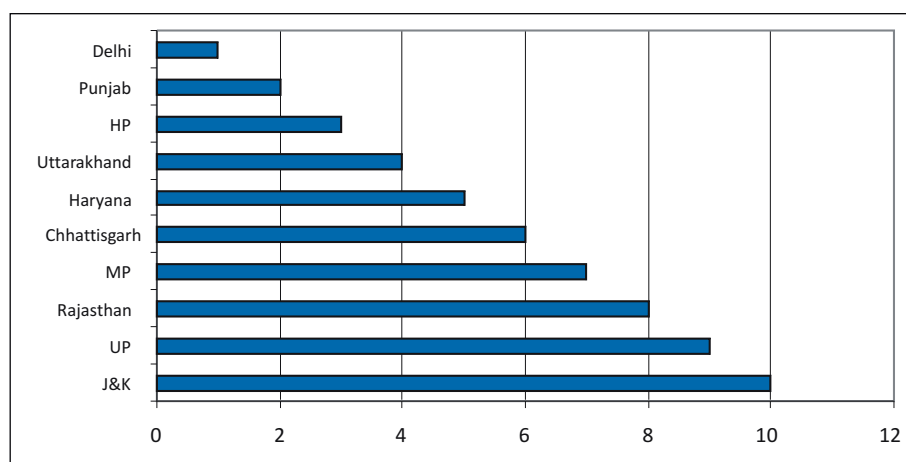


Source: PHD Research Bureau, compiled Economic Freedom of the States of India 2011 by Bibek Debroy, Laveesh Bhandari and Swaminathan Aiyar

States' Competitiveness

The competitiveness report ranked states according to several parameters like Economic Strength, Business Efficiency, Governance Quality, Human Resources and Infrastructure. Delhi ranked highest with best performance in these indicators followed by Punjab, HP and Uttarakhand. J&K ranked lowest preceded by UP and Rajasthan.

Ranking according to State Competitiveness



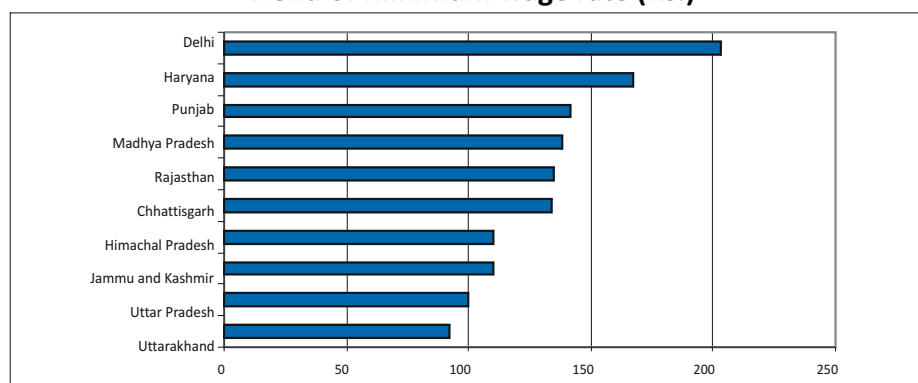
Source: PHD Research Bureau, compiled from State Competitiveness Report 2004, National Productivity Council, New Delhi

4. Cost of Doing Business

Labour Wage Rate

Delhi has the highest wage rate⁴ of Rs.203 per day while Haryana and Punjab follows with Rs.167.23 and Rs.141.98, respectively. UP and Uttarakhand have lowest labour wage rates with Rs.100 and Rs.92 respectively. The disparity in wage rates in various states is due to differences in socio-economic conditions, prices of essential commodities, paying capacity, productivity and other local conditions, influencing the wage rate.

Trend of minimum wage rate (Rs.)



Source: PHD Research Bureau, compiled from Directorate General of Employment & Training, Ministry of Labour, GOI

Note: Data Pertains to 2011

Electricity Tariff

Electricity tariffs vary from 124 to 562 paisa/KW for domestic consumption and from 286 to 561 paisa/KW for industrial consumption. While Punjab, MP and Haryana have relatively high domestic and industrial tariffs, Delhi, Chhattisgarh, and UP have high industrial tariff.

Average Rate of Electricity (Paisa/ KW)

States	Effective from	Domestic 4KW	Large Industry 1000 KW
Chhattisgarh	01-07-09	230.63	405.87
Haryana	01-09-01	422.10	470
HP	01-09-09	282.61	365.55
J&K	01-04-08	203.09	285.58
MP Urban	06-08-09	562.19	470.48
MP Rural	06-08-09	526.56	Not Applicable
Punjab	01-04-09	447.25	486.30
Rajasthan Urban	01-01-05	396.88	463.83
Rajasthan Rural	01-01-05	363.81	Not Applicable
UP Urban	01-04-08	384	507.37
UP Rural	01-04-08	124	429.21
Uttarakhand	01-03-08	218.75	393.48
Delhi BYPL/BRPL/NDPL	07-06-09	351.75	561.13
Delhi NDMC	01-07-09	254.10	524.07

Source: PHD Research Bureau, compiled from Economic Survey 2010-11

Note: The above rates of electricity are for certain assumed load and electricity consumption levels in a month.

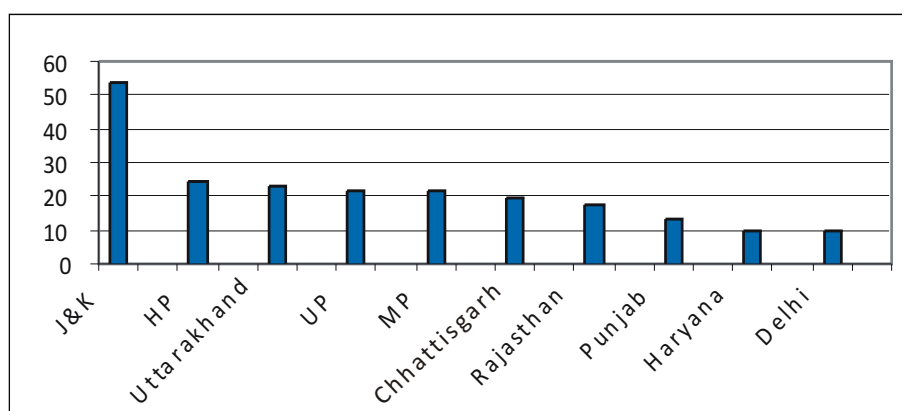
* Information pertains to latest data available, as per Economic Survey 2010-11, GOI

5. Fiscal Performance

Revenue Receipts

J&K has the highest Revenue Receipts as a percentage of GSDP at 53.4% which exceeds HP, Uttarakhand, UP and MP for which the ratio varies from 21% to 24%. Delhi and Haryana mark the lowest ratios with about 10% each.

Revenue Receipts as a Percentage of GSDP



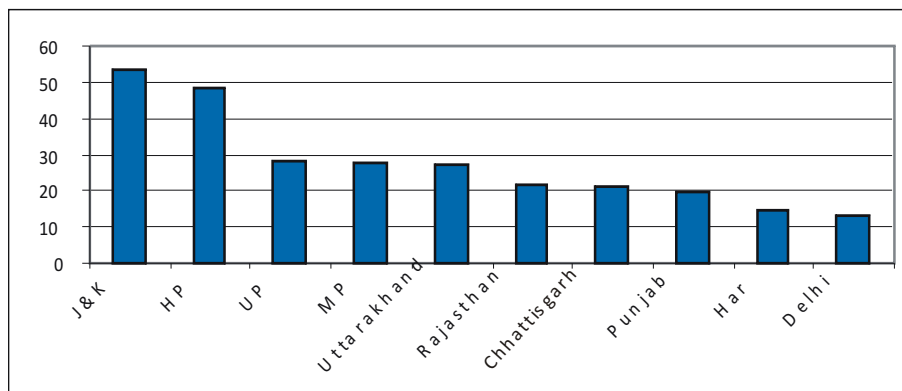
Source: PHD Research Bureau, compiled from RBI

Note: Data Pertains to 2010-11

Expenditure

Aggregate expenditure of J&K as a percentage of GSDP is the highest at 53.61% followed by HP at 48.52%. These states are followed by UP, MP and Uttarakhand at 28%, 27.8% and 27% respectively. Delhi marks the lowest in this regard with 13%.

State-wise Aggregate Expenditure as a Percentage of GSDP

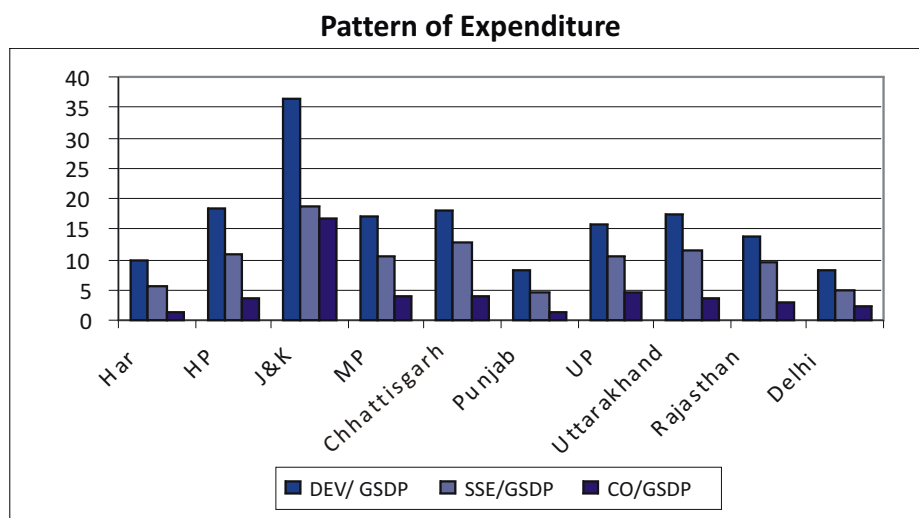


Source: PHD Research Bureau, compiled from RBI

Note: Data Pertains to FY 09

⁴ The Minimum Wage Rate for Unskilled Labour in states, Ministry of Labour, GOI

Total expenditure comprises three important parameters, viz, Development Expenditure, Social Sector Expenditure and Capital Outlay. J&K spends the maximum in development and social sectors with 36.4% and 18.6% of GSDP respectively. This is followed by HP with 18.3% and 10.9% of the GSDP in development and social sector expenditure, respectively.

