

An Overview of recent trends in indicators of Economics development of Madhya Pradesh

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Abstract: Economy of Madhya Pradesh: 72.37% of Madhya Pradesh population lives in rural areas, contributing to the state's agrarian economy. Approximately 70% of Madhya Pradesh population works in agriculture and related fields. The primary sector makes up 47% of Madhya Pradesh GDP, with the tertiary sector coming in second at 34% and the manufacturing sector at 18%. In terms of GDP per capita income, MP is now ranked 27th, although its growth rate is 10%. Madhya Pradesh economy is the 10th-largest in India, with a gross state domestic product (GSDP) of ₹9.17 trillion (US\$110 billion) and has the country's 26th highest per-capita income of ₹ 109372. Madhya Pradesh ranks 23rd among Indian states in human development index. Rich in mineral resources, Madhya Pradesh has the largest reserves of diamond and copper in India. 25.14% of its area is under forest cover. Its tourism industry has seen considerable growth, with the state topping the National Tourism Awards in 2010–11. In recent years, the state's GDP growth has been above the national average. In 2019–20, state's GSDP was recorded at 9.07.

Keywords: Gross State Domestic Product, Per Capita Income, Public Finance
Introduction

Madhya Pradesh is the second largest Indian state by area and the fifth largest state by population with over 72 million residents. It borders the states of Uttar Pradesh to the northeast, Chhattisgarh to the east, Maharashtra to the south, Gujarat to the west, and Rajasthan to the northwest. "Heart of India," Madhya Pradesh is located in the nation's center. It is at the center of the land and has no international or coastal borders. Because of this, there is little coastal or cross-border trade included in the Economy of Madhya Pradesh.

The area covered by the present-day Madhya Pradesh includes the area of the ancient Avanti Mahajanapada, whose capital Ujjain (also known as Avantika) arose as a major city during the second wave of Indian urbanization in the sixth century BCE. Subsequently, the region was ruled by the major dynasties of India. The Maratha Empire dominated the majority of the 18th century. After the Anglo-Maratha Wars in the 19th century, the region was divided into several princely states under the British and incorporated into Central Provinces and Berar and the Central India Agency. Some years after India's independence, the Central Provinces and Berar was renamed as Madhya Pradesh with Nagpur as its capital: this state included the southern parts of the present-day Madhya Pradesh and northeastern portion of today's Maharashtra. In 1956, this state was reorganized and its parts were combined with the states of Madhya Bharat, Vindhya Pradesh and Bhopal to form the new Madhya Pradesh state, the Marathi-speaking Vidarbha region was removed and merged with the Bombay State. This state was the largest in India by area until 2000, when its southeastern Chhattisgarh region was designated a separate state. MP contains a few notable hill ranges that are dispersed across the states. These include the Kaimur Hills, one of Satpura's branches, in the north, and the Vindhya ranges in the west. The economy of Madhya Pradesh is not solely dependent on agriculture. The manufacturing industry and natural resources are crucial to the expansion and development of the Economy of Madhya Pradesh. Thus, it becomes interesting to analyze and research the MP economy.

