
AN ANALYSIS ON THE PERFORMANCE OF HARYANA ECONOMY

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ABSTRACT

Haryana is a state where agriculture and Industrial Sector and Service sector all have shown a good performance in the Gross Domestic Product. This paper reflects the different aspects of the economy like agriculture, Industry, Service, Education, Health, Employment etc., which have shown a tremendous improvement during the different plans. The economic growth of Haryana has been exemplary since its creation. The State economy grew at an excellent average annual growth rate of 9.4%. While Haryana is geographically a small state but the contribution of the state in the National Gross Domestic Product at Constant Price (2004-2005) has been recorded as 3.4%. The present paper shows the performance of the economy with the help of different aspects of the economy.

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ECONOMIC SCENARIO

Haryana Economy grew at an excellent average growth rate of 9.4% which is much higher than the rate of growth of Indian Economy at 8.4%. Though Haryana is geographically a small state with 1.3% of the total area of the country but the contribution of the state in National Gross Domestic Product at Constant Prices (2004-2005) has been recorded 3.4% as per the Advance estimates of 2011-12. Similarly, all the sub categories i.e. primary, secondary and tertiary sectors have experienced positive growth rate i.e. 5.1%, 6.1%, and 10.2% respectively.

Table-1 (Sectoral Growth Rate (2011-12)

Sectors	Growth Rate
Primary Sector	5.1%
Secondary Sector	6.1%
Tertiary Sector	10.2%

Growth of State Domestic Product

Regarding the total State Domestic Product at factor cost, it increased with the growth rate of 9.6% (2010-11) per cent. Similarly, this growth rate in context of net state domestic product current prices had also increased from 590 crore (1966-67) to 233310(2010-11) crore shown in the table – 2. Even Per Capita Income of Haryana also increased from Rs.37972 (2004-05) to Rs.59221 (2010-11). Haryana is the 2nd highest among all states of India, only after Goa in terms of Per Capita Income.

Trends in State Domestic Product & per Capita Income in Haryana

Item	2004-05	2010-11
NSDP (at Constant Prices 2004-05)	304 (1960-61)	149568
Per Capita Income (at Constant prices year 2004-05)	343 (1960-61)	59221

The growth rate in percentage in the case of gross state capital formation by industry increased almost in all the major categories i.e., trade, hotels & restaurants (15.1%), registered

manufacturing (9.2%), electricity, gas & water supply sector (10.1%), transport by other means (9.7%), Banking Insurance (11.1%) etc. as shown in table-3.

Table-3

Industry	Growth Rate in 2011-12
Agriculture & Allied Activities	5.1%
Manufacturing	4.8%
Construction	8.3%
Transport, Communication & Trade	8.9%
Finance & Real Estate	11.6%

Source:- (CSO) Central Statistic Office

Structural Transformation of the State Economy

Over the past 45 years, the economy has experienced a significant structural transformation. At the time of formation of Haryana state, the state economy was a predominantly rural and agricultural. Therefore, the major drive towards diversification and modernization of state economy started and continued successfully in the five year plans.

Per Capita Income of the State

The per capita income is another important indicator to assess the economic growth as well as the living standard of the people of a State or a Country. During the year 1966-67, the per capita income of Haryana state at current prices was only Rs.608. Since then, the per capita income of Haryana state has increased many times. The per capita income of the state at current and constant (2004-2005) prices during the years 2004-2005 to 2011-12 has been given below.

Table-4 (Per Capita Income at current Prices)

YEAR	Per Capita Income in Rupees
2004-05	37972
2007-08	56922
2010-11	94680
2011-12	109227

Source: Department of Economic and Statistical Analysis, Haryana

Gross Fixed Capital Formation of the State

The productive capacity of the economy depends largely on the Capital formation i.e. more capital accumulation the higher would be the productive capacity of the economy. The Gross Fixed Capital Formation (GFCF) for the state at current and constant prices(2004-05) by industry of use, by type of institutions and also by type of assets during the year 2009-10 is given as Rs. 31882 crore. The above data is given in Table-5 below.

Table-5 (Gross Fixed Capital Formation of Haryana (at current prices)

YEAR	GFCF (Rupees Crores)
2004-05	14520
2007-08	24623
2009-10	37870

Source: Department of Economic and Statistical Analysis, Haryana

State Financing

Public finance relates to collection of taxes. A study of state government budget 2011-12 reveals that expected revenue receipts of the government of Haryana is estimated at Rs.32018.19 crore against the expenditure estimated at 34678.87 crore, there are two major components of states own resources which are as (a) Tax revenue and (b) Non tax revenue which is expected 2000689 crore and 4287.08 crore respectively.

Annual credit plan for the current year 2011-12 envisages a credit lending of Rs.43678 crore in the state. Overall achievement under State Annual Credit Plan 2011-12 stood at Rs. 19469 crore up to quarter ending September, 2011 against target of 22293 crore. This is shown in table no.6

Table No.6 (Annual Credit Plan of Haryana for 2011-12 (in crore)

SECTOR	TARGET	ACHIEVEMENT	%ACHIEVEMENT
Agriculture	15823	13450	85
Micro & small ent.	3364	3595	107
Tertiary	3106	2424	78
Total	22293	19469	87

Source: Department of Economic and Statistical Analysis

Growth of Agriculture and Allied Sectors

The agriculture sector performed poor with the negative growth of 0.3% in 2007-08. The sharp decline in the production of wheat, rabi, oilseeds, sugarcane, gram and vegetables and the low yield in wheat and milk was the reason for negative growth rate of agriculture sector during 2007-08. In 2009-10 the growth rate was -1.6%. As per the estimates of 2011-12, the State GDP at factor cost on constant prices (2004-05) for agriculture and allied sector is expected 5.1%. The growth rate in agriculture & allied sectors is given in the table-7 below.