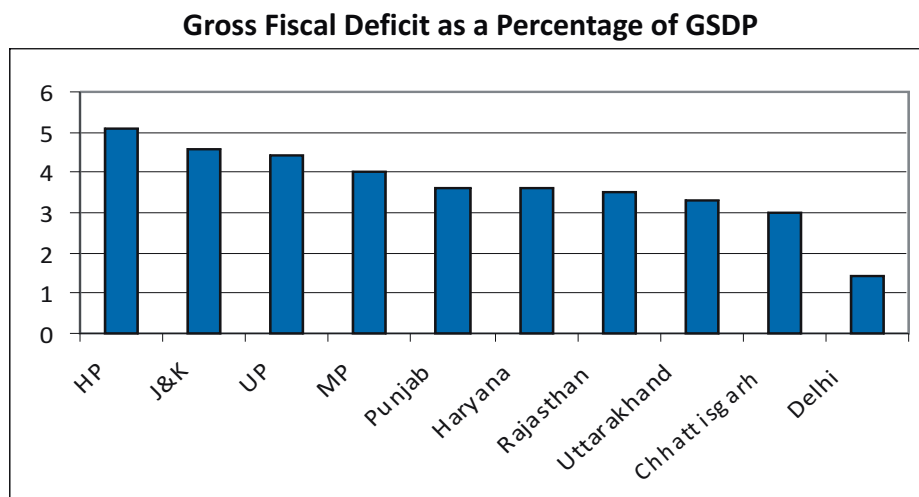


Source: PHD Research Bureau, compiled from 'State Finances: A study of Budgets 2010-11'

Note: Data Pertains to 2010-11

Fiscal Deficit

Delhi has posted the lowest Gross Fiscal Deficit (GFD) at 1.4% of the GSDP followed by Chhattisgarh at 3% and Uttarakhand at 3.3%. HP has posted the highest GFD/ GSDP ratio at 5.1% followed by J&K at 4.6% and UP at 4.4%. While Punjab and Haryana have relatively high Revenue Deficits, Chhattisgarh has very high Primary Deficit.



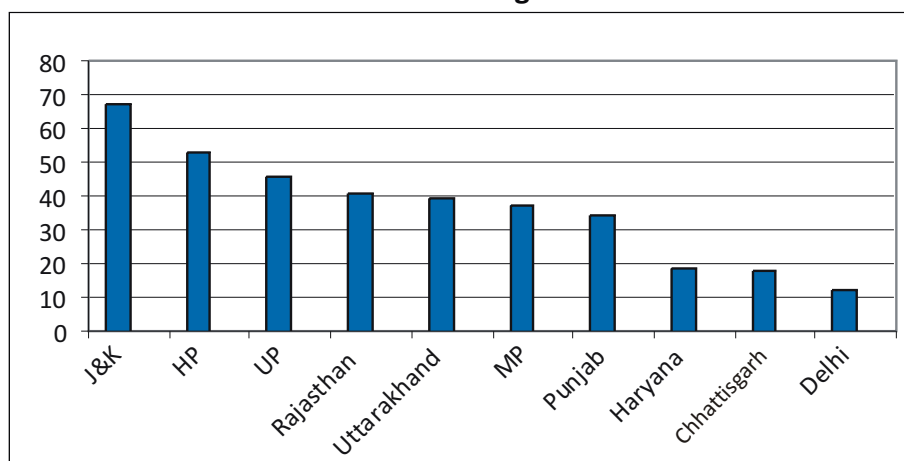
Source: PHD Research Bureau, compiled from 'State Finances: A study of Budgets 2010-11'

Note: Data Pertains to 2010-11

Debt

J&K is the most indebted state with a debt-GSDP ratio of 67% followed by HP at 53.2% and UP at 45.8%. Delhi and Chhattisgarh has lowest debt burden with less than 20% of their GSDP. Delhi has done significantly well in terms of its diminishing debt burden over last few years.

Debt as a Percentage of GSDP



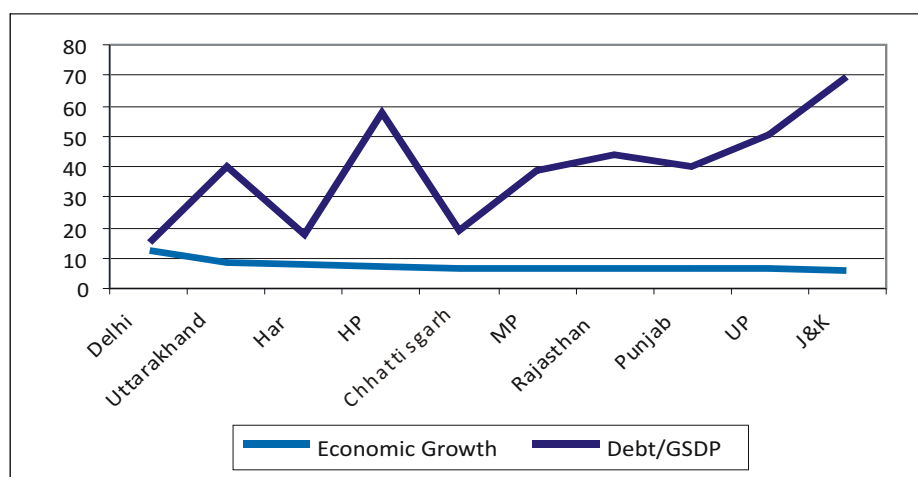
Source: PHD Research Bureau, compiled from 'State Finances: A Study of Budgets 2010-11'

Note: Data Pertains to 2010-11

The faster growing economies have lower Debt Burden

With few exceptions, the states which have higher economic growth like Delhi and Haryana have lower debt/GSDP ratios. On the other hand states like UP and J&K having stagnant growth have high debt burdens.

Economic Growth of States vis-à-vis Debt Burden

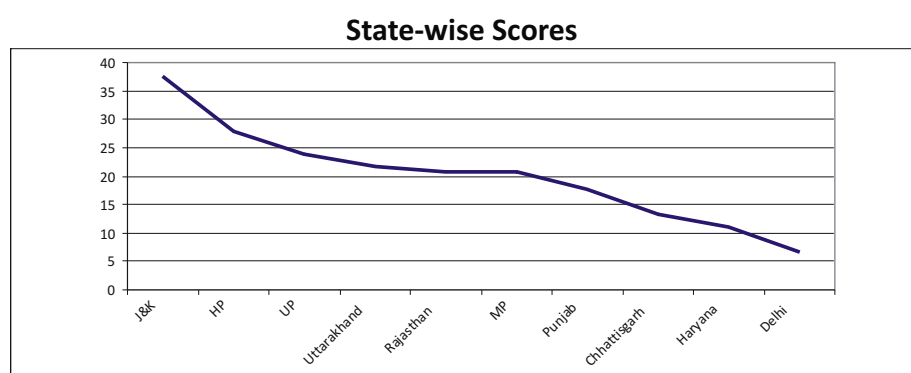


Source: PHD Research Bureau, compiled from 'State Finances: A Study of Budgets 2010-11'

Note: Data Pertains to FY 09

Fiscal Scorecard

A composite fiscal score for each state under the study has been calculated to arrive at an index of fiscal performance of the state in recent years. A simple average of the three parameters, viz, Gross Fiscal Deficit/ GSDP, Revenue Expenditure/ GSDP and Debt/ GSDP for each of the State was taken as an indicator. It is devised in a manner that the states close to x-axis have strong fiscal scenario and vice versa. Faster growing states like Delhi, Haryana and Chhattisgarh are fiscally strong and have scored well in the index while states with stagnant growth rates have weaker fiscal position.



Source: PHD Research Bureau, compiled from 'State Finances: A Study of Budgets 2010-11'

Note: Data Pertains to 2010-11

In conclusion, Delhi has shown strong fiscal health by posting lowest deficit and debt burdens. While J&K, HP and UP have posted highest deficits and debt burdens, Chhattisgarh and Haryana have performed well in both the parameters. J&K and HP have high revenue receipts and expenditures which are low in the cases of Haryana and Punjab.

6. Investment Outlook

Proposed Industrial Investment vary from as high as Rs285583 crores to as low as Rs130crores. Chhattisgarh and Madhya Pradesh have highest industrial investment proposals followed by Rajasthan, UP and Haryana. J&K and Delhi show lowest industrial investment proposals.

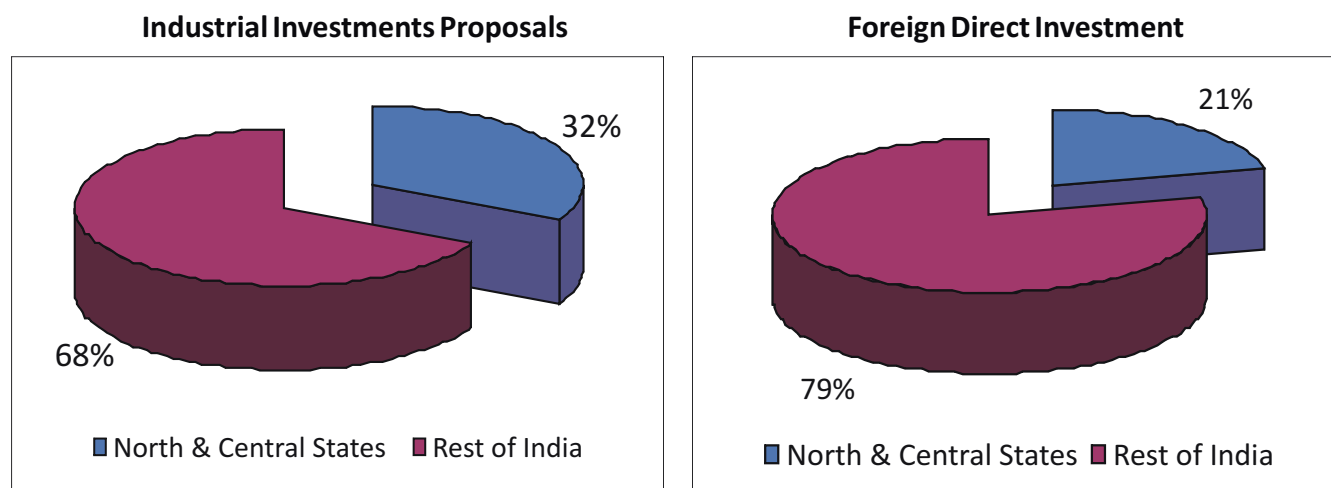
Industrial Investment Proposals

States	Proposed industrial investments in 2010 (RS. Crore)
Chhattisgarh	285583
MP	204286
Rajasthan	29700
UP	13793
Haryana	10436
Uttarakhand	7997
Punjab	6779
HP	3580
J&K	1234
Delhi	130

Source: PHD Research Bureau, compiled from DIPP, Ministry of Commerce & Industry, GOI

Industrial Investment & FDI as a Percentage of India's total Investments

While the Industrial Investment Proposals in the north and central states comprise 32% of the total proposals in India, the inflow of Foreign Direct Investment in the states constitute 21% of total inflows in the country.