Economy of Madhya Pradesh

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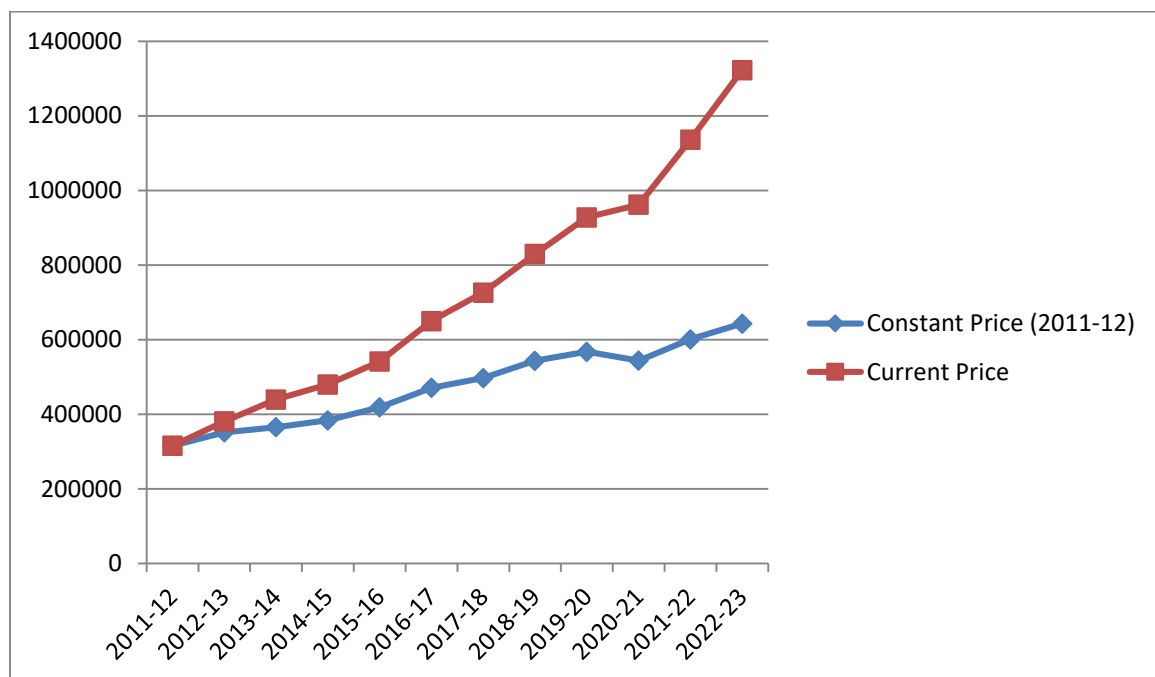
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1. Recent Trend in Madhya Pradesh economics

1A. Gross state domestic Product

According to the advance estimates for the year 2022-23, the gross state domestic product has increased by 16.43 percent at current prices and 7.06 percent at constant prices as compared to the year 2021-22 (Q). The GSDP of Madhya Pradesh at constant prices of the base year 2011-12 is estimated to grow by 7.06 percent in the year 2022-23 (A: Advanced estimates) in comparison to 2021-22 (Q: Quick estimates). While in the year 2021-22 (Q) an increase of 10.43 percent has been registered compared to the year 2020-21 (provisional). The GSDP at current and constant prices over the years is shown in Figure 1.1.

Figure 1.1 Gross State Domestic Product at Current and Constant Price



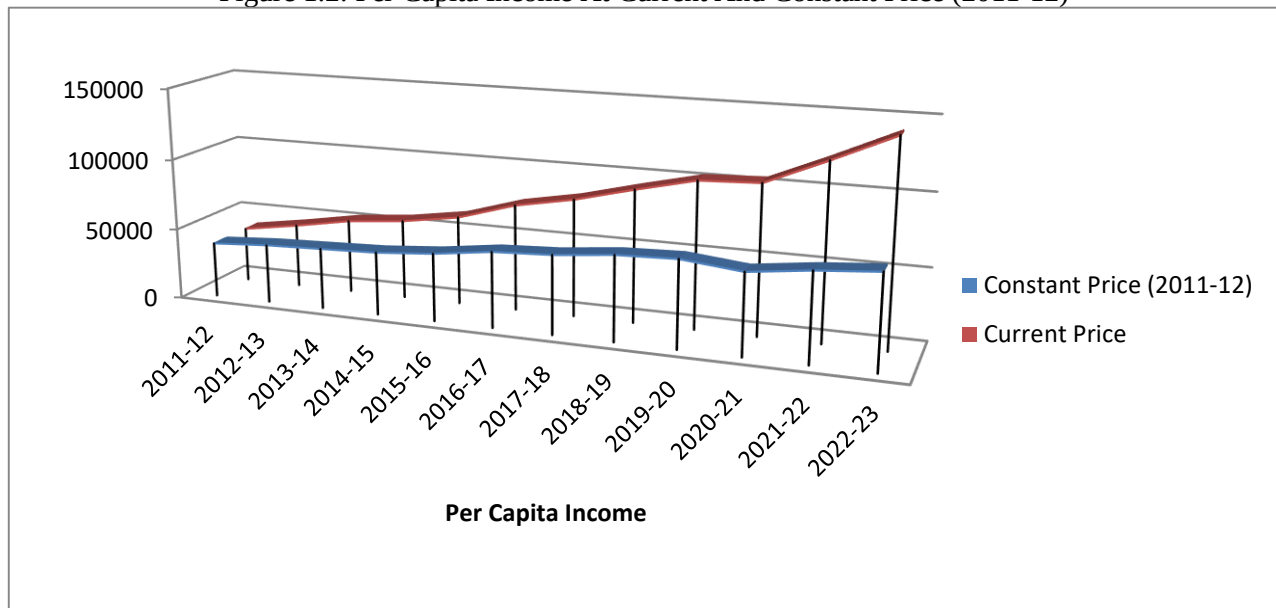
Source: Madhya Pradesh Economic Survey 2022-23