Table-7 (Growth of Agriculture and Allied Sectors)

SECTORS	YEAR 2007-08	YEAR 2011-12
Agriculture	-0.3%	5.1%
Forestry	3.3%	3.1%
Fishing	11.9%	11.1%
Agriculture & Allied	0.0%	5.1%

INDUSTRY SECTORS

Industrialization plays a vital and crucial role in the development of an economy. The industry sector is the 2nd largest contributor to the state GDP. The manufacturing sector which carries the highest weight rose to 8.5% growth, the power sector indicated a growth of 2.6%, the mining and quarrying sector decreased to negative as -1.1% growth rate. Table-8 explains the growth rate of Industrial sector.

Table-8 (Growth in IIPD & its major components)

Period	Mining & Quarry	Manufacturing	Electricity	Consumer goods	Capital goods
2007-08	4.1%	8.9%	3.5%	7.6%	11.7%
2010-11	-1.1%	8.5%	2.6%	7.0%	15.8%

SERVICE SECTOR

The share of the service sector in state Gross Domestic Product (GDP) increased from 22.9% (1966-67) to 54.6% (2011-12). The service sector is composed of Trade, Hotels & Restaurants,

transport, storage & communication, Finance, Insurance, Real estate & Business services, Public administration and others. The share of the different sub-sectors in service sector is given below in the Table-9.

Table-9 (Share of different Sub-sectors in Service Sector)

Sub Sectors	2007-08	2011-12
Trade, Hotels & Restaurants	18.4%	21.9%
Transport, Storage & Communication	9.2%	9.2%
Finance, Insurance, Real Estate & Business Services	13.8%	14.4%
Communication, Social and Personal Service	7.4%	9.1%

Energy, Infrastructure, Transport & Storage

Energy is a crucial factor in infrastructure for sustained economic growth. The total installed capacity available in Haryana at present is 6019.83 MW. It includes 3230.5 MW from state's own power stations, 875 MW from jointly owned projects and the balance as share in central projects and independent private projects. Per capita consumption of electricity in 2010-11 was 941 units.

Roads are the basic means of communication for the development of economy. The program for improvement of roads by way of widening, strengthening, construction, raising, cement concrete pavements/ blocks, premix carpet construction of side drains and culverts, retaining walls etc, taken in hand during 2011-12 along with physical and financial progress achieved up to December 2011.

STORAGE

Haryana State Warehousing Corporation is a statutory body created under an Act of Parliament with twin objectives of providing scientific storage facilities for a wide range of agricultural produce and notified commodities to the farmers. Number of warehouses in 2011-12 was 107 in Haryana.

EDUCATION

The primary focus of the Haryana Government is to provide quality and need based education to all. The higher education sector in the state is to respond to dynamic changes happening all over the globe. The total budget for higher education has been increased from 760 crore to 892.61

crore in 2011-12. Higher Education Council has been constituted under the chairmanship of the Chief Minister with the objective to advise government on policy issues pertaining to higher education. Six private universities have been established in the state under Haryana Private Universities Act 2006. The first university exclusively for women in North India has been established in the district of Sonapat by the name of Bhagat Phool Singh Mahila Vishwavidyalaya. Distance education has made rapid strides in taking education to the doorsteps of the masses at affordable cost. Eighty government colleges are being run in the state of Haryana. The government of Haryana has given priority to the welfare of SC/ST & BC students. Technical education is being promoted by the department of technical education. Today several hundred technical colleges are providing technical education to millions of students of Haryana and other state students.

PUBLIC HEALTH

In Haryana, all the villages were provided with at least one safe source of drinking water by 31st March, 1992. A survey conducted in December 2004 found that out of 6759 villages, as many as 1971 villages had slipped in to the category of deficient where the water allowance had gone down below the approved norm of 40 liters per capita per day. So, a novel scheme was launched by the name of Indira Gandhi drinking water scheme from November, 2006. In order to accelerate the implementation of augmentation of rural drinking water supply scheme, the state has been seeking NABARD assistance since 2000-2001. At present 229 schemes have been approved by NABARD under RIDF-XII, XV, XVI and XVII at the total cost of rupees 59 crore.

WOMEN & CHILD DEVELOPMENT

Women & Child development department, Haryana is implementing various schemes for the overall development of children & women. Under these schemes are expansion of Anganwaris, Supplementary Nutrition Program, Indira Gandhi Matritva Sehyog Yojna, Ladli Scheme, Kishori Shakti Yojna.

EMPLOYMENT

The state government has taken initiatives and necessary steps to promote employment. The rates of minimum wages of the unskilled workers in the state was revised at the rate of Rupees 3510/-

per month. It has been decided to increase the minimum wages by Rs. 2500/- for the sweepers. Employment level in Haryana is given below in table-10.

Employment Level in Haryana

ITEMS	PERIOD/YEAR	UNIT	STATUS
Employment in Public Sector			389337
Employment in Private Sector			324001
Total Employment			713338

CONCLUSION

On the whole, it can be concluded that after reviewing all the variables given in this study, the Haryana Economy has developed to an impressive extent with the various State Governments at helm. The programs and policies of the present government and the past ones have lifted the Haryana economy to a good level. The state is moving in the right direction to achieve the highest levels of development and progress as compared to the rest of the states of India.

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