Source: PHD Research Bureau, compiled from DIPP, Ministry of Commerce & Industry, GOI

Foreign Direct Investment Equity Inflows in States

States of Delhi, Haryana, Punjab and Chandigarh are economies which are most attractive investment destinations. Delhi, parts of UP and Haryana have together attracted Rs111,352 crores of FDIs. Chandigarh, Punjab, Haryana and Himachal Pradesh have together attracted FDI of Rs. 4,176 crores. Rajasthan has also shown considerable openness with FDI of Rs.2421 crores, as alone it just falls a little short of MP and Chhattisgarh together and higher than UP and Uttarakhand.

Pattern of flow of FDI in states

Region	Cumulative inflow from 2000 to 2010 In Crores (US\$ in million)
Delhi, part of UP and Haryana	111,352 (24,571)
Chandigarh, Punjab, Haryana, Himachal Pradesh	4,176 (912)
Madhya Pradesh, Chhattisgarh	2,828 (614)
Rajasthan	2,421 (514)
Uttar Pradesh, Uttarakhand	742 (162)

Source: PHD Research Bureau, compiled from DIPP, Ministry of Commerce & Industry, GOI

7. Infrastructure

Road

Delhi with world class infrastructure has 19706kms under roads, per 1000 sqkm area, marking one of the highest road densities in India. The states of UP, Punjab and Uttarakhand have high road densities with 1193.26kms, 897.06kms and 766kms per 1000square kms of area, respectively. The road densities vary in the range of 500-600kms for Chhattisgarh, MP and Rajasthan. J&K marks the lowest with only 100.44kms of road, per 1000 sqkm area.

Roads Length in states

States	Total road Length (Km)	Surfaced road Length (km)	Road Length (km) /000 (sq.km) area
Chhattisgarh	74434	43528	550.57
Delhi	29559	20873	19706
Haryana	29726	27703	672.35
HP	36298	21197	651.98
J&K	22323	10141	100.44
MP	165740	82426	537.86
Punjab	45178	37487	897.06
Rajasthan	171479	123594	501.05
UP	284673	202492	1193.26
Uttarakhand	41041	20192	766.17

Source: PHD Research Bureau, compiled from Basic Road Statistics, 2004-05, 2005-06, 2006-07, 2007-08

Note: Data pertains to 2008

Railway

Rail route length varies from 1.15kms to 122kms per 1000 square kms. Delhi marks the highest with 122 kms followed by Punjab at 42.35kms, UP at 36.57kms and Haryana at 35.12kms. As far as the other states are concerned, the Rail length varies between 1.15kms to 16.88kms per 1000 square kms. The hilly states of Uttarakhand and J&K have poor coverage under railway.

Railway Length in states

States	Railway Route Length (km)	Rail Length(km)/000 (sq.km) area
Chhattisgarh	1186	8.77
Delhi	183	122
Haryana	1553	35.12
HP	296	5.31
J&K	256	1.15
MP	4948	16.05
Punjab	2133	42.35
Rajasthan	5780	16.88
UP	8726	36.57
Uttarakhand	345	6.44

Source: PHD Research Bureau, compiled from Year Book 2009-10, Indian Railways

Note: Data pertains to 2009-10

Civil Aviation

UP has performed the best in case of civil aviation with 6 airports including 2 international airports, followed by Rajasthan with 6 airports including 1 international airport and Punjab with 4 airports including 1 international airport. J&K has 3 domestic airports including 1 international airport while, Delhi has 2 domestic including 1 international airport. HP and MP have 3 domestic airports each and Chhattisgarh and Uttarakhand have 2 domestic airports each. Haryana does not have any airports, for which the reason could be its close proximity to Delhi.

Number of airports in states

States	Domestic Airports	International Airports
Chhattisgarh	2	0
Delhi	2	1
Haryana	0	0
HP	3	0
J&K	3	1
MP	3	0
Punjab	4	1
Rajasthan	6	1
UP	6	2
Uttarakhand	2	0

Source: PHD Research Bureau, compiled from India Brand Equity Foundation (IBEF)

Power Generation

The total installed capacity for energy is the highest in the larger states of Rajasthan (5.86 GWs), UP (5.48 GWs) and Punjab (5.14 GWs). MP (4.80 GWs), Chhattisgarh (4.00 GWs) and Haryana (3.58 GWs) have also a reasonably high installed capacity. Most of the states have major contributions from thermal energy sources as the thermal power capacities are on the higher side for states. Serious attempts to harness hydro energy have been made in some states. The states have a long way to go in case of generation of renewable energy.

State-wise total installed generation capacity of electricity (In GW)

States	Hydro	Thermal	Renewable	Total
Chhattisgarh	0.12	3.66	0.22	4.00
Delhi	0.00	0.74	0.00	0.74
Haryana	0.88	2.62	0.08	3.58
HP	0.78	0.00	0.28	1.06
J&K	0.78	0.18	0.13	1.09
MP	1.70	2.81	0.29	4.80
Punjab	2.23	2.63	0.28	5.14
Rajasthan	0.99	3.94	0.93	5.86
UP	0.52	4.37	0.59	5.48
Uttarakhand	1.65	0.00	0.13	1.79

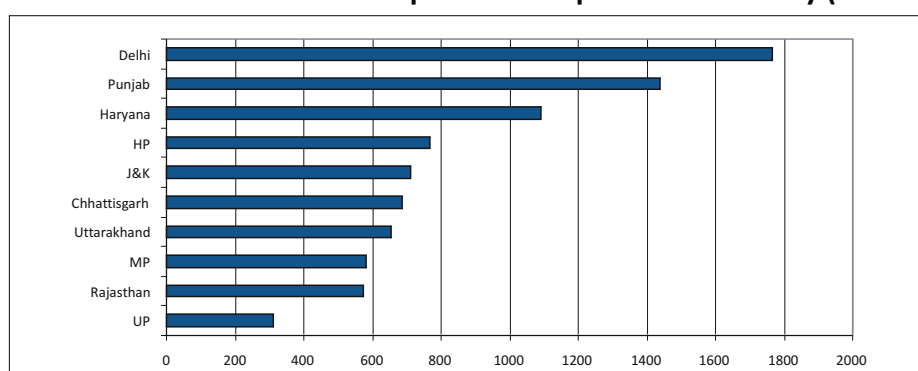
Source: PHD Research Bureau, compiled from Energy Statistics-2011, Ministry of Statistics & Programme Implementation.

Note: Data Pertains to 31.3.2010

Energy Consumption

The per-capita consumption of electricity is highest in Delhi at around 1800 KWh, followed by Punjab and Haryana at 1436.8 KWh and 1090.4 KWh respectively. States of HP and J&K have per-capita energy consumption of 765.86 KWh and 711 KWh respectively, while Uttarakhand and Chhattisgarh hover around the national per-capita consumption level of about 650 KWh. MP, Rajasthan and UP fall below the national level with relatively low per-capita consumption. In all, the northern and central states have put up a good performance as compared to the national average.

State-wise Gross Annual Per-capita Consumption of Electricity (In KWh)



Source: PHD Research Bureau, compiled from Energy Statistics-2006, Ministry of Statistics & Programme Implementation

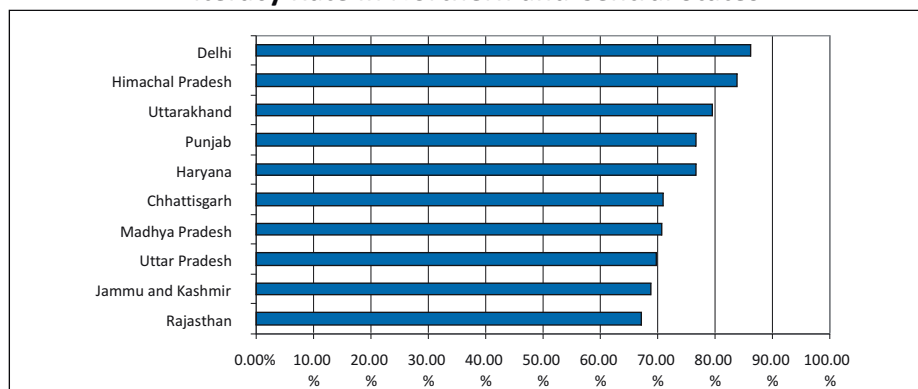
Note: Data Pertains to 2005-06

8. Social Sector

Literacy Rate

The Literacy Rate in states vary from 67% to 86.80%. Delhi leads with highest literacy rate of 86.30% followed by HP at 83.80%. Punjab and Haryana perform moderately with around 77% literacy rate. The bottom states are Rajasthan with 67.10%, J&K with 67.80%, UP with 69.70% and MP with 70.60%.

Literacy Rate in Northern and Central States

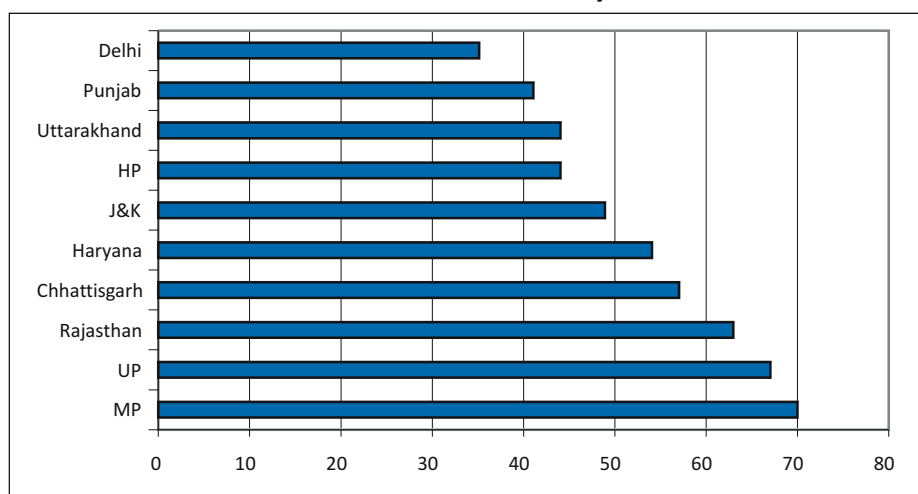


Source: PHD Research Bureau, compiled from Census 2011, Ministry of Home affairs, Govt. of India

Infant Mortality Rate

Delhi, Punjab, HP and Uttarakhand have the lowest IMR of 35, 41, 44 and 44 respectively, as on year 2008. MP has the highest IMR with 70 and UP has the second highest IMR with 60 infant deaths per thousand live births, respectively.