The gross state domestic product at constant prices of the base year (2011-12) was Rs 3,15,562 crore. Which is estimated to increase to Rs 6,00,689 crore and Rs 6,43,124 crore in the year 2021-22 (Q) and 2022-23 (A). This is 90.36 and 103.80 percent more than the base year respectively.

1B. Net Per Capita Income

During the year 2022-23, an increase of 5.24 percent in the primary sector, 5.42 percent, and 9.99 percent in the secondary and tertiary sectors respectively has been estimated from the previous year. On the basis of constant prices (year 2011-12), the per capita net income was Rs 61,534 in the year 2021-22 (Q), which has increased to Rs 65,023 in the year 2022-23 (A). This shows an increase of 5.67 percent as compared to last year. On the basis of prevailing prices, the per capita net income of the state has increased from Rs. 1,21,594 in the year 2021-22 to Rs. 1,40,583 in the year 2022-23 (A), which shows an increase of 15.62 percent. At constant prices, per capita income increased from Rs 38,497 in 2011-12 to Rs 65,023 in 2022-23, showing a growth of 68.90 per cent during the period.

Figure 1.2: Per Capita Income At Current And Constant Price (2011-12)



Source : Madhya Pradesh Economic Survey 2022-2023

2. Recent trend in Various Sector of Madhya Pradesh

2 A. Public Finance and Banking Sector

Public Finance: A revenue deficit of Rs 5,701.14 crore has been estimated in the revised estimate for the year 2021-22. The ratio of interest payment to revenue receipts has been more than 11 per cent. In the year 2022-23 (BE), the revenue receipts are estimated at Rs 1,95,179.69 crore, which is 13.68 percent more than the previous year. The primary deficit of the state in the year 2021-22 was Rs 23,246.29 crore. The primary deficit is estimated at Rs 30,344 crore in the year 2022-23. Due to efforts towards fiscal consolidation, the debt-GSDP ratio declined from 39.5 per cent in 2005 to 22.6 per cent of GSDP in 2020. Debt-GSDP ratio increased to 29 per cent by 2022. Post-Covid economic revival could pave the way for fiscal consolidation.

2B. Agriculture and Food Management:

Madhya Pradesh is the second largest producer of food grains in the country. The state is expected to produce 352.7 lakh tones of wheat in 2022-23 (advance estimates) as compared to 174.8 lakh tonnes in 2013-14. Similarly, the production of rice has increased from 53.6 lakh to 131.8 lakh tones during this period. Efforts are being made to increase agricultural production in the state through various schemes of agricultural development such as distribution of chemical fertilizers, plant protection, distribution of certified seeds etc. In the year 2021-22, 22.54 lakh metric tones of chemical fertilizers were distributed while in the year 2022-23 till the month of November 2022, 13.62 lakh metric tones of chemical fertilizers have been distributed for the Kharif crop. In the year 2021-22, 221.74 lakh hectare areas has been brought under the plant protection programmed. In the Kharif year 2021-22, 22.73 lakh quintals of certified seeds were distributed to the farmers. In Rabi year 2022-23, 18.02 lakh quintals of certified seeds have been distributed till the month of November 2022. There has been a general increase in the irrigated area of the state in the past years. In the year 2021-22, the net irrigated area is 12881.6 thousand hectare, which is 2.93 percent more than last year's 12515.2 thousand hectare.

