

# "Comparative Analysis of Economic Performance Across Indian States: A Case Study of Gujarat and Maharashtra (2017-2023)"

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## **Abstract:**

*This study examines the economic performance of Gujarat and Maharashtra, two of India's most economically advanced states, over the period from 2017 to 2023. Through a comparative analysis of key economic indicators, such as Per Capita Net State Domestic Product (NSDP), sectoral contributions to GDP, and industrial growth, the research identifies the factors that have driven the success of these states. The study also explores the challenges faced by other Indian states and provides recommendations for enhancing their economic development. The findings suggest that the strategic focus on industrialization, infrastructure development, and favorable business environments in Gujarat and Maharashtra has significantly contributed to their economic prosperity. The research concludes that other states can achieve similar growth by adopting targeted policies and improving infrastructure, education, and governance.*

## **Keywords:**

*Economic performance, Gujarat, Maharashtra, Net State Domestic Product (NSDP), sectoral growth, industrialization, infrastructure development, economic disparities, regional development, India.*

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## **I. Introduction**

India's economy, the fifth-largest in the world, is characterized by significant regional disparities in economic performance. While some states like Gujarat and Maharashtra have emerged as economic powerhouses, others lag behind in terms of industrial output, infrastructure development, and per capita income. The economic success of Gujarat and Maharashtra can be attributed to a combination of factors, including robust industrialization, strategic investments in infrastructure, and favorable government policies. This study aims to conduct a comparative analysis of these two states, examining their economic growth from 2017 to 2023. By understanding the key drivers of their success, the research seeks to provide insights into how other states can replicate these models to achieve balanced economic development across the country.

## **II. Literature Review Summaries**

The relationship between federal structure and economic development in India has been extensively examined (Singh & Srinivasan, 2019). Studies have highlighted regional disparities in economic growth, attributing these variations to factors such as infrastructure development, human capital, and governance quality (Kumar & Sharma, 2018). Sector-wise analyses have revealed significant differences in the contribution of various sectors to state GDPs, emphasizing the need for tailored economic policies (Patel & Bhattacharya, 2020). Recent research has explored the impact of COVID-19 on state economies, revealing varying degrees of economic resilience across states (Mishra, 2021). The importance of intergovernmental fiscal relations in shaping economic outcomes has also been underscored (Rao & Chakraborty, 2017). Panel data analyses have shown that the relative importance of different sectors varies across states and over time, necessitating dynamic and state-specific economic strategies (Ghosh, 2022). State-level policies have been found to play a crucial role in shaping industrial growth, with manufacturing performance varying significantly across states (Nagaraj & Pandey, 2018). National-level policy changes have had differential impacts across states, influencing state-level economic performance (Ahluwalia, 2020). Regional growth and disparity in India have been examined before and after economic reforms, revealing increased overall growth but also widening regional disparities (Bhattacharya & Sakthivel, 2019). Further research has focused on growth patterns and determinants of the

services sector across Indian states, identifying factors contributing to varying performance (Dasgupta & Mukherjee, 2021). Temporal and spatial variations in agricultural growth have been analyzed, highlighting the role of factors such as irrigation and technology adoption (Chand & Parappurathu, 2018). The informal sector and employment challenges have been examined at the state level, revealing significant variations in the size and nature of the informal economy (Mehrotra, 2022). High concentration of value added in a few industrialized states, such as Maharashtra, Delhi, Karnataka, and Tamil Nadu (Hussain et al., 2023).

### **Objectives**

1. To analyze the economic performance of Gujarat and Maharashtra across key sectors including agriculture, manufacturing, construction, and industry from 2017 to 2023.
2. To identify the factors contributing to the superior economic performance of Gujarat and Maharashtra compared to other Indian states.
3. To recommend strategies that other states can adopt to overcome challenges and enhance their economic development based on the successes of Gujarat and Maharashtra.

### **Statement of the problem**

Despite India's overall economic growth, significant disparities exist in the economic performance of various states. Gujarat and Maharashtra have consistently outperformed others across key sectors, contributing substantially to the nation's GDP. This study seeks to understand the underlying factors driving the economic success of these states and identify strategies that can be employed by other states to overcome challenges and enhance their economic development.

### **Scope of the study**

The scope of this study includes a detailed examination of the economic performance of Gujarat and Maharashtra from 2017 to 2023, focusing on key sectors such as agriculture, manufacturing, construction, and industry. The study will analyze economic indicators such as Net State Domestic Product (NSDP), sector-wise contributions to GDP, and per capita income. Additionally, the research will explore the policies and strategies that have facilitated the economic growth of these states. The study will also provide recommendations for other Indian states, focusing on the adoption of successful policies and practices to overcome developmental challenges and achieve sustainable economic growth.