State-wise Infant Mortality Rates



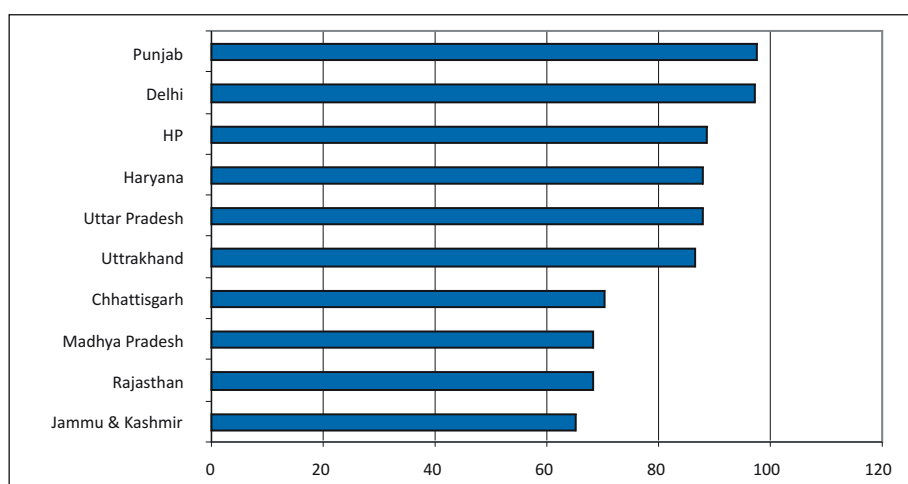
Source: PHD Research Bureau, compiled from Economic survey of India, 2010-11

Note: Data Pertains to 2008

Access to Safe Drinking Water

While Punjab and Delhi have proven to be very successful in providing safe drinking water to more than 97% of the people, MP, Rajasthan and J&K have provided only to less than 70%.

Provision of Safe Drinking Water (% Population)



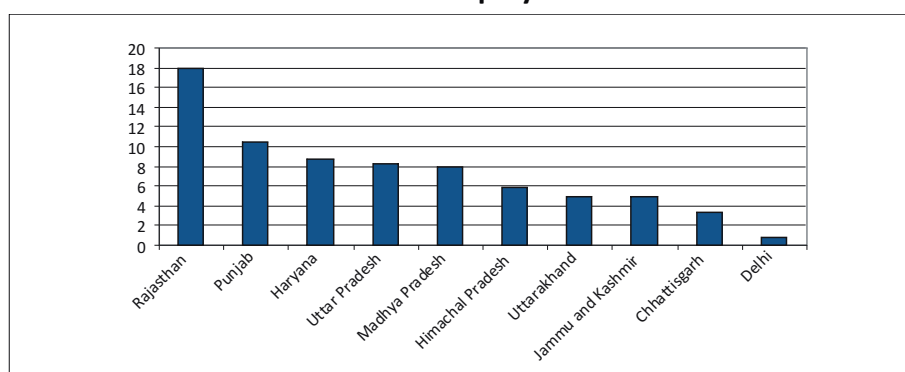
Source: PHD Research Bureau, compiled from Economic survey of India, 2010-11

Note: Data pertains to 2001

9. Poverty & Unemployment

Unemployment rate (UR) of an economy is defined as the number of persons unemployed per 1000 persons in the labour force (employed & unemployed) expressed as percentage. The unemployment rates in states during 2010, vary from 0.8% to 18% compared to the national unemployment rate at 9.4%. The rate is highest in case of Rajasthan at 18% followed by Punjab at 10.5%, Haryana at 8.7% and UP at 8.2%. Uttarkhand, J&K, Chhattisgarh and Delhi have unemployment rates less than 5%. Delhi marks an excellent performance with unemployment rate lowest in the country at 0.8%.

State-wise Unemployment rates



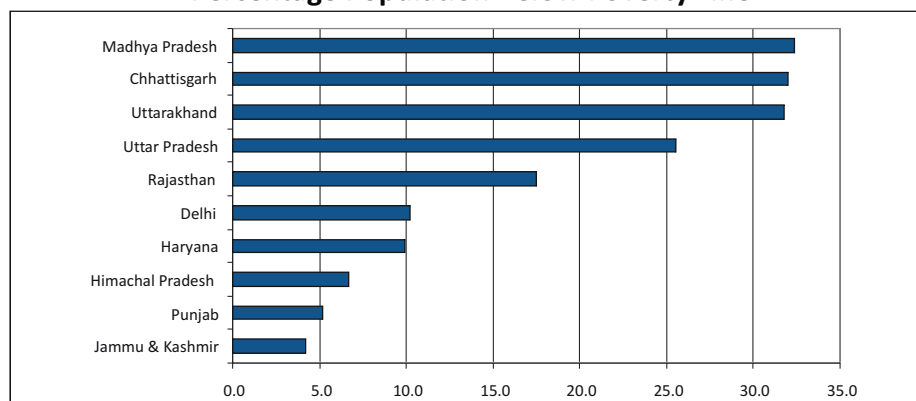
Source: PHD Research Bureau, compiled from Report on Employment & Unemployment 2009-10, Ministry of Labour & Employment.

Note: Data pertains to 2010

Incidence of Poverty in states

The incidence of poverty is best described by the population Below Poverty Line (BPL). The BPL population in 2004-05 was highest in Madhya Pradesh followed by Chhattisgarh and Uttarakhand with more than 30% of their population in the category. The percentage is relatively high in case of UP and Rajasthan at 25.5% and 17.5% respectively. In case of the other states like Delhi, Haryana, HP, Punjab and J&K, the percentage is around 10% below poverty line.

Percentage Population Below Poverty Line



Source: PHD Research Bureau, compiled from Planning Commission and NSSO 61st Round

Note: Data pertains to FY 05

10. State Development Index

Previous discussion analysed several parameters to figure out the performance of states and found that there are various commonalities between them. However, it was also observed that there exists a wide disparity between their performances under several parameters. For example, the ratio of Gross Fiscal Deficit/ GSDP ranges from 1.4% in Delhi to 5.1% in HP and the yield per hectare of food grains ranges from 1041 kg/hectare in Chattisgarh to 4231 kg/hectare in Punjab. It is also evident from the fact that UP has the lowest per-capita income of Rs23132 and Delhi with highest at Rs 117000. Thus, it is important to rate the states on a common platform, to provide one point information on the overall development of each state and their relative positions. With this at the backdrop, it was attempted to generate the State Development Indices to provide relative position of states on the basis of recent available and comparable data.

Methodology

The State Development Indices has been constructed to rank the northern and central Indian states according to an aggregate score derived from state-wise scores on seven parameters which constitute indicators of economic performance. The following relationship was arrived at:

$$Y = f(eg, cb, fd, ap, i, u, ss)$$

Where Y stands for 'Aggregate Score', eg stands for 'Economic Growth', cb stands for 'Cost of doing Business', fd stands for 'Fiscal Performance', ap stands for 'Agricultural Productivity', i stands for 'Infrastructure', u stands for 'Unemployment & Poverty' and ss stands for 'Social Sector'.

1. **Economic Growth:** The basic parameter of economic progress of a state is given by economic growth. The compounded average of economic growth from FY05 to FY09 has been used to neutralize the impact of sudden shocks in the economy.
2. **Cost of doing Business:** The cost of setting up business is one of the foremost criteria to decide investments in an economy. The investor friendliness of the environment can be quantified by cost of doing business. A low the cost of doing business, makes the state more investor friendly, whereas a high cost of doing business discourages them. The minimum wage rate for labours and electricity tariff for industries have been used to indicate the cost of doing business. Both the sub-criteria are given equal weightage.
3. **Fiscal Performance:** Fiscal stability of an economy is a primary criterion that indicates its economic health and its financial position. The ratio of Gross Fiscal Deficit/ GSDP has been used as an indicator to analyse the ability of the state to sustain its developmental activities and enhance them. A higher Gross Fiscal Deficit / GSDP ratio indicates the financial weakness of a state and vice versa.
4. **Agricultural Productivity:** All the states under consideration in the study are agrarian economies with large population dependencies on agriculture. Since a lot of people depend on the farm for their livelihood, farm productivity has been considered an important indicator for state development.
5. **Infrastructure:** Infrastructure is the basic framework of an economy and the prime mover of its progress. Three sub categories, viz, Road length/000 sqkm area, Rail length/000 sqkm area and Per-

capita energy consumption have been considered. Each of the sub categories has received equal weights.

6. **Unemployment & Poverty:** The degree of unemployment and level of poverty indicate the standard of living of the population. High unemployment and poverty indicates serious challenge to a state's economy and low values are good for it. Two sub categories, viz, unemployment rate and total BPL population, have been used to indicate the same and have been given equal weights.
7. **Social Sector:** This category indicates the degree of human development in states. Here again, three sub categories, viz, Per- capita Income, Literacy rate and Access to safe drinking water have been aggregated with equal weights.

Each of the states was given scores out of ten under the seven broad categories⁵. A bench mark based on the best performance under the seven categories was created in such a manner that the top scoring state received 100% score or 10 points. So the idea was to score states out of 10 with the bench mark of 10 which accrues to state with highest score or highest value in any parameter. In this pattern, the states were scored relative to the highest performer. Simple unitary method was used to compute the state-wise scores under each category.

Example: Scores for Agricultural Yield

	Yield	Estimated Benchmark	Scores ⁶
Punjab	4231	4231	10
Chhattisgarh	1041	4231	2.46

This illustration makes it clear that Chhattisgarh's score has been arrived at by scaling down Punjab's level (highest agricultural yield) which has been considered the bench mark with 10 points.

However, there are some parameters, high performance in which is inversely related to economic development and bear a negative sign, for example, Fiscal Deficit, Cost of doing Business or Unemployment & Poverty. All such variables have been scored in a separate way. To make them comparable to other variables, their values have been first deducted from 10 to arrive at estimated values. The next step is to score the states in such a manner that the highest value gets 10 points. The Aggregate Score is a cumulation of scores in the seven categories.