Procurement of food grains on support price: The state government procures food grains (wheat, paddy and coarse grains) at support price from the farmers under the e-procurement project, under which the area sown by the farmers, Aadhaar number, mobile number information, and their accounts are computerized. The procurement of wheat in the year 2021-22 was 128.16 lakh metric tones. Similarly, in the year 2021-22, 45.86 lakh metric tones of paddy have been procured. For the effective implementation of the public distribution system in the state, at present 26.28 thousand governments fair price shops are operating in the state, in which all the shops have P.O.S. Machines installed.

Pradhan Mantri Fasal Bima Yojana: In order to provide financial assistance to the farmers in case of destruction of any notified crop due to natural calamities and diseases, applications of 45.47 lakh farmers for Rabi crop in the financial

year 2021-22 and 96.20 lakh farmer applications in Kharif year 2022 have been insured. Under the Meri Policy Mere Haath program, crop insurance policies have been distributed to the insured farmers in Kharif 2022.

Horticulture: The state is making effort to diversify agricultural production by bringing more and more area under horticulture crops, fruits, vegetables, spices, etc. Production of major vegetables crops is 224.45 lakh metric tonnes, production of fruits is 90.19 lakh metric tonnes, the production of spices has been 50.90 lakh metric tonnes, and the production of flowers has been 4.27 lakh metric tonnes in the year 2021-22.

Fish production: According to the quick estimates of gross value addition in the year 2021-22 compared to the year 2020-21 (P), there has been an increase of 17.74 percent. Against the target of 3.40 lakh tonnes from all sources in the year 2022-23, 2.02 lakh tonnes of fish were produced till the month of November, 2022, which is 59.41 percent of the target. In the year 2022-23, till the month of November, 2022, the standard fry fish seed production in the state was 19,221.07 lakh metric tonnes, which is 91.53 percent of the target.

Kisan Credit Card: To ensure easy fulfilment of credit requirements of the farmers, Kisan Credit Cards are being issued to the farmers of the state. Till the month of September 2022, 71.68 lakh Kisan Credit Cards have been distributed.

Natural calamities and relief: Based on the recommendation of the 15th Finance Commission, Rs 2,427 crore was allocated for the state disaster response fund and capacity building grant in the year 2020-21 and 2021-22. It is provisioned to receive Rs 2,548 crore in the financial year 2022-23.

Demand in the financial year 2022-23: Expenditure on relief in natural calamities and drought-affected areas, under the main head-2245-Relief due to natural calamity, for the purpose of providing quick relief assistance in cases of loss of lives, Centralized withdrawal system has been included, in which fire victims amount Rs 23.69, hail victims Rs 19.25, flood/cyclone victims Rs 310.01, snakebite Rs 82.34 crore, crop damage by wild animals Rs 1.75, drought Rs 0.01 crore was distributed for crop damage and Rs 137 crore for frost and pest attack. Due to heavy rains/floods between June and September 2022, flood situation was created in Vidisha, Sagar, Guna, Raisen, Damoh, Harda, Morena, Agar Malwa, Balaghat, Bhopal, Ashoknagar, Sehore, Narmadapuram, Sheopur, Chhidanwara, Betul, and Seoni. In which assistance amounting to Rs 202.64 crore has been disbursed to a total of 1,91,755 eligible farmers by the Hon'ble Chief Minister through single click.