## **III. Research Methodology**

### **1. Research Design**

This study employs a comparative analysis research design to evaluate the economic performance of Gujarat and Maharashtra across various sectors from 2017 to 2023. It utilizes a combination of quantitative data analysis and qualitative assessments of policy impacts and economic strategies.

### **2. Data Collection**

**Secondary Data:** The primary data sources include official government reports, economic surveys, state finance reports, and data from credible economic databases such as the Reserve Bank of India (RBI), Ministry of Statistics and Programme Implementation (MoSPI), and respective state government publications.

**Case Studies:** Selected case studies of significant policy implementations and infrastructure projects in Gujarat and Maharashtra will be reviewed to provide contextual insights.

### **3. Data Analysis**

**Quantitative Analysis:** Data on Net State Value Added (NSVA) by economic activity (agriculture, manufacturing, construction, and industry) and Per Capita Net State Domestic Product (NSDP) are analyzed using statistical methods to identify growth trends and sectoral performance. Comparative statistical tools are used to evaluate differences and similarities between the two states.

**Qualitative Analysis:** Analysis of policy impacts, infrastructure investments, and economic strategies are conducted through content analysis of policy documents, government reports, and relevant literature. This involves assessing the effectiveness of various policies and their role in economic growth.

### **4. Comparative Analysis**

**Sectoral Comparison:** The performance of Gujarat and Maharashtra are compared across agriculture, manufacturing, construction, and industry sectors to identify strengths and weaknesses.

**Policy Impact Assessment:** The study evaluates how specific policies and initiatives have contributed to economic performance in both states, considering factors such as investment climate, infrastructure development, and government support.

**5. Data Interpretation**

**Trend Analysis:** Identified trends in economic performance and growth patterns over the study period.

**Impact Evaluation:** Assessed the direct and indirect effects of economic policies and infrastructure development on sectoral performance.

<b>TABLE 25: PER CAPITA NET STATE DOMESTIC PRODUCT (Current Prices) (Concl.)</b>						
(₹)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	178709	204254	219653	205368	229080	-
Andhra Pradesh	138299	154031	160341	163746	192587	219518
Arunachal Pradesh	138836	155103	182171	181684	205645	-
Assam	75151	81034	90123	90482	102965	118504
Bihar	36850	40715	44175	42083	47498	54111
Chandigarh	280512	307812	330703	290671	333932	
Chhattisgarh	88793	102024	106603	104788	120704	133898
Delhi	318323	338730	355798	331112	389529	444768
Goa	411740	423716	435949	431351	472070	-
Gujarat	176961	197457	212428	207324	241930	-
Haryana	208437	223022	230563	229065	264835	296685
Himachal Pradesh	165497	174804	186559	177924	201271	222227
Jammu & Kashmir*	87710	98738	-	-	-	-
Jammu & Kashmir-U.T.	-	-	101868	101540	120790	136771
Jharkhand	67484	75421	75016	69963	84059	91874
Karnataka	185840	205245	221431	221310	265623	301673
Kerala	183252	205437	208879	194432	233855	
Madhya Pradesh	81966	92337	101909	103654	121594	140583
Maharashtra	172663	182865	189889	183704	215233	-
Manipur	71507	73795	78574	75784	91560	-
Meghalaya	77504	82653	87653	90751	103335	112737
Mizoram	155222	164708	195365	173521	198962	-
Nagaland	102003	109198	122759	119781	125887	-
Odisha	87055	98005	104633	103203	128181	149902
Puducherry	198357	204140	217937	208453	251344	-
Punjab	139835	149974	154385	150620	168705	181716
Rajasthan	98698	106604	115360	115122	135962	156149
Sikkim	349163	375773	412627	415045	463509	519964
Tamil Nadu	175276	194373	206165	209628	242253	275583
Telangana	179358	209848	231326	225663	270839	312398
Tripura	100444	113016	121456	118401	137472	159419
Uttar Pradesh	57944	62350	65660	61434	73048	83565
Uttarakhand	180858	186195	190543	184002	211657	233565
West Bengal	91401	103920	110313	106510	124798	141373

-: Not Available. \*: Relates to Jammu & Kashmir and Ladakh.  
Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

Per Capita Net State Domestic Product (NSDP)

**Top Performers:**

- Sikkim: Consistently high, growing from ₹349,163 to ₹519,964 between 2017-18 and 2022-23.
- Delhi: Significant economic strength, increasing from ₹318,323 to ₹444,768.
- Growth Trends:
  - Most states/UTs show positive growth, with notable increases in Karnataka and Telangana.
  - Bihar and Uttar Pradesh have lower Per Capita NSDPs but show gradual improvement.