Example: Scores for Fiscal Performance

	Fiscal Deficit/GSDP	Estimated value	Estimated Benchmark	Score ⁷
HP	5.1	10-5.1=4.9	8.6	5.69
Delhi	1.4	10-1.4=8.6	8.6	10

⁵ Economic Growth, Fiscal Deficit & Agricultural Productivity have been given 10 points each; Cost of doing business has been given 10 points (Minimum Wages & Electricity Tariff 5 points each); Infrastructure has been given 10 points (Road length/000 sqkm area, Rail length/000 sqkm area and Per-capita energy consumption have been given 3.33 points each); Unemployment & Poverty has been given 10 points (unemployment rate & total BPL population have been given 5 points each); Social Sector has been given 10 points (Per-capita income, Literacy rate and access to safe drinking water have been given 3.33 points each)

⁶ Scores have been constructed by scaling the top performing state's value to 100%

⁷ Ibid

State Development Score-Card

States	Economic Growth	Cost of Doing Business*	Fiscal Performance	Yield of Foodgrains	Infrastructure*	Unemployment & Poverty*	Social Sector*	Aggregate
Delhi	10	7.56	10	7.91	10	9.69	9.99	65.15
Haryana	7.89	8.29	7.44	8	4.17	9.61	8.21	53.61
Punjab	4.93	8.3	7.44	10	4.02	9.46	8.06	52.21
Uttarakhand	6.59	9.24	7.79	4.05	1.54	8.36	7.62	45.19
HP	6.63	9.33	5.69	4.15	1.7	9.3	7.69	44.49
Chhattisgarh	8.36	8.91	8.13	2.46	1.63	8.41	6.23	44.13
J&K	4.92	9.9	6.27	4.37	1.54	9.8	5.75	42.55
UP	5.13	8.67	6.51	5.58	1.79	8.51	6.35	42.54
Rajasthan	7.11	8.51	7.55	2.98	1.62	8.43	5.89	42.09
MP	4.54	8.44	6.97	2.76	1.62	8.17	5.84	38.34

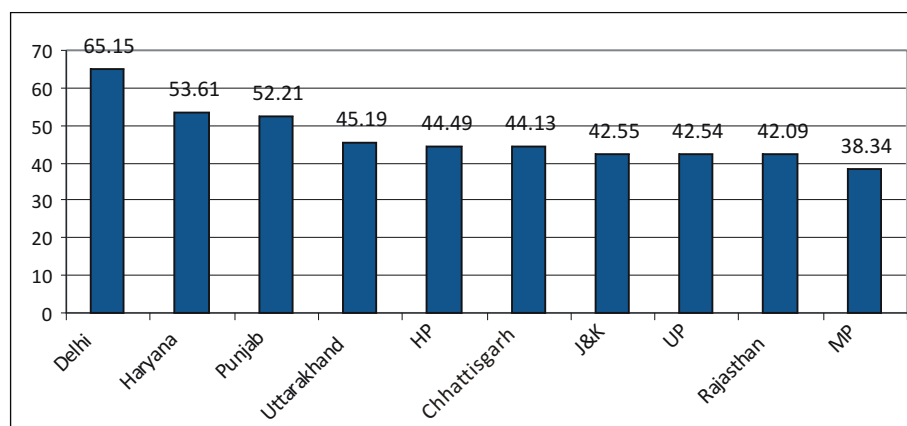
Source: PHD Research Bureau

*The best performing states may not receive 10 points due to weighted average

State Development Ranking

The states were ranked according to their aggregate scores derived from the state-wise scores in the seven parameters. Delhi leads the State Development Indices with highest aggregate score, driven by excellent performance in Infrastructure, Employment, Economic Growth and others.

Aggregate Scores of states



Source: PHD Research Bureau

Haryana and Punjab follow Delhi in the 2nd and 3rd position respectively, by exhibiting similar performance in almost all the indicators. Uttarakhand, HP and Chhattisgarh are ranked thereafter and mark promising performance in most of the fields apart from few weak areas. J&K, UP and Rajasthan secure the 7th, 8th and 9th positions respectively, with relatively poor fiscal and infrastructure scenario. MP is ranked 10th registering high fiscal deficits, high unemployment and poverty and a weak social sector.

Ranking of the States according to State Development Index

States	Overall rank	Economic Growth	Cost of Doing Business	Fiscal Performance	Yield of Foodgrains	Infrastructure	Unemployment & Poverty	Social Sector
Delhi	1	1	10	1	3	1	2	1
Haryana	2	3	8	5	2	2	3	2
Punjab	3	8	7	5	1	3	4	3
Uttarakhand	4	6	3	3	7	9	9	5
HP	5	5	2	10	6	5	5	4
Chhattisgarh	6	2	4	2	10	6	8	7
J&K	7	9	1	9	5	9	1	10
UP	8	7	5	8	4	4	6	6
Rajasthan	9	4	9	4	8	7	7	8
MP	10	10	6	7	9	7	10	9

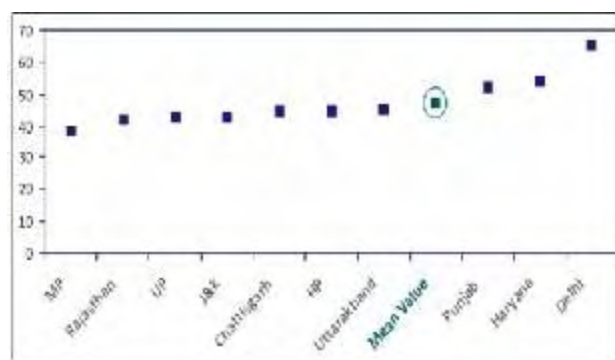
Source: PHD Research Bureau

State Disparity Index

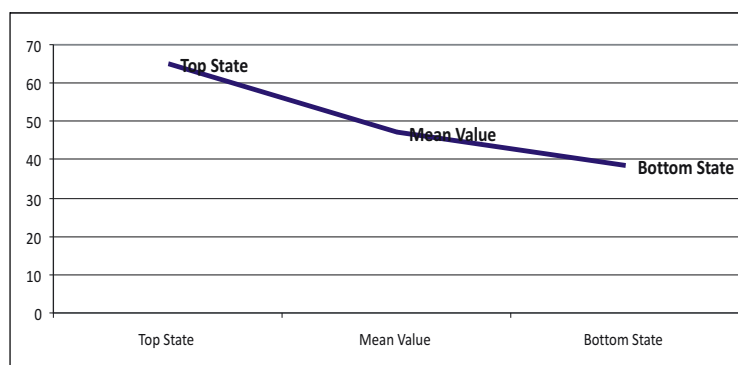
A wide disparity was observed amongst the states' aggregate scores. While Delhi outperforms all states by far at 65.15, Haryana and Punjab post relatively low scores at about 53. The rest of the states are within the range of 40-50 points, while MP lags far behind at 38.34.

Only Delhi, Haryana and Punjab lie above the mean value of 47.02, whereas all the other states like Uttarakhand, HP, Chhattisgarh, J&K, UP, Rajasthan and MP lie below the average level.

State-wise differences from Mean



Source: PHD Research Bureau



The differences of the aggregate scores from the mean value are quite high, indicating high disparity. The top scoring state, Delhi at 65.15, is significantly higher than the mean value by 38.6%, whereas the lowest scoring state, MP at 38.34 is significantly lower from the mean value by 18.5%.

11. State Policy Focus

The six socio-economic thrust areas of the PHD Chamber are Infrastructure & Power, Industrial Development & Tourism, Education and Skill Development, Healthcare, Housing and Rural development & Agribusiness. Various state Government documents and policies pertaining to the past few years were studied to understand the policy focus of states.

Major Policy initiatives by the State Governments

Infrastructure: State policies have focused on improving road transport under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

- Delhi - The state has come up with rapid infrastructural growth in the past years. The Government of Delhi has approved several projects including PWD roads and flyovers, MCD roads, flyovers and projects of sewerage.
- Punjab - The state has excellent infrastructure and the current focus is on augmentation of existing infrastructure through a superior model for the privatization process
- Chhattisgarh - The state has introduced the Bus Rapid Transport System between Raipur and New Raipur.
- Haryana - Rajiv Gandhi Urban Development Mission, Haryana (RGUDMH) has been announced in the state for handling major infrastructure projects, and for catalyzing further investments under PPP mode.
- MP - A lot of emphasis is being laid on Mukhya Mantri Gram Sadak Yojna, to ensure all weather roads in rural areas as well as rapid road construction and upgradation in urban areas.
- UP & Uttarakhand - The states have stressed on rapid infrastructural development under the PPP mode.
- J&K - Integrated infrastructure development and national highway projects have been announced.

Power & Alternative Sources of Energy: Most of the states have aimed to be self-sufficient in power to meet the increasing demand-supply gap. Harnessing alternative sources of energy is on the development radar of the states.

- Delhi - Three units of Bawana Power Plant generating a total of 750 MW have been made available to Delhi and the remaining is under process.
- Haryana - The government has provided funds for Rajiv Gandhi Thermal Power Project of 1200 MW capacity at Khedar, Hisar and other places to meet the power requirements of the State.
- UP - The state of UP emphasized on strengthening power transmission and distribution systems and also promoted hydro and thermal power projects.
- Uttarakhand - The work on Jamrani Dam Project, which was pending since the last 30-35 years, has been started in Uttarakhand.
- J&K - The state of J&K has emphasized on generation of alternate energy by means of hydro, wind and geothermal sources.

- HP - The state Government announced all support to harness solar energy and to develop Shimla and Hamirpur as 'Solar Cities'.
- Rajasthan - Solar power generation is an important agenda of the Rajasthan government and the state aims to be self-sufficient in power by 2013-14.

Industry: Few of the states like Delhi, Rajasthan and Haryana have improved their industrial policy focus by bringing out the new Industrial Policies in the recent past

- Delhi - The new industrial policy of Delhi, 2010 - 21, was instituted to promote high-tech, non-pollutant, knowledge based industry in Delhi. The existing units were also encouraged to convert into high-tech, non-pollutant and knowledge industries.
- Haryana - A major announcement in Haryana was the Special Economic Stimulus Package to help fight the recessionary trends of the economy.
- UP - UP Government had sought more private participation in industries
- J&K - Government of J&K has made allocation for development of SEZs and software parks.
- Rajasthan - The state Government has envisaged on promotion of Investment and SEZs and IT hubs in the state. Several such investment zones have taken shape which is home to several foreign investors.

