
The Emerging Role of Haryana in Indian Economy

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Abstract: *Haryana is one of the major industrialist states of India. Recently in the last decade it has made an important place as industrial hub. It is one of the leading state in terms of industrial production and agricultural production. It is the second largest contributor of food grains to India's central pool and more than 60 percent of the export of Basmati Rice is contributed by the state of Haryana. Moreover, it is the 3rd largest software exporter and one of the preferred destination for IT facilities. In the year 2015-16 total domestic products at a compound annual growth rate of the state remained 75.3 billion U.S. Dollar. Gurugram and Panipat are the leading destinations for industrial development in Haryana. Total domestic products of Haryana for the year 2013-14 was Rs. 3.89 Lakhs which has reached about US\$ 85 billion in 2016-17. Moreover Haryana is an agriculturalist state but it is not very far behind in the perspective of industrial development. Recently the government of Haryana has implemented many new schemes and plans to accelerate the pace of economic development in the state.*

Keywords: Economy, Industrial Development, Agriculture, Exports, GSDP, Policies.

Introduction: The State of Haryana was created on 1st November 1966 before, it was a part of joint Punjab. As the largest recipient of investment per capita since 2000 in India, and among one of the wealthiest and most economically developed regions in South Asia. According to the census of 2011, 65 percent of total population lives in rural areas and 35 percent in urban areas. According to the 2011 census, of total population of Haryana is 25,350,000. It is a well-known fact that Haryana is the India's third highest per capita income at ₹214,509 (US\$3,300) against the national average of ₹112,432 (US\$1,700) in year 2016–17. Haryana's 2017-18 estimated state GSDP of US\$95 billion (52% services, 30% industries and 18% agriculture) is growing at 12.96% 2012-17 CAGR and placed on the 14th position behind only much bigger states, is also boosted by 30 SEZs (mainly along DMIC, ADKIC and DWPE in NCR), 7% national agricultural exports, 60% of national Basmati rice export, 67% cars, 60% motorbikes, 50% tractors and 50% refrigerators produced in

India. Faridabad has been described as eighth fastest growing city in the world and third most in India by City Mayors Foundation survey. In services, Gurugram ranks number 1 in India in IT growth rate and existing technology infrastructure, and number 2 in startup ecosystem, innovation and livability. Gurugram is among India's top 3 IT hubs and IT export income earner.

Manufacturing Sector: The fact is that there are numerous manufacturing companies in the NCR region which include Hindustan National Glass, Maruti Udyog Limited, Escorts Group, Hero MotoCorp, Alcatel, Sony, Whirlpool India, Bharti Telecom, Liberty Shoes and HMT. In addition there are more than 80,000 small-scale industrial units in the state which cumulatively bring in a substantial income for the state and its people. Likewise Yamunanagar district has a paper mill BILT, Haryana has a large production of cars, motorcycles, tractors, sanitary ware, glass container industry, gas stoves and scientific instruments. Faridabad is another big industrial part of Haryana. It is home to hundreds of large scale companies like Orient fans (C.K. Birla Group), JCB India Limited, Nirigemes, Agri Machinery Group (Escorts Group), Yamaha Motor India Pvt. Ltd., Whirlpool, ABB, Goodyear Tire and Rubber Company, Knorr Bremse India Pvt. Ltd. There

are thousands of medium and small scale units as well, like Amrit Enterprises, McAma Industries.

Agriculture Sector: The fact is that more than 86% of the area of Haryana is arable, and of that 96% is cultivated. About 75% of the area is irrigated, through tubewells and an extensive system of canals. Here it is noteworthy to say that Haryana contributed significantly to the Green Revolution in India in the 1970s that made the country self-sufficient in food production. The state has also significantly contributed to the field of agricultural education in the country. On a whole Haryana's agriculture GDP contribution to the nation is 14.1% Asia's biggest agricultural University which is a matter of pride for the state.

Dairy Farming: Haryana is a well-known state for dairy farming. Moreover, dairy farming is also an essential part of the rural economy and Haryana has a livestock population of 10 million head. Milk and milk products form an essential part of the local diet. There is a saying Desaan main des Haryana, jitdoodhdahikakhaana, which means "Best among all the countries in the world is Haryana, where the staple food is milk and yogurt". Haryana, with 660 grams of availability of milk per capita per day, ranks at number two in the country compared to the national average of

232 grams. There is a vast network of milk societies that support the dairy industry. The National Dairy Research Institute at Karnal, and the Central Institute for Research on Buffaloes at Hisar are instrumental in development of new breeds of cattle and propagation of these breeds through embryo transfer technology. Moreover agricultural scientists have been significantly making a contribution to the development of agriculture and dairy farming.