This data reflects the average income of residents in each state/UT, indicating economic strength and growth trends.

<b>TABLE 33: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - AGRICULTURE (Current Prices) (Concl.)</b>						
(₹ Lakh)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	46917	40375	39073	47877	56502	-
Andhra Pradesh	10682157	9978803	11916787	12819795	14272037	16404625
Arunachal Pradesh	294708	300113	319568	339885	373699	-
Assam	3112293	3323795	3784860	4341828	5009152	6217363

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Bihar	5734762	5555003	6324048	7303762	7569628	8694983
Chandigarh	670	487	577	446	330	-
Chhattisgarh	2639711	3287111	3681422	3959786	4383221	4850486
Delhi	48210	46764	59086	60382	76065	70865
Goa	201708	186868	183501	190165	199076	-
Gujarat	11789091	10280355	13883338	15172144	16432531	-
Haryana	5284342	5554449	5734479	5903502	6588420	7280517
Himachal Pradesh	636868	672242	970907	749795	841671	985434
Jammu & Kashmir *	1155863	1224001	1273014	1206407	1389784	1513922
Jharkhand	2361998	2109164	2235945	2483901	2864391	3267483
Karnataka	9985399	9600024	11118989	13863505	16874316	18583092
Kerala	1705411	1406509	1367888	1373633	1243456	-
Madhya Pradesh	19757769	21016075	26382633	30285372	35205680	41547852
Maharashtra	13061045	11949838	15155820	16968336	21995626	-
Manipur	418727	475386	508327	554631	654763	-
Meghalaya	253690	279834	288528	359824	392310	457457
Mizoram	159623	168041	173464	183698	186775	-
Nagaland	400530	380830	376920	385517	222502	-
Odisha	3958687	4571038	6489764	6547614	7052123	8270857
Puducherry	24383	28890	33540	24610	21002	-
Punjab	6685149	7133174	7224682	7576486	7391242	7750193
Rajasthan	8001987	9046590	11380259	12115591	14064875	15390932
Sikkim	178394	211691	233508	234837	249226	271449
Tamil Nadu	7048330	7389318	8382881	9595062	10596366	11164141
Telangana	4194575	4245236	7240660	7678337	7940722	9590810
Tripura	725687	911299	1014006	1157026	1171027	1275029
Uttar Pradesh	18053245	19540117	21456498	22859223	28030223	29934583
Uttarakhand	805380	778793	937238	1010060	1056270	1127329
West Bengal	12506711	13397303	13922877	14368217	15064719	15748325

\*: Data for 2019-20 to 2022-23 relate to the UT of Jammu & Kashmir. -: Not Available.  
Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

**Net State Value Added by Economic Activity - Agriculture**

**Top Performers:**

- Madhya Pradesh: Highest agricultural value addition, growing from ₹19,757,769 lakh to ₹41,547,852 lakh between 2017-18 and 2022-23.
- Rajasthan, Uttar Pradesh, and Andhra Pradesh also have large and growing agricultural sectors.

**Growth Trends:**

- Most states/UTs show positive growth in agricultural value addition.
- Exceptions include Kerala and Nagaland, which experienced declines.

This data highlights the growth and contribution of the agriculture sector to the economies of various states and union territories in India.

**TABLE 37: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - MANUFACTURING  
(Current Prices) (Concl.)**

(₹ Lakh)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	6288	5696	4891	4360	5021	-
Andhra Pradesh	5263912	6739289	6057171	6508362	7975912	8918041
Arunachal Pradesh	37062	31842	20981	18663	22128	-
Assam	2945235	3176344	3119795	3464240	4014661	4661449
Bihar	3192841	3097373	3415330	3783854	4587549	4718728
Chandigarh	101836	131985	126014	99719	104733	-
Chhattisgarh	3187833	4221725	4398883	4388821	4861693	5252565
Delhi	2710601	2813121	2941669	2581669	3230128	3504322
Goa	2419662	2559577	2531180	2532528	2648382	-
Gujarat	32681950	39417719	43181677	42376792	51054347	-
Haryana	9402045	11242461	10874092	11135152	13401611	14854534
Himachal Pradesh	3478425	3915064	3919881	4039918	4684887	5126111
Jammu & Kashmir *	895094	891311	813770	1099500	1343595	1463614
Jharkhand	4557337	5895026	5217181	5314067	6608711	7206714
Karnataka	17022747	18803430	17515253	17472981	21666908	23868674
Kerala	6003413	5839372	5654347	5593948	6434391	-
Madhya Pradesh	5092755	7170683	5641613	5523421	7249527	8127643
Maharashtra	35254072	34249875	29228896	29673914	36908898	-