Tourism: Tourism has been considered as an industry and various states have focused on diverse areas in the same for the development of the sector.

- Delhi - To promote tourism in the state, the Delhi government has made provision for total renovation and maintenance of the heritage spots and monuments.
- Punjab - Tourism and heritage development is one of the thrust areas of the Punjab Government. Grants for development of Hotel Management Institute, Bathinda and Food craft Institute, Hoshiarpur have been announced as also for the completion of Khalsa Heritage Complex, Anandpur Sahib.
- Rajasthan - Rajasthan is an important destination for foreign tourists and has come up with state-of-art tourism infrastructure to meet international standards.
- Uttarakhand - The state is set to establish India's First and largest Food and Herbal park in the state.
- J&K and HP - Infrastructure for promotion of adventure tourism is being developed by states of J&K and HP.

Education and Skill Development: Although all states have acknowledged the importance of primary and secondary education, it has been commonly observed that the main focus is on skill development and technical education.

- Chhattisgarh - The state government has come up with the new incentive scheme of Yuva Career Nirman Yojana to encourage admission in higher technical institutions.
- Delhi - Delhi College of Engineering has been upgraded as Delhi Technological University and the intake in the Technical and Higher Education Institutions has been increased.
- Haryana - Haryana has made allocation for expansion of technical training institutes in several fields which include food technology, engineering and fashion technology along with establishment of industrial training institutes.

- Punjab - Punjab Government also announced the provision for opening new degree collages to promote out reach of higher education.

Healthcare: All the State Governments have emphasized on capacity building of existing health care services. An inclusive approach has been adopted so as to include the marginalized sections under proper medical cover. Expansion of health infrastructure under the PPP mode is featured in all the state policy documents.

- Chhattisgarh, MP and Haryana - States of Chhattisgarh, MP and Haryana have made allocations for nurses training institutes and veterinary institutes so as to facilitate the health sector.
- Delhi and Rajasthan - These states have also focused on ayurvedic and unani medical colleges.

Housing: Massive expansion in the real estate sector had been envisaged by all states to cater to the rising population. Here also, all the states have emphasized on inclusive development by bringing the marginalized sections under its folds. Affordable housing for the industrial workers and the masses has been a thrust area.

- Delhi and HP - Few states like Delhi and HP has promoted the use of green technology or green buildings for sustainable development.
- J&K - The J&K Cooperative Housing Corporation Ltd has been formed to solve the housing problem of the needy people at reasonable prices.
- Haryana, UP and MP - Allocations have been made by the respective state governments under Indira Awas Yojana in UP and MP and Rajiv Awas Yojana in Haryana for expansion of housing.
- Uttarakhand - Atal Awas Yojana had been devised by the Government of Uttarakhand to make affordable housing accessible to the marginalized.

Rural Development & Agribusiness: The large dependency on agriculture has made this area one of the important focus of state governments.

- Chhattisgarh - The provision for agriculture and allied sector has been increased and provision has been made for energization of agricultural pumps and promotion of sprinkler and drip irrigation.
- MP - The state Government has made provisions for Rashtriya Krishi Vikas Yojna and Macro Management Scheme in the rural areas. Allocations under Mahatma Gandhi National Rural Employment Guarantee Scheme and Swarnajayanti Gram Swarozgar Yojana have been increased.
- UP - The target to augment income of farmers through the ambitious "Sodic Land Reclamation Project-Third" has been launched in UP. Issues like advance storage to ensure availability of fertilizers in time and warehousing would also be taken up.
- Haryana - The State has made allocations to promote the cooperative movement along with dairy development and animal husbandry. To further promote self-employment, Rural Development and Self-employment Training Institutes were announced to be set up in existing ITI campuses.
- HP - HP implemented integrated watershed management programmes in districts of Chamba, Hamirpur, Kangra, Kinnaur, Kullu, Mandi, Shimla and Solan.

- Uttarakhand - Single window system would be started for agriculture services at Nyaya Panchayat level in Uttarakhand
- Rajasthan - Rajasthan provided several incentive schemes for irrigation sector and agribusiness to enhance yield and exports. Rajasthan government is also providing several incentives to this sector by way of facilities and exemptions.

Other focus areas in States

Poverty Eradication:

- Chhattisgarh - Since the state is home to a huge tribal population and poverty is quite rampant among them, several measures have been taken up from time to time in this regard.
- Haryana - The government has been providing free residential plots of 100 square yards each to eligible Scheduled Caste, Backward Class and Below Poverty Line families in planned and developed lots under the Mahatma Gandhi Gramin Basti Yojna.
- MP - The Government has made provisions for rural livelihoods programmes and Mid-day meal for cooked food in primary and middle schools.
- UP - Efforts to ensure proper development of all sections, communities and regions through various development schemes based on the policy of "Sarvajan Hitaya, Sarvajan Sukhaya" and "Uttar Pradesh Mukhyamantri Mahamaya Garib Arthik Madad Yojna" were made by UP.
- Uttarakhand - The government of Uttarakhand made provisions for the homeless and economically poor families, with annual income of less than Rs. 32000 and are not covered under BPL to be benefited under Atal Awas Yojana.
- Rajasthan - Under the Mukhya Mantri BPL Jeevan Raksha Kosh of the Rajasthan Government, free medical treatment is extended to old-age, widow and disabled pensioners.
- HP - The Rural Development Department of Himachal Pradesh has announced training programmes to equip rural poor youth to secure employment or engagement in self-employment.

Water Supply:

- Chhattisgarh - The Government has laid special emphasis on need of pure drinking water and had announced an increased budget for water resource development. The government has also made provisions for water supply in 13 new Nagar Panchayats.
- Delhi - With shrinking of Yamuna water, Delhi is under acute water shortage and so the state has adopted a dual approach for optimum utilization of available raw water. In addition, three Waste Water Treatment Plants have been completed and made functional and two new Water Treatment Plants are under construction.
- Rajasthan - The state has made drinking water provision its focus area and has increased allocation under National Rural Drinking Water programme. On account of the dry climate, the government has promoted the construction of check dams to harvest rainwater to facilitate farmers.
- HP - The HP government's vision is to conserve the flowing water by constructing check dams and other water harvesting projects so as to ensure full utilization of resources. The Himachal Pradesh Water

Management Board had been constituted to ensure better coordination between the activities of different departments involved in watershed development programmes.

Status of Women & Children:

- Chhattisgarh - Allocations under the 'Sabala Yojana' for adolescent girls and the Integrated Child Protection Scheme for child development were made by the government of Chhattisgarh, in the recent years.
- Delhi - The Ladli Scheme introduced in Delhi in January 2008 had shown positive impact in improving the sex ratio enrolment of more girls in the schools and so, the allocation for the scheme has been further increased. The widow pension scheme has proved a source of security to the widows and so its proposed plan outlay has also been increased in Delhi.
- MP - A provision for Ladli Laxmi Yojna and Mukhya Mantri Kanyadan Yojna has been announced.
- Rajasthan and MP - The states will be providing financial support for women empowerment through Self Help Groups.
- J&K - The state government has announced a rebate of 25% in stamp duty in matters of sale and transfer of landed property when in the name of a female member of any family and a special revolving corpus for soft loan for setting up self-employment enterprises by the girls and women.

12. Conclusions & Recommendations

The states covered under the PHD command area include Chhattisgarh, Delhi, HP, Haryana, J&K, MP, Punjab, Rajasthan, UP and Uttarakhand. The area can be characterized as predominantly agrarian with around 70% of the population engaged in agriculture. However, the diminishing yield of the farm sector and its unimpressive contribution to the states' GSDP is a matter of concern. The states together constituted about 34% of India's GSDP. Over the past few years, the state of Delhi, Chhattisgarh, Haryana and Rajasthan have shown a healthy growth trajectory led by their robust growth in services sector. States like Delhi and Haryana have shown strong fiscal health, while J&K, HP and UP are poor performers in this regard. Rajasthan, J&K and UP have posted the lowest literacy rates among the states.

According to the latest literature available, the states have been ranked according to their performances by several researchers from time to time. The composite ranking of states (Bhandari & Debroy) has placed Delhi at the top followed by HP and Chhattisgarh at the bottom. According to the Economic Freedom Index (Bhandari, Aiyar & Debroy), Haryana is the top performer while Uttarakhand's position is the worst. In case of the State Competitiveness (National Productivity Council), Delhi leads, while J&K turns out to be the least competitive.

With this at the backdrop, it was attempted to generate the State Development Indices (SDI) to provide relative position of states on the basis of recent available and comparable data. The State Development Indices has been constructed to rank the northern and central Indian states on seven parameters which constitute Economic Growth, Cost of doing business, Fiscal Deficit, Agricultural Yield, Infrastructure, Poverty & Unemployment and Social sector. A bench mark, based on the highest performance under the seven categories was created in such a manner that the top scoring state received 100% score or 10 points.

In this pattern, the states were scored relative to the top performing state. Delhi leads the State Development Indices with highest Aggregate Score, followed by Haryana and Punjab. Uttarakhand and HP are ranked thereafter and Chhattisgarh and J&K secure the 6th and 7th position. UP, Rajasthan and MP are ranked 8th, 9th and 10th respectively.

Delhi: Delhi, the capital of India, is the smallest out of all the states considered in this study. It has topped the State Development Index driven by strong infrastructure, fiscal performance and social sectors. The state's score is higher than the mean value in State Disparity Index by the highest margin of 38.6%. Delhi has grown at the fastest pace over the last few years which is mainly contributed by the robust growth in services sector, especially in the recent years. However, the other sectors have failed to exhibit rapid growth. The urban metropolitan of Delhi has a very stagnant primary sector with its growth rate depleting over the years. However, the yield of agriculture is close to the leading states of Punjab and Haryana. The secondary sector also does not reveal very high growth rates. The Gross Fiscal Deficit of the state is second lowest and the debt burden is the least. The state boasts of state of art infrastructure which matches up to the international standards. Delhi boasts of low unemployment rate and very high per-capita income.

With falling groundwater level and rising population density, Delhi faces acute water shortage. The crisis of water needs to be addressed and managed urgently so as to sustain the growth rate in the state and ensure socio-economic development of the people.