Infrastructure Development: The government of Haryana has given a special attention to the development of infrastructure facilities. In this regard, the 32 lane toll gate at National Highway 8 is the largest in Asia and third largest in the world. Haryana has a total road length of 23,684 kilometers. The most remote parts of the state are linked with metaled roads. Its modern bus fleet of 3,864 buses covers a distance of 1.15 million Kilometers per day. It was the first State in the country to introduce luxury video coaches. Haryana State has always given high priority to the expansion of electricity infrastructure, as it is one of the most important inputs for the development of the State. Haryana was the first State in the country to achieve 100% rural electrification in 1970, first in the country to link all villages with all-weather roads and first in the country to provide

safe drinking water facilities throughout the state

Industrial Development in Haryana: It is a well-known fact that Haryana is a leading state in the country on both the industrial and agricultural front. Haryana is one of the leading states in terms of industrial production, especially passenger cars, two-wheelers, mobile cranes and tractors. Haryana is the second-largest contributor of food grains to India's central pool and accounts for more than 60 per cent of the export of Basmati rice in the country, third-largest exporter of software and one of the preferred destinations for IT/ITeS facilities. During FY12-17, the state's GSDP grew at a compound annual growth rate (CAGR) of 12.96 per cent. At current prices, the total GSDP of Haryana was about US\$ 85 billion in 2016-17. The state accounted for 7 per cent of India's agricultural exports in 2016-17.

Haryana is a preferred destination for auto majors and auto-component manufacturers. The state is host to many large automotive players. The state produces two-thirds of passenger cars, 50 per cent of tractors, 60 per cent of motorcycles and 50 per cent of the refrigerators manufactured in the country. The state has invested in the development of world class infrastructure

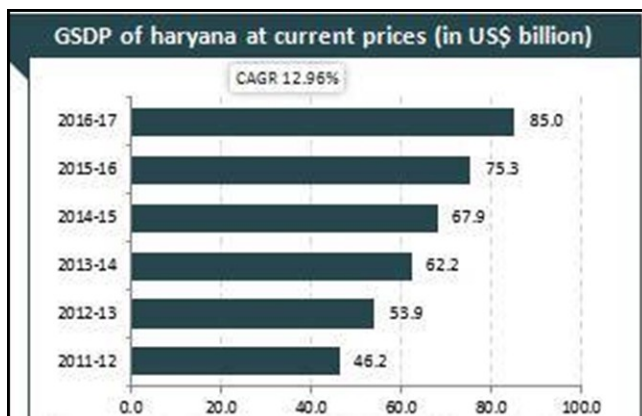
facilities such as special economic zones (SEZs), Kundli-Manesar-Palwal (KMP) global corridor and Delhi- Mumbai Industrial Corridor (DMIC). Haryana enjoys a locational advantage, with nearly one-third of the state's area under the National Capital Region (NCR), a prominent trade and consumption centre. The state offers a wide range of fiscal and policy incentives for businesses under the Industrial and Investment Policy, 2011. Moreover, it has sector-specific policies, particularly for IT and tourism. The Haryana State Industrial and Infrastructure Development Corporation Ltd (HSIIDC) is the state's premier industrial promotion and investment facilitation agency, responsible for providing reliable and efficient facilities for entrepreneurs investing in the state. The state has taken a number of steps for developing industrial infrastructure to achieve consistent economic growth. The following are some of the initiatives:

- For the economic growth, HSIIDC has developed a number of industrial estates, industrial model townships (IMT) and specialised parks for cluster development.
- There is an industrial model township is under-construction at Manesar, near Gurgaon. In this way the region is being developed as an automotive and engineering hub.