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Manipur	50250	50670	30847	30690	37333	-
Meghalaya	210712	227408	266365	215943	268214	312255
Mizoram	9524	10491	12869	3643	10186	-
Nagaland	26501	28678	26859	20228	24929	-
Odisha	6268771	8500142	6848178	8428202	10864641	13733399
Puducherry	740558	852772	840761	961044	1176212	-
Punjab	4956731	5742970	5835436	5954203	7357452	8146634
Rajasthan	6691826	7899898	8777153	8615099	10723517	12110212
Sikkim	1038004	1106153	1126667	1186383	1256519	1364374
Tamil Nadu	24119365	27163843	26981448	26794675	32099565	37751825
Telangana	7127381	8560067	8432046	8744319	10799102	11935708
Tripura	132290	124559	139478	143001	177117	200260
Uttar Pradesh	15382681	14797670	15249243	15406589	18924612	23278692
Uttarakhand	6965287	7150837	7086507	7106649	8562809	9633496
West Bengal	9862092	12300925	12007222	11289444	14772803	16824064

\*: Data for 2019-20 to 2022-23 relate to the UT of Jammu & Kashmir. -: Not Available.

Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

**Net State Value Added by Economic Activity - Manufacturing**

**Top Performers:**

- Gujarat: Highest manufacturing value addition, growing from ₹32,681,950 lakh to ₹51,054,347 lakh between 2017-18 and 2021-22.
- Maharashtra, Tamil Nadu, and Karnataka are other major manufacturing hubs.

**Growth Trends:**

- Most states/UTs show positive growth in manufacturing value addition, indicating expansion of the sector.
- Exceptions include Jharkhand and Manipur, which experienced declines.

This data highlights the growth and contribution of the manufacturing sector to the economies of various states and union territories in India.

**TABLE 41: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - CONSTRUCTION  
(Current Prices) (Concl'd.)**

TABLE 41: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - CONSTRUCTION (Current Prices) (Concl'd.)						
(₹ Lakh)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	91716	96034	104315	90775	114347	-
Andhra Pradesh	5069205	5610636	5228317	5567146	6558209	7669400
Arunachal Pradesh	209538	168790	175754	166899	223794	-
Assam	2042907	1955162	1968696	1963374	2219659	2603232
Bihar	3664863	4129156	4237103	3884903	5144813	5985838
Chandigarh	149073	170347	167390	166271	208096	-
Chhattisgarh	3178626	3796372	3854803	3541643	4150719	4472982
Delhi	2745368	3124148	3120295	2939337	3859924	4505153
Goa	209818	217266	212340	201679	210710	-
Gujarat	6132825	7040730	7401593	7215988	9378607	-
Haryana	4004834	4578641	4622742	4312197	5178149	5871995
Himachal Pradesh	888890	947800	988354	951932	953453	1077578
Jammu & Kashmir	1026953	1076298	1132260	1011362	1203022	1287208
Jharkhand	1970945	2220330	2217852	2091484	2780206	3013003
Karnataka	6675954	7662010	7716461	7261424	8758593	9913916
Kerala	7766067	8838977	8521984	8244763	10388388	-
Madhya Pradesh	5128344	6044609	5909674	5729321	7293754	8638526
Maharashtra	11059761	12577120	12701235	12358999	16186151	-
Manipur	202468	129171	136078	118178	157158	-
Meghalaya	189349	164413	185862	175463	218354	236463
Mizoram	209606	190367	162368	184710	240538	-
Nagaland	205025	202178	200154	184051	228795	-
Odisha	2789953	3048193	3049354	2865283	3818071	4210116
Puducherry	370018	418192	419318	394253	511467	-
Punjab	2616879	2923692	2929476	2749392	3324306	3663640
Rajasthan	6054100	6940623	7427161	7125888	9195267	10711883
Sikkim	95148	102945	122824	113787	144495	168734
Tamil Nadu	13665134	15510462	16032205	17164035	21045520	23531607
Telangana	3246813	3519678	3596654	3328226	4296461	4663204
Tripura	238238	299469	242442	237790	252414	265833
Uttar Pradesh	12881232	15077205	15606721	14738318	19183224	23504406

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Uttarakhand	1460067	1668761	1665487	1599753	1953184	2361307
West Bengal	5997180	6718717	6775639	6314643	9467506	11147494
-: Not Available.						

Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

**Net State Value Added by Economic Activity - Construction**

**Top Performers:**

- Tamil Nadu: Highest construction value addition, growing from ₹13,665,134 lakh to ₹23,531,607 lakh between 2017-18 and 2021-22.
- Maharashtra, Uttar Pradesh, and Karnataka also have significant construction activities.

**Growth Trends:**

- Most states/UTs show positive growth in construction value addition, driven by infrastructure development and urbanization.
- Exceptions include Arunachal Pradesh and Manipur, which experienced declines.

This data highlights the growth and contribution of the construction sector to the economies of various states and union territories in India.

**TABLE 45: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - INDUSTRY  
(Current Prices) (Concl'd.)**

(₹ Lakh)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	119600	126045	134030	126529	146228	-
Andhra Pradesh	13676828	15775114	14927883	15298864	18938394	22022953
Arunachal Pradesh	426351	401383	428326	422500	582744	-
Assam	7999665	8653132	8335458	7836735	9015263	10463279
Bihar	7301665	7973571	8838568	8322105	10464441	11565421
Chandigarh	290366	351408	367261	329775	374807	-
Chhattisgarh	9696425	11635220	11497836	11338365	13682910	15273522
Delhi	7524775	8334844	8410912	7621184	10059184	11769578
Goa	3035456	3162064	3202055	3233910	3474430	-
Gujarat	45350022	54023565	58381580	56397900	68803538	-
Haryana	14767778	17136887	16771308	16645949	19861460	22125904
Himachal Pradesh	4968562	5480662	5564465	5651934	6326516	6963629
Jammu & Kashmir	2474022	2603675	2534814	2716939	3224214	3499002
Jharkhand	8361173	10222863	9552051	9110052	11573642	12539587
Karnataka	25715202	28660382	27531894	27167758	33801073	37474097
Kerala	12114828	12201824	12373973	11779832	12539711	-
Madhya Pradesh	13787995	17256105	15913897	15677462	19677646	22275368
Maharashtra	55959605	56919331	51707306	51264733	63830799	-
Manipur	298940	217206	205366	191336	238976	-
Meghalaya	510027	477919	518117	463144	585747	670445
Mizoram	489301	437549	569712	466032	620309	-
Nagaland	273917	275998	307882	263307	322502	-
Odisha	12897201	15883269	14028277	15320200	21279711	25642476
Puducherry	1189732	1347485	1339455	1417268	1753085	-
Punjab	8899758	9826135	9961105	9894373	11918850	13172191
Rajasthan	19340647	19048813	20587179	20763930	25795422	29648947
Sikkim	1346969	1459761	1538058	1703045	1898751	2149866
Tamil Nadu	40319644	44972742	45728556	46524628	56233201	64802375
Telangana	13103697	15803494	15515011	14983525	18390624	20190204
Tripura	818701	931324	885580	790422	1056109	1286602
Uttar Pradesh	32553978	34107917	35120883	34106017	43149085	52749922
Uttarakhand	9137383	9590045	9502121	9400552	11309727	12899905
West Bengal	17801657	21108670	20982009	19917876	26861246	30898118
-: Not Available.						

Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

**Net State Value Added by Economic Activity - Industry**

**Top Performers:**

- Gujarat: Highest industrial value addition, growing from ₹45,350,022 lakh to ₹68,803,538 lakh between 2017-18 and 2021-22.
- Maharashtra, Tamil Nadu, and Karnataka are other major industrial hubs.

**Growth Trends:**

- Most states/UTs show positive growth in industrial value addition, indicating expansion of the industrial sector.
- Exceptions include Jharkhand and Manipur, which experienced declines.

This data highlights the growth and contribution of the industrial sector to the economies of various states and union territories in India.