Haryana: Haryana has secured the second position in the State Development Index contributed by high agricultural yield, economic growth, low unemployment and poverty. The economic size of the state ranks third among the 10 states, with the second highest growth rate, over the last five years. While the primary and secondary sectors of Haryana have grown at a decent pace in the past five years, the tertiary sector has actually driven the steady growth in the state. The natural resources, policy incentives and infrastructure in the state support investments in sectors such as automobiles and auto-components, IT/ITeS, textiles, agro-based industries, business tourism and commerce. The state has excellent agricultural productivity with its per-capita income being one of the highest in the country.

The key strategy of the state to attract investments in various industries has been forming industrial clusters and developing infrastructure. The debt burden of the state is also one of the lowest. Although the State has done well in terms of power generation, Haryana still faces power crunch on the face of rising demand. This is an area for further development as power is one of the most critical infrastructures to industries.

Punjab: The state well known as the 'wheat basket' of India, has been ranked third according to State Development Index with moderately good performance in most of the areas, but for stagnant economic growth. The state grew at the rate of 5 % over the last five years and has the fourth largest economic size. The state has a huge agricultural base and is now well on its way to rapid industrialization through coordinated development of Small, Medium and Large scale industries. The state has excellent rail, road network in rural as well as urban areas and also claims 100% rural electrification. Punjab has a moderate size of deficit and debt indicators. Punjab has a low BPL population and comparatively high literacy rate.

The state has been noted for its highest consumption of fertilizers in the farms across the country. This could have serious implications on sustainability of agriculture. Though the growth rate of the farm sector is decent

as of now, the fields are undergoing massive degradation. Keeping in view the significance of the farm produce to the state's population, a change to organic farming could be viewed as a suitable solution to aid the cause.

Uttarakhand: The newly formed state of Uttarakhand, with immense scenic beauty in the lap of Himalayas has been ranked fourth in the State Development Index driven by its strong fiscal and healthy social sector. The state is closest and slightly lower than the mean value in the State Disparity index. Following its inception as an independent state, the economy has been growing at considerably high rates in the last few years with its GSDP at constant prices growing at more than 6%. More than three-fourths (78%) of its total population is dependent on mountain agriculture. However, the scope for agricultural policies based on modern input-intensive agriculture is severely constrained in the hilly regions due to various geographical problems. Moreover, the peculiarity of the geography implies that only a few specific sectors have growth potential in these backward areas and the policy framework has to focus on these sectors.

Sectors like horticulture have a comparative advantage in the region due to its agro-climatic conditions. The state is also ideal for the development of the tourism sector. However, the chances of success in these specific sectors depend largely on the availability of physical and social infrastructure. Although, the government has to play an anchoring role in infrastructure development, the role of the private sector is critical, sometimes on its own and sometimes in the form of public private partnerships.

Himachal Pradesh: State Development Index has positioned HP the fifth state, contributed by very low cost of doing business and healthy social sector. The state's score is also lower than the mean value in the State Disparity index. The economy of Himachal Pradesh depends considerably on agriculture and thus, fluctuations in farm produce affect the economy in a significant way. Although the sector serves as the livelihood for majority of the state's population, the contribution to GSDP is significantly lower. Though the state has grown at a decent pace of around 7% over the last few years, the size of its economy is lowest in all the ten states. The growth rate of the tertiary sector is around 7% over the last five years but little over 10% in the last year. This steady growth is on account of the flourishing tourism sector which includes the travel, hotels, restaurants and other related trades. The state is poor performer in fiscal indicators due to high deficit and debt burden. The state has a relatively good social sector with high literacy rate.

However, HP suffers from a fragile ecosystem and so the infrastructural growth of the state gets hampered, including roads, which in turn has negative impact on industrial growth and trade. The state, thus, must focus on solutions to these problems. Industries like food processing and other agro industries have huge potential in the state. The government must announce investor friendly policies for these industries to generate employment for local youth and enhance the export basket of India.

Chhattisgarh: According to the State Development Index, Chhattisgarh ranks sixth with very low yield of foodgrains and high unemployment and poverty. However, the state is truly a land of opportunities. Over the last five years, the State has shown a decent rate of growth, with a rapidly growing secondary sector and tertiary sector. The primary sector is the backbone of the economy as more than 80% of the population depends on it. Industry is significant part of state's economy. The state is rich in mineral reserves and aids to the flourishing industrial sector. The state has both relatively low fiscal deficit and debt burden. The state has a

relatively weak infrastructural base and high BPL population.

One third of Chhattisgarh's population is of tribes, mostly in the thickly forested areas in the North and South. The Bastar district is known the world over for its unique and distinctive tribal heritage. Hence, effective rehabilitation and empowerment of the tribal population should be the focus area of the state. The state's policy needs to focus on wildlife tourism as this potential is largely untapped in the state.

Jammu & Kashmir: J&K, the northern most state of the country is known world wide for its natural beauty, rich tradition and handicrafts. The state ranks eighth in the State Development Index. Its performance is impacted by stagnant growth and poor infrastructure and fiscal scenario. The size of its economy is the second lowest out of the ten states. The state has registered weak economic growth. The economy is predominantly agrarian while a large chunk of the local population is also involved in traditional trades like handicrafts, horticulture and floriculture. But the rate of growth of primary sector has been quiet stagnant over the years. The State has a poor fiscal performance with the second highest Gross Fiscal Deficit- GSDP ratio and the highest debt burden out of all the states. J&K needs to work hard to improve its infrastructural base to facilitate its overall development. The availability of safe drinking water to the people is also an area of concern. The state has the lowest cost of doing business among the states considered on account of the various incentives extended by the state government to attract investors in the industries.

The industrial development of the state has been severely affected by the decline in investors' confidence due to the rampant unrest and violence. The local youth must be trained with technical and vocational skills so as to productively employ them in the mainstream activities. Hence, rapid skill development and capacity building is a much needed step in the government policies, going forward.

Uttar Pradesh: The largest economy out of the ten States, UP is also the most populous state in the country. The State Development Index ranks it seventh on account of low economic growth and weak fiscal performance. The growth rate of UP's GSDP is a little higher than 5%. The primary and secondary sectors contribute to around 27% to the State's GSDP, while the tertiary sector contributes about 45%. The deficit ratios of the State are remarkably high indicating that the share of expenditure to receipts is on the higher side. The state is strengthening its infrastructure base and making the business environment more conducive to industrial growth. UP is also making all out efforts to rope in foreign and private investors in these sectors. The debt burden of the state is also reasonably high. UP has very high agricultural yield but has the lowest per-capita income out of the states under study.

Despite the Government's best efforts, the State is unable to solve the power crisis which the state faces. In fact this is one of the few problems which make the state not very congenial for industrial investment. The government must focus on more streamlined policies for power generation in the state.

Rajasthan: Rajasthan has secured the second last position in the State Development Index on account of high cost of doing business, poor infrastructure and social sectors. The state is the second largest economy out of the ten states and has grown at a compounded rate of more than 7% in the last five years. Though primarily an agrarian economy, the state has strong secondary and tertiary sectors. The state has a moderate Gross Fiscal Deficit- GSDP ratio but a large debt burden. The infrastructure scenario is the area which needs further improvement. The state has the highest unemployment rate amongst the states

under study and needs to focus on employment generation. Rajasthan is the most water deficient State in India, owing to its desert conditions. The agricultural yield of the state is quite poor.

It is on account of this that the state produces a chunk of the coarse cereals of the country, lagging behind in the production of several crops. The area under irrigation cover is remarkably low in the state to add to the crisis. Hence, irrigation facilities and farm technologies must be introduced to step up farm production and increase cropping intensity. Rajasthan is the major attraction of foreign and domestic tourists due to its rich historical and cultural background. The state must continue to boost the sector that provides it with maximum revenue. The land of forts should be revived into a more tourist friendly destination by strengthening of infrastructure with focused efforts by the state government.

Madhya Pradesh: The 'Heart of the country', MP's economy largely depends on agriculture, industries and minerals. Based on all the parameters, MP has been put at the 10th position in the State Development Index. The state is significantly lower than the mean value by 18.5%. About 70% of the total work force of the state depends, directly or indirectly, on agriculture. Mines and industries also play important roles in economic development of the state. During the recent years, the compounded growth rate of GSDP was below 5%, the least among all the states. This is, primarily, due to the stagnant growth in the primary and secondary sectors. The services sector largely dominates the MP economy with around 55.15%, followed by primary sector with 23.15% and secondary sector with 21.84% share in the state GSDP. The agricultural yield is one of the lowest in India and MP has the highest BPL population and highest IMR among the 10 states of study.

Madhya Pradesh is one of the three least developed states in the country. This is a major cause of concern for the State. Agriculture in the state has been found to be relatively unproductive and accounts for the rampant poverty in the state. Area under irrigation is also less resulting in low yield of land. The urgent need for the state is to revive the sectoral growth through focus on capacity building in the farm sector, technology advancement, introduction of high value seeds, facilitation of credit requirements and improvement of the marketing process.

Summing up

Going forward, since majority of the population in the northern and central states depends on agriculture; these states must work towards improving the yield or productivity of farm sector so as to ensure the sustained livelihood of the people. The region must focus on increased farm infrastructure and stronger supply chain so as to facilitate the growth of the agriculture and allied sectors. The states must lay emphasis on attracting private and foreign investment in manufacturing sector in particular and industries in general to lay the solid foundation to the growth of the country. The process of fiscal consolidation should be a major area of thrust as many of the states have high fiscal deficits and debts which may hamper the implementation of policies in their cases. There is a huge potential to generate alternate energy in the region, which needs to be harnessed at an accelerated pace for meeting the growing energy demand in the times to come. The State Disparity Index shows a high level of disparity among states. The less prospering state governments may aim to achieve higher benchmarks of performances in several basic parameters to trigger the process of development and narrow down the growing disparity.