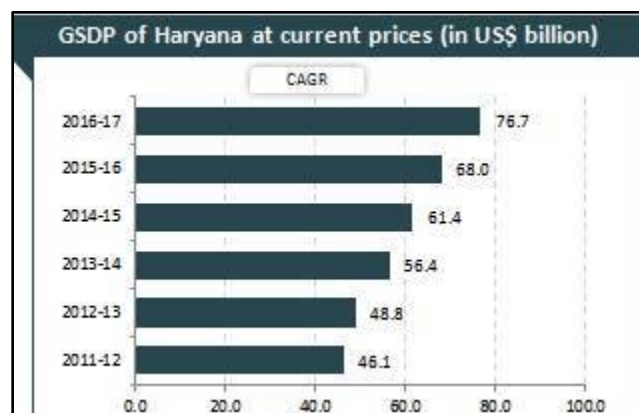
- The government of Haryana has made a plan to develop sector specific theme parks and sub-cities along the KMP Expressway.
- The government has implemented the single-window clearance mechanism and it has a three-tier structure to grant relaxation from any of the provisions or rules.
- The state government has acquired 1,000 acres of land for a dedicated pharma park in the KMP express global economic corridor.
- The state has made a specific economic strategy to invest in the development of world class infrastructure facilities such as special economic zones (SEZs).
- The government has set up an International Centre for Automotive Technology Manesar as a part of the National Automotive Testing and R&D Infrastructure Project which provides testing and R&D services to the industry.
- The state government has extended various incentives to companies within the sector, including relaxation in floor area ratio, rebate on registration, transfer of property charges and exemption under the Haryana Shop & Commercial Act.
- The state government has established a Regional Centre for Biotechnology (RCB), Gurgaon under the guidance of UNESCO as a Category II Centre.

- There is a brain research centre in Gurugram which is a leading institute in the area of brain disease research.

Current Scenario of GSDP: A detailed analysis of GSDP may be viewed as under:



(Source: Directorate of Statistics and Economics of Haryana)



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Sector-Wise Rates of Growth 2010-2014: The manufacturing sector in Haryana has shown a rate of growth lower than the national average in the initial stage; but recently it has shown some improvement which may be analysed in the table:

Table: Sector-wise growth rate 2010-2014

Year	Primary Sector		Secondary Sector		Tertiary Sector	
	Haryana	India	Haryana	India	Haryana	India
2010-11	5.22	8.60	5.60	7.55	9.15	9.67
2011-12	7.86	5.02	4.88	7.81	9.82	6.57
2012-13	-0.58	1.42	4.44	0.96	7.94	6.96
2013-14	3.06	4.71	4.43	0.35	9.39	6.78

(Source: Department of Economics and Statistical Analysis, Haryana)

The data given in the above table indicates that growth rate in primary sector in

2010-11 was less than the average growth rate of India but it increased in 2011-12 and reached

at 7.86. Further in 2012-13 and 2013-14 it decreased again. Regarding the secondary sector it was less than India's growth rate from 2010-12 but it increased 2012-14 with the growth rate of 4.43. Likewise tertiary sector shown a decreased trend in 2010-11 but it increased in 2011-12 which shown an upward trend from 2012-14.

Conclusion: Now we can trace out that Haryana has been emerging as a industrial hub. Gurugram district has shown a remarkable progress in IT sector Haryana contributes 3.63 percent to India's gross state domestic product. During 2014-16 Haryana's compound annual growth rate reached at 12.12 percent in the year of 2015-16 at the current price the total gross state domestic product of Haryana remained about 75.3 Billion U.S. Dollar. The state has been successful to attract FDI equity inflows worth U.S. Dollar 62.15 Billion from April 2000 to March 2016. Recently the government of Haryana has implemented new policy of FDI and some incentives under industrial and investment policy. Therefore Haryana stands at 14th number on ease of doing business. Micromax has also made a plan to set up a mobile handset manufacturing unit in NCR region. Today Haryana is preferred for auto components manufacturing and there are more

than 400 IT companies in Gurugram district. The state government has also approved 9.48 million U.S. Dollar for the improvement of irrigation system. Moreover, Haryana is also emerging as a leading state in the textile sector also. Special economic zones has also been developed and so many industrial model township also been developed for rapid development. Faridabad and Gurugram have been connected with the metro railway so that easy and smoothly transportation system may be developed. The government has also established a regional sector for bio technology in Gurugram. The state has also 100 percent road connectivity to rural areas. During 2016-17 the state government has taken the decision to adopt UjjawalDiscom Assurance Yojna which is expected to increase the financial as well as operational capacity of power corporations in the state. To conclude the government of Haryana has taken a large number of steps for the development of agriculture and industrial sector in the recent years which may play a dominant role in future in the economic development of the state economy as well as its contribution to the economic development of India.

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