**TABLE 49: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - BANKING AND INSURANCE  
(Current Prices) (Concl.)**

(₹ Lakh)						
State/Union Territory	Base: 2011-12					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Andaman & Nicobar Islands	18166	20855	20759	20939	26266	-
Andhra Pradesh	2436380	3243796	3587164	3830446	4613006	5568821
Arunachal Pradesh	27622	37374	45162	46177	30686	-
Assam	778091	851952	989634	1030936	1131762	1243169
Bihar	1520095	2183087	2274722	2493940	2557474	2851836
Chandigarh	370193	476231	517186	524160	556556	-
Chhattisgarh	840895	848623	971745	1035716	1177503	1320541
Delhi	7996344	9083140	9409694	9786257	11006875	12613147
Goa	267892	245642	253627	339396	374177	-
Gujarat	6093473	7042012	7492757	8326181	8495423	-
Haryana	1925660	2559738	2809326	3013864	3430441	3876398
Himachal Pradesh	367112	398745	417536	452466	486175	528958
Jammu & Kashmir	398141	449681	518625	552303	551644	604602
Jharkhand	709073	764594	848577	876110	912589	992357
Karnataka	5378172	6010300	6466941	7262435	8155561	9330984
Kerala	2486710	3181442	3403535	3527917	3848000	-
Madhya Pradesh	2371994	2706678	3001351	3134766	3530176	4203550
Maharashtra	19342403	22193761	24204610	25121624	27417800	-
Manipur	42602	57042	67513	69703	75074	-
Meghalaya	79649	73933	87375	90164	95992	101703
Mizoram	29934	38027	42625	44900	49377	-
Nagaland	59703	68562	69099	85739	200500	-
Odisha	1308446	1472067	1666779	1745384	1833764	1992020
Puducherry	99218	95259	108829	112356	121639	-
Punjab	2047738	2159698	2344112	2363560	2478030	2600577
Rajasthan	2855183	3339297	3740531	4036895	4533433	5186248
Sikkim	27201	31542	41311	44565	44453	49891
Tamil Nadu	7231959	8120306	8759165	9389673	10010174	11131227
Telangana	3989205	4277977	4559540	4725715	5018728	5766518
Tripura	132836	115398	140774	140288	157045	184145
Uttar Pradesh	4663018	5091170	5597949	5716742	6089066	6579007
Uttarakhand	519771	577273	629057	752288	842044	960267
West Bengal	4618983	5000195	5404174	5619095	5677607	5739068

-: Not Available.

Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

**Net State Value Added by Economic Activity - Banking and Insurance**

**Top Performers:**

- Delhi: Highest banking and insurance value addition, growing from ₹7,996,344 lakh to ₹12,613,147 lakh between 2017-18 and 2021-22.
- Maharashtra and Tamil Nadu also have significant banking and insurance sectors.

**Growth Trends:**

- Most states/UTs show positive growth in banking and insurance value addition, reflecting the expanding financial services industry.
- Exceptions include Arunachal Pradesh and Manipur, which experienced declines.

This data highlights the growth and contribution of the banking and insurance sector to the economies of various states and union territories in India.

**TABLE 53: NET STATE VALUE ADDED BY ECONOMIC ACTIVITY - SERVICES**

<b>(Current Prices) (Concl.)</b>						
<b>(₹ Lakh)</b>						
<b>State/Union Territory</b>	<b>Base: 2011-12</b>					
	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Andaman & Nicobar Islands	461981	515934	553058	508941	566824	-
Andhra Pradesh	26274210	29606510	32117874	30053192	35480540	42574238
Arunachal Pradesh	830066	885059	1028343	1042442	1193390	-
Assam	10967348	11676870	12909792	12433498	14178718	16303304
Bihar	24378389	28045488	30254057	27615233	32937128	38632291
Chandigarh	2717374	2958590	3243499	2886129	3339205	-
Chhattisgarh	8374355	9237949	10630999	10464709	12036054	13738213
Delhi	44460422	48895186	53711397	50819730	59523108	69531148
Goa	2046792	2183700	2333698	2282253	2629353	-
Gujarat	36595550	41753676	45585074	46299656	52107875	-
Haryana	23839187	26911035	28903321	27531894	33164038	38578735
Himachal Pradesh	4536818	4895306	5206289	4927041	5927338	6607903
Jammu & Kashmir	6084743	7349406	7553141	7180642	8687030	10418082
Jharkhand	9297244	10660832	11583101	10594343	12752730	14312774
Karnataka	67753068	77653906	87796633	85717864	102173614	118128809
Kerala	36030151	40364131	43106695	38157028	47308088	-
Madhya Pradesh	21595959	24796426	27528147	26153698	30662115	37453078
Maharashtra	101169887	112649228	124730633	116994669	135697524	-
Manipur	1345037	1470326	1644817	1583443	1967954	-
Meghalaya	1406753	1632163	1781153	1623867	1908932	2124181
Mizoram	790640	871098	1077470	976651	1121664	-
Nagaland	1151590	1327348	1463133	1469317	1692590	-
Odisha	13964635	14916488	16419823	14779745	17694133	20665420
Puducherry	1229109	1346748	1482939	1353913	1606693	-
Punjab	17057544	18338370	19767488	17985697	20830439	22797263
Rajasthan	31816004	36911254	39323064	36284692	43024440	50360083
Sikkim	520779	620035	785512	673764	783622	895582
Tamil Nadu	62624550	71253856	77836662	78452666	89588949	101950054
Telangana	38341905	43240218	47930257	45772886	56815644	68183932
Tripura	1719630	1870246	2028420	1806539	2278606	2730244
Uttar Pradesh	53868658	59510396	64979122	57792556	68752627	77209130
Uttarakhand	7001539	7608660	8212091	7745075	9048720	9869057
West Bengal	44390017	49409020	55192677	53194885	63341609	74860401
--: Not Available.						
Source: National Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.						