Summary of Economic Indicators

Macro-Economic components	Chhattisgarh	Delhi	Haryana	HP	J&K	MP	Punjab	Rajasthan	UP	Uttarakhand
Size of the Economy (\$Bn) ¹	20.04	34.14	38.43	5.6	7.36	31.98	34.9	42.45	82.04	8.45
Geographical Area (Sq Km)	135194	1483	44212	55673	222236	308144	50362	342236	238566	53566
Population Size(mn) ³	25.5	16.8	25.4	6.9	12.5	72.6	27.7	68.6	199.5	10.1
Economic Growth ²	8.43	10.08	7.95	6.68	4.96	4.58	4.97	7.17	5.17	6.64
State GSDP as a % of India's GSDP ¹	1.77	4.04	3.67	0.88	0.81	3.63	3.42	4.76	8.92	0.91
Per-capita Income (Rs) ⁴	38058	117000	78781	50365	30582	27250	62153	34189	23132	55877
Growth of Agriculture Sector ²	5.52	-2.92	3.78	0.56	1.62	2	2.4	3.29	2.89	0.3
Growth of Industry Sector ²	10.04	5.53	7.3	9.96	8.51	1.95	7.26	7.25	7.07	10.43
Growth of Services Sector ²	7.97	11.23	10.52	6.96	5.06	7.05	5.57	9.26	5.53	4.43
Value added by Agriculture Sector ¹	16.31	0.53	19.57	18.8	25.82	23.15	29.75	25.22	27.01	15.75
Value added by Industry Sector ¹	45.8	15.99	29.04	42.29	28.28	21.84	26.25	28.4	27.47	35.27
Value added by Services Sector ¹	38.3	83.46	51.37	38.88	45.89	55.5	43.9	46.36	45.5	44.09
Industrial Investment Intentions (Rs Cr) ⁴	285583	130	10436	3580	1234	204286	6779	29700	13793	7997
Literacy Rates (%) ³	71	86.3	76.6	83.8	68.7	70.6	76.7	67.1	69.7	79.6
RR/ GSDP ⁴	19.4	9.8	10	24.1	53.4	21.7	13.2	17.6	21.8	22.7
Aggregate Expenditure/ GSDP ¹	21.25	13.01	14.69	48.52	53.61	27.8	19.78	21.54	28.01	26.99
GFD/ GSDP ⁴	3	1.4	3.6	5.1	4.6	4	3.6	3.5	4.4	3.3
Debt/ GSDP ⁴	18	12	18.9	53.2	67.1	37.2	34.1	40.9	45.8	39.5
Fiscal Scorecard ⁴	13.17	6.7	11.03	27.83	37.6	20.7	17.7	20.8	23.96	21.73
Ranking in SDI	6	1	2	5	7	10	3	9	8	4

RR: Revenue Receipts, GFD: Gross Fiscal Deficit, SDI: State Development Index

Source: PHD Research Bureau, compiled from various sources

Note : 1 : Data Pertains to FY09

2 : Data is Compounded Average of growth over FY05 to FY09

3 : Data Pertains to Census 2011

4 : Data Pertains to 2010

Ranking in SDI: Developed by PHD Research Bureau

Snapshot of Policy focus of the State Governments

States Focus areas	Infrastructure	Industry	Skill Development	Health care	Housing	Rural Development	Power	Tourism
Chattisgarh	Focus on Road Transport System Grants for Urban Local bodies Encouraging Private Participation	Margin money grant for SC/ST entrepreneur Industrial growth in backward areas and employment generation	Veterinary University Chhattisgarh Trade Centre Yuva Career Nirman Yojana	Expansion of Community & Primary Health Centers Expansion of 'On call' ambulance facility	Focus on affordable housing for the poor	Expansion of Sprinkler and drip irrigation Establishment of Milk Federations Setting up of biotechnology parks and bio-villages	Power identified as area of investment and focus is on generation at different scales Thermal power, solar and wind energy are being tapped	Integrated development of special tourism areas Eco-tourism, adventure tourism, culture-heritage and ethno tourism
Delhi	Projects under JNNURM and projects under PWD, MCD & NDMC Construction of Flyovers, widening, of roads	New Industrial Policy 2010-21 with focus on promotion of knowledge based, non polluting, soft ware industries SEZs of IT & ITES	Expansion of capacity and shift under affiliated Technical Education Institutes & degree collages	Expansion of the major hospitals Construction of the Orthopedic Block at LN hospital	Focus on Housing & Urban Development sector	Construction of link roads, approach roads, parks, minor drains and to provide basic facilities to the people	Focus on enhanced power generation to meet growing needs	Renovation & Maintenance of Heritage spots Upliftment, renovation & beatification of commercial places
Haryana	Rajiv Gandhi Urban Development Mission Economic Stimulus Package for infrastructure	New Industrial Policy (2011) to promote new investment horizons Entrepreneurship development & employment generation	Expansion of technical training institutes in food technology, engineering and fashion technology	Expansion of health infrastructure under PPP mode Construction of medical colleges	Provision for Rajiv Awas Yojana for expansion of housing	Allocations to promote the cooperative movement Dairy development and animal husbandry.	The completion of project of Rajiv Gandhi Thermal Power Project of 1200 MW capacity	New concept of farm/village tourism Hotel Management & Food craft institutes Tourist Information Centres
HP	Setting up an Inland Container Depot Initiative to extend gas pipeline to the industrial areas	Setting up industrial research and development centre under (PPP) mode to facilitate entrepreneurs in the industrial area.	Enhancing quality of higher & technical education State to be developed as 'Education Hub' in next few years	Increased Medical Colleges with private sector participation Promote Nursing education to enhance health facilities	Solid Waste Management Projects in 5 Town Rajiv Gandhi Urban Renewal Facility (RGURF)	NREGA, Rural self Employment Training Institutes, Rural Housing, Shakti Bima Yojna The integrated watershed management in several districts	Emphasis on development of Hydel Power plants Shimla and Hamirpur as 'Solar Cities'. Solar energy harnessing equipments on important heritage buildings	Developing hospitality infrastructure in collaboration with private sector participation

Economic Analysis of States

States Focus areas	Infrastructure	Industry	Skill Development	Health care	Housing	Rural Development	Power	Tourism
J&K	The Integrated Infrastructure Development Project Udhampur-Katra and Quazigund-Baramullah Rail link project is on the verge of completion.	Special Economic Zones (SEZs) Industrial growth centres Export Promotion Industrial Park Software Technological Park	The 'Sher-e-Kashmir Employment and Welfare Programme for the Youth' DGE&T is strengthening/modernizing 37 existing ITIs and setting up new Women ITI at Jammu	Private sector investment to facilitate establishment of quality health institutions Upgradation of health infrastructure.	The J&K Cooperative Housing Corporation Ltd formed to solve the housing problem of the needy people at a reasonable price	Financial assistance to Multipurpose Cooperative Societies and opening of Extension Counter of Cooperative Bank	Focus is on tapping alternate energy from sources like hydel, solar and geothermal	Development of infrastructure at places of tourist attraction
MP	Mukhya Mantri Gram Sadak Yojna and PMGSY. Target of 3316 KM of road construction and renovation.	Special packages for removing industrial sickness Balanced regional development by generating employment in the sector Promotion of industrial clusters	Provision for Sarv Shiksha Abhiyan. Establishment of new degree colleges.	Rashtriya Swasthya Beema Yojna Provision for state share for NRHM.	Re-densification scheme for housing in urban and rural areas making best use of available land	Agriculture Insurance Scheme. Rashtriya Krishi Vikas Yojna. Grant to farmers for Irrigation equipments.	The total power generation capacity increased	Special Tourism Zone land bank for the private investors
Punjab	Infrastructure framework through PPP mode to strengthen large and small industries	Development of industrial clusters to strengthen their competitiveness Empowering public sector units	Education infrastructure and Computer education in secondary school Schools in backward areas and adult education	Nurses training institutes and veterinary institutes Medical infrastructure under PPP mode	Quality social and physical infrastructure for development of urban centers	Cooperative development Strengthening irrigation and farm techniques Warehousing and cold chain system are being enanced	Power generation though small/micro hydro projects, co-generation of power in industries like sugar, paper, chemicals and fertilisers, and other sources	Hotel Management and Food craft Institutes Single window clearance facility for approving tourism-projects
Rajasthan	New Rajasthan Infrastructure Development Act. Ambitious plan for road sector through RSRDC, RIDCOR, VGF, SUOMOTO and NABARD.	Several SEZs formed for export promotion Focus on IT/ITES	Establishment of ITIs at all Panchayat Samiti headquarters.	Additional Ambulance Service in the State. Increased number of hospitals to have Trauma Units.	Pakka houses to be built for poor families with the assistance of NABARD.	Special assistance to 38000 tribal families for promoting horticulture. Setting-up of Food and Civil Supply Corporation	Generation of 945MW, another 1800MW by end of Eleventh Plan period and further 10280MW by the end of Twelfth Plan period.	Constitution of 'Mela Authority' to ensure safety and security of pilgrims and tourists.

Economic Analysis of States

States Focus areas	Infrastructure	Industry	Skill Development	Health care	Housing	Rural Development	Power	Tourism
UP	SEZs, Knowledge parks and investment zones Projects of road-bridges, transport and urban infrastructure mainly through PPP	Launched a Web Enabled Single Table System under the name of "Nivesh Mitra" Making IT/ ITES globally competitive	Projects sanctioned for Technical Skills upgradation under PPP	National Health Insurance Scheme conducted for the BPL families	Provision for expansion of housing under Indira Awas Yojana	Bio-technology parks Single-Window-Clearance for specific agri-business projects Cluster development and venture capital fund	Optimize generation of existing plants and enhancement Encourage private sector in transmission, distribution, renovation and trading Hydro and thermal power projects.	Promotion of heritage tourism
Uttarakhand	Muzaffer Nagar-Roorkee rail line. Roads connectivity for villages under CM Gramin Sanyojakta Yojana and Chief Minister Gramin Sadak Yojna.	Promote industrialisation both in the organised and small-scale sector Industrial estates and growth centres Private sector initiatives in IT	Education set as a priority area Launch of IIM and NIT for national & international level of management/technical education	Started with the basic medical facilities like tele-medicines and mobile vans	BPL Population to be benefited under Atal Awas Yojana	India's First and largest Food and Herbal park Production and exploitation of herbs and local products Single window system for agriculture services at Nyaya Panchayat level.	Small Hydro power projects Strengthening power transmission and distribution systems	Enhancing tourism infrastructure including hotels, roads and others

Source: PHD Research Bureau, compiled from various policy documents of the respective states

About the PHD Chamber

PHD Chamber is a vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest for over a century. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as an catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in states of Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and the Union Territory of Chandigarh.



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Conference Facilities



PHD HOUSE, the headquarters of the PHD Chamber of Commerce and Industry, is a prestigious and popular venue for business interactions. It offers most modern recently renovated infrastructure facilities for holding Conferences, Meetings, Seminars.

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A beautifully architected Auditorium with its well designed soothing interiors & acoustics and capacity to seat 250 people. It is ideal for AGMs, Seminars, Conferences and Cultural & Social Programmes.

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