2C. Industry, Energy, and Transport Sector Industry:

The size of the secondary sector is expected to increase by 5.42 percent from the year 2021-22 (Q) to the year 2022-23 (A). The economy of the state is agriculture-oriented, for which industrialization is absolutely necessary to take it to a higher level of development. Micro and small and medium industries have a special role in the development of rural economy. In the year 2021-22, a total of 1.87 lakh micro, small and medium industries were established and 15 lakh potential jobs were made available. In the year 2022-23, till the month of November 2022, 2.13 lakh micro, small and medium industries were established in which employment (potential) was provided to 11.30 lakh people. As a result of the industrial liberalization policy of the state government, financial assistance of Rs 392.45 crore was provided in the year 2021-22 to encourage industries in the state. In the year 2022-23, till the month of November 2022, financial assistance of 181.63 crore was provided to micro, small and medium manufacturing units, 7727 units are registered with a plant capacity of 7.04 lakhs.

Minerals: In terms of mineral wealth, Madhya Pradesh is one of the eight major mineral rich states of the country. The state ranks fourth in the country in the gross production of coal. The contribution of mining and quarrying sector in the state's economy is 3.18 percent according to the estimates for the year 2021-22.

Energy: As a result of continuous efforts made by the state government to increase the availability of electricity, the state has attained electricity surplus in the year 2017-18. In the financial year 2021-22, the total power supply was 82,976 million units, in which 1,679 million units were produced from Indira Sagar Project, 970 million units from Sardar Sarovar Project. The total power supply by the MP power generation companies is 21,933 million units. In the year 2021-22, maximum power usage of 42.6 percent was done in the agriculture sector. After this, 27.6 percent power consumption was for home/residence. Continuous increase in power generation capacity and transmission capacity is likely to maintain adequate availability of power in both industry and agriculture sectors in the state. In the year 2021-22, due to increase in the production capacity of Madhya Pradesh's power generation companies and long-term power purchase agreement, the availability of electricity has become in line with the demand and the MP has reached a state of self-sufficiency in the field of electricity. Under the Deendayal Upadhyaya Gram Jyoti Yojana, approval has been

received for 50 schemes worth Rs 2,886 crore for 52 districts of the state for feeder separation, strengthening of metering distribution system and rural electrification. Under these schemes, works of 145, 33/11 KV sub-stations, 21,590 km of 11 KV line, 25,633 km of LT line are included with intensive electrification of villages including 20.39 thousand Majras/Tolas, out of which 145, 33/11 KV sub-stations, 21815 km 11 KV line, 25,888 LT lines Intensive electrification work in 19.56 thousand Majras/Tolas has been completed and in all MP model villages.

Transport: The growth in transport sector (including storage) in the state's economy at constant prices (2021-22) has increased by 27.08 percent in the year 2020-21 (P) and increased 14.15 percent in the year 2021-22(P). By November, 2022, the work of 8294 roads was completed that connected 8458 villages to the main road under the Chief Minister's Village Road Scheme, on which an amount of Rs 3481 crore was spent. In the year 2021, the total length of roads maintained by the Public Works Department is 70.95 thousand km, the length of national highways is 8.85 thousand km, and the length of provincial highways is 11.39 thousand km. Along with the construction up gradation of roads, the number of registered vehicles is continuously increasing in the state. The number of registered vehicles till the month of September 2022 in the year 2022-23 is 11.81 lakh. A total of 2.11 crore vehicles are registered in the state till date.

2D.Service & Social Sector Education:

In the census 2011, the literacy of the country and the state is 73.0 and 69.3 percent respectively. In 2021-22, the enrolment in government primary and government secondary schools in the state was 73.21 lakh and 42 lakh respectively. Enrolment of girls in total enrolment was 35.01 and 20.15 lakh respectively. In the year 2021-22, the number of high schools and higher secondary schools was 18.06 thousand, in which the enrolment was 38.46 lakh. In the year 2021-22, the school dropout rate of boys and girls from class 1 to 5 was 3.24 and 2.91 percent respectively, and the school dropout rate of boys and girls from class 6 to 8 was 8.63 and 9.01 percent respectively. Efforts to increase attendance in schools by implementing the schemes of distribution of free uniforms, supply of cycles, mid-day meals etc. to the students in the state have been fruitful.