Net state value added by economic activity - services

**Top Performers:**

- Maharashtra: Highest services value addition, growing from ₹101,169,887 lakh to ₹135,697,524 lakh between 2017-18 and 2021-22.
- Tamil Nadu, Uttar Pradesh, and Karnataka also have large and growing services sectors.

**Growth Trends:**

- Most states/UTs show positive growth in services value addition.
- Exceptions include Jammu & Kashmir and Kerala, which experienced declines.

This data highlights the significant contribution of the services sector to the economies of various states and union territories in India.

**IMPACT OF VARIOUS POLICIES ON THE ECONOMIC PERFORMANCE OF INDIAN STATES OVER THE YEARS**

Studying the impact of various policies on the economic performance of Indian states over the years involves analyzing how specific government interventions have influenced key economic indicators like GDP growth, industrial development, agricultural productivity, and social welfare. Below is an exploration of how different types of policies—fiscal, industrial, agricultural, and social—have shaped the economic trajectories of Indian states:

**1. Fiscal Policies:**

- GST: Positive for industrially developed states, negative for smaller states.
- 14th Finance Commission: Positive for states with lower tax revenue, negative for states with lower capacity to utilize funds.

**2. Industrial Policies:**

- Make in India: Positive for states with strong industrial bases, negative for northeastern and central states.
- SEZ Policy: Positive for states like Andhra Pradesh and Gujarat, negative for states with land acquisition challenges.

### **3. Agricultural Policies:**

- National Food Security Act: Positive for states with higher poverty levels, negative due to implementation challenges.
- Pradhan Mantri Fasal Bima Yojana: Positive for states with large agricultural sectors, negative due to implementation issues.

### **4. Social Welfare Policies:**

- MGNREGA: Positive for reducing rural poverty, negative due to implementation issues.
- DBT: Positive for improving transparency, negative for states with lower banking penetration.

### **5. Infrastructure Development Policies:**

- PMGSY: Positive for enhancing rural connectivity, negative for hilly and remote regions.

### **6. Education and Health Policies:**

- **Sarva Shiksha Abhiyan:** Positive for increasing enrollment rates, negative for quality of education.
- **Ayushman Bharat:** Positive for improving access to healthcare, negative due to implementation challenges.

These policies have had varying impacts on Indian states, depending on their individual strengths and challenges.

## **State Economic Performance Analysis (2017-2023)**

### ➤ **Tamil Nadu stands out as a state that has performed well across all major sectors:**

1. Fiscal Management: Strong tax revenue base and prudent fiscal management.
2. Industrial Development: Diverse industries, including manufacturing, IT, and textiles.
3. Agriculture: Diverse agricultural sector with emphasis on water management and innovation.
4. Social Welfare: Pioneering welfare schemes, including mid-day meals and subsidized food canteens.
5. Infrastructure Development: Robust infrastructure, including roads, ports, and airports.
6. Education: High literacy rates, free textbooks and uniforms, and prestigious institutions.
7. Health: Advanced healthcare system, strong public health initiatives, and high life expectancy.

### ➤ **Gujarat and Maharashtra have also consistently performed well across multiple economic sectors:**

#### **Gujarat:**

- Strong industrial base, particularly in manufacturing
- Infrastructure development and favorable investment climate
- Robust education system and skilled workforce
- Export and trade hub

#### **Maharashtra:**

- Diversified economy with strengths in manufacturing, finance, IT, and services
- Financial capital, Mumbai, contributes significantly to GDP
- Industrial and IT parks, infrastructure, and connectivity
- Pro-business policies and investment-friendly regulations

These states have made significant contributions to India's GDP and continue to drive economic growth.

## **IV. Results and Discussions**

### **Economic Performance Overview**

#### **Gujarat:**

- Strong growth in Per Capita NSDP, indicating improved income levels and economic well-being.
- Manufacturing sector excels, with significant growth in Net State Value Added (NSVA).
- Industry sector also performs well, with NSVA reaching ₹68,803,538 lakh in 2021-22.

#### **Maharashtra:**

- Consistently high Per Capita NSDP, reflecting substantial economic development and high standard of living.
- Diverse economic base with significant contributions from manufacturing, IT, and finance sectors.