Gaon Ki Beti: The state government has made plans to provide high level education to rural girls through 'Gaon Ki Beti' scheme. Under the plan, an amount of Rs 1163.49 lakh has been spent by benefiting 23.27 thousand girl students in the year 2022-23.

C.M. Rise Scheme: Under the C.M. Rise scheme, in the first phase, 274 schools of the department have been started operating as C.M. Rise schools. Out of which in 66 schools, KG classes have been started. The interest of the patrons of these schools has increased, in which the enrolment has increased by 9 percent as compared to last year. As of now, the concept design of 232 schools has been finalized under infrastructure expansion in CM Rise schools. DPRs have been prepared for 197 construction works and tenders have been floated for 86 construction works.

Technical Education: Against the target of 1.73 lakh admission capacity in the year 2021-22 in various technical and professional courses in the state, about 1.12 lakh admissions have been done through online off-campus counselling. In the year 2022-23 till November 2022, an amount of Rs 146.91 crore has been made available to 47328 meritorious students.

Health: Following the National Health Policy, 2002, health services have been strengthened in the state by accepting the national objective of health for all.

- The infant mortality rate of the state has decreased from 46 per thousand live births to 43 per thousand live births (SRS, 2020 vs SRS, 2019). In order to reduce the neonatal mortality rate, infant mortality rate, and child mortality rate, 59 neonatal intensive care units are operating in the state under the child health program, through which critically ill low birth weight and premature new-borns are being treated. In the year 2022-23, till the month of November 2022, 84.18 thousand new-born babies have been provided treatment.
- There are 165 neonatal stabilization units operating at the sub-district level in the state. In the year 2022-23, till the month of November 2022, 19.08 thousand new-born babies have been benefitted.
- 58 Paediatric Intensive Care Units are operational for the treatment and management of seriously ill children. Through them, 52.57 thousand children have been treated in the year 2022-23 till November 2022.
- New-born care corner has been set up in all the identified delivery centers of the state, through which neonatal-high-dependency unit is being established in the institutions to bring down the infant mortality rate.

- Under the National Ambulance Service, 108 Deendayal ambulance vehicles have been operated for the management of emergency services in the state. Presently 1050 Janani Express ambulances are operational.

Pradhan Mantri Awas Yojana (Rural): Under the scheme, all the homeless families have to be provided houses. 5.6 lakh houses have been completed in the year 2021-22 and 6.20 lakh houses have been completed in the year 2022-23. Further, 51,128 masons have been trained of which 5891 are women.

Gramin Deendayal Antyodaya Yojana: Under this scheme, employment is provided through self-employment program and skill training and placement. This scheme is being implemented in all the rural areas of the state with the help of the Government of India. The main objective of this scheme is to generate employment and eradicate poverty in rural areas. Under this, 83,687 youth were trained against the physical target of 70,000 youth in the year 2021-22 by the month of March, 2022 and more than 81.00 lakh masks, 29.00 thousand security kits (P.P.E.Kit), 65,037 liters of sanitizer, 18,662 liters of handwash and 5.87 lakh soaps were made and sold by self-help group members during the Covid-19 pandemic.

2E.Social Security and Justice:

Out of the allocation of Rs 1816.13 crore in the year 2022-23 under the Social Security Pension Scheme in the state, 30.22 lakh beneficiaries have been benefited by spending Rs 1352.49 crore till the month of November, 2022.