### **Comparative Analysis**

- Sectoral Strengths:

- Gujarat: Manufacturing and industry are major strengths.
- Maharashtra: Diversified economy with strong manufacturing, IT, and finance sectors.

**Per Capita NSDP:**

- Both states have high Per Capita NSDP, but Maharashtra's is consistently higher.
- Agricultural Sector:
- Both states show steady growth, but are not leading performers in this sector.

**Policy Impact Analysis**

**Gujarat:**

- Pro-business policies and infrastructure investments drive economic success.
- Focus on industrialization and strategic infrastructure projects contribute to growth.

**Maharashtra:**

- Favorable business environment, IT initiatives, and financial capital drive economic performance.
- Government initiatives and significant investments in IT and infrastructure also contribute.

**Discussion**

**Economic Strategies:**

- Gujarat's focus on manufacturing and industry has paid off.
- Maharashtra's diversified economy provides a stable foundation.

**Infrastructure Development:**

- Both states' investments in infrastructure drive economic growth.
- Gujarat focuses on industrial infrastructure, while Maharashtra develops financial and IT infrastructure.

**Policy Implications:**

- Targeted policies and strategic investments can enhance economic performance.
- Gujarat should maintain manufacturing growth and improve agriculture, while Maharashtra should support diverse sectors and leverage its financial capital.

**Recommendations:**

1. Boost agricultural sector performance with advanced technologies and infrastructure.
2. Diversify economic investments to mitigate risks.
3. Upgrade infrastructure for business operations and connectivity.
4. Foster innovation and technology adoption across sectors.
5. Support Small and Medium Enterprises (SMEs) with incentives and resources.
6. Enhance education and skill development for a skilled workforce.
7. Refine policy frameworks for a conducive business environment.
8. Promote sustainable development and environmental considerations.

By addressing these recommendations, Gujarat and Maharashtra can further enhance their economic performance and continue to contribute significantly to India's overall economic growth.

**Other states aiming to enhance their economic development and improve overall performance, the following measures are recommended:**

1. **Invest in Infrastructure:** Develop and upgrade transportation networks, energy systems, and urban infrastructure to facilitate business operations, improve connectivity, and attract investments.
2. **Foster Industrial and Economic Diversification:** Encourage the growth of diverse sectors, including manufacturing, services, and technology, to reduce dependency on a single industry and promote balanced economic development.
3. **Enhance Education and Skill Development:** Improve educational institutions, vocational training, and skill development programs to create a skilled workforce that meets the demands of various industries.
4. **Support Agricultural Innovation:** Implement advanced agricultural technologies, improve irrigation and storage facilities, and provide financial and technical support to farmers to boost agricultural productivity and sustainability.
5. **Promote Entrepreneurship and SMEs:** Create a favorable environment for startups and small and medium enterprises by offering incentives, financial support, and resources to stimulate innovation and job creation.
6. **Strengthen Governance and Policy Frameworks:** Ensure transparent, efficient, and investor-friendly regulatory practices. Regularly review and update policies to create a supportive business environment and reduce bureaucratic obstacles.

7. **Encourage Research and Development:** Invest in research and development to drive innovation and technological advancements across various sectors. Support partnerships between industries and research institutions.
8. **Focus on Sustainable Development:** Incorporate environmental sustainability into economic planning. Promote green technologies, renewable energy, and resource conservation to ensure long-term growth and address environmental challenges.
9. **Enhance Healthcare and Social Services:** Improve healthcare systems and social services to enhance the quality of life for residents, which in turn supports a more productive workforce and stable economic environment.
10. **Leverage Tourism and Culture:** Develop and promote tourism, cultural heritage, and local attractions to boost regional economies and create additional sources of income and employment.

By implementing these measures, states can work towards achieving balanced and sustained economic growth, ultimately improving their performance across various sectors.

Addressing these challenges requires a comprehensive approach involving policy reforms, investment in key areas, and collaborative efforts between government, private sector, and civil society.

## V. Conclusion

In conclusion, the economic performance of Indian states varies significantly, influenced by factors such as industrial diversification, infrastructure development, education, and governance. States like Gujarat and Maharashtra have demonstrated strong growth across multiple sectors due to their robust industrial base, investment-friendly policies, and strategic focus on infrastructure and education. However, other states face challenges that impede their development, including infrastructure deficiencies, limited access to finance, and skill gaps. To bridge this gap, it is essential for these states to adopt comprehensive measures that address these challenges, foster economic diversification, and create a conducive environment for sustainable growth. This study highlights the need for targeted interventions and policy reforms to enable all states to contribute effectively to India's overall economic progress.

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