Women and Child Development: Integrated child development projects are being implemented for the protection and all-round development of children and women in the state. For the physical, mental and intellectual development of children and to make them free from malnutrition, a total of 453 integrated child development projects including women and child development projects and 73 urban child development projects for children up to 6 years of age and pregnant and lactating mothers are being conducted in the state. A total of 84.47 thousand Anganwadi centers and 12.67 thousand mini Anganwadi centers have been approved in these projects. Through this project, nutritional supplements are being provided to 80.00 lakh children and pregnant and lactating mothers. In the amount to be spent for arranging supplementary food in Anganwadi centers, 50 percent amount is provided by the Government of India. The death rate among children below the age of 5 years decreased from 64.6 per thousand to 49.2 per thousand in the state. On the other hand, the rate of underweight children decreased from 48 percent to 43 percent and serious malnutrition rate has come down from 9.2 percent to 6.5 percent.

Welfare of Scheduled Castes: According to the 2011 census, the Scheduled Castes constitute 15.6 percent of the total population of the state. By providing scholarships and other educational facilities to the children, efforts are being made to increase the educational level as well as to upgrade their standard of living. 571 post matriculation and 1153 pre matriculation hostels and 189 college hostels are operated for the purpose of providing residential facilities to the Scheduled Caste children for housing facilities and creating an environment conducive to studies. 20 hostels are operated for 10 divisional level residential schools. In all these hostels, residential facilities are being provided to 1.00 lakh students. In the years 2021-22 and 2022-23, remarkable work was done by the department through schemes such as Savitribai Phule Self-Employment Scheme, Chief Minister's Skill Up gradation Training Scheme, Chief Minister's Economic Welfare Scheme, Foreign Study Scholarship Scheme etc.

Welfare of Scheduled Tribes: According to the 2011 census, the percentage of Scheduled Tribes in the total population of the state is 21.10 percent. Under the post metric scholarship scheme, the children of parents with annual income up to Rs.6.00 lakh are provided post metric scholarship. The scholarship determined by the fee regulatory committee of the state government and the private regulatory commission is deposited in the bank account of the students. Under the Girls Literacy Promotion Scheme, to encourage girls towards education, a monthly scholarship (10 months) of Rs.60 per month from class 6th to 8th and Rs.130 per month from class 9th to 11th has been included in the state scholarship.

Welfare of Backward Classes: Under the programs run by the government for the welfare of backward classes, state scholarship is given to the backward class students from class 6 to 10 to encourage them for continuous studies (for 10 months). Scholarship is given to those whose parents do not come under the limit of income tax payer or who do not have agricultural land holders of more than 10 acres. An amount of Rs 869.97 crore was spent on a total of 7.03 lakh students in post matric scholarship in the year 2021-22. A target was set to benefit 7.50 lakh students in the year 2022-23. For which a budget provision of Rs 993.60 crore has been made. Delivery is in progress.

Financial assistance to urban and rural street vendors: Due to Corona curfew in different districts, various types of restrictions are imposed, according to the centralized withdrawal system in urban areas, the relief amount is paid quickly through the treasury on the approved cases at the district and tehsil level. In the year 2021-22, till the month of

November 2021, the allocation amount has been issued to the district collectors for various items. For example, an amount of Rs 717.93 lakh has been spent on drinking water transport in urban areas, Rs 2.69 lakh spent on rural water transport, Rs 779.58 lakh spent on purchase of flood protection materials in rural areas, and Rs 24,548.95 lakh has been spent on prevention of disasters, which has been approved by the Office of the Relief Commissioner. Funds have been released for relief assistance to the affected.

Conclusion

Most of the indicators picked to understand the economic development position of Madhya Pradesh reflects that the state has significantly performed over the period of last 15 years. Though the economic base of the state economy is poor, there is the potential for improving it by designing the policies and strategies of the state in such a way that the economy improve its performance and yield a larger surplus. The state government has to mobilize increasing proportion of incremental incomes in the state through tax and non tax measures, particularly from such pockets which have the capacity to bear the burden. The major area in which efforts have to be concentrated are agriculture and physical infrastructure as the state majorly relies on the agriculture and allied activities. The state has the potential for industrial development because of its resources endowments but the government has shown its least interest in capitalizing the possible opportunities. It can attract more capital, both domestic and foreign, provided it builds up and strengthens its physical and social infrastructure.

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