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## **Uttar Pradesh: State Economy (AT A Glance)**

Alok Kumar Pandey

DAV PG College, BHU, Varanasi

2. December 2012

Online at <http://mpra.ub.uni-muenchen.de/54148/>

MPRA Paper No. 54148, posted 7. March 2014 07:57 UTC

## UTTAR PRADESH: STATE ECONOMY (AT A GLANCE)

Alok Kumar Pandey\*

Uttar Pradesh is India's fourth largest and the most populated state in India. With an area of 93,933 sq mi (243,286 square km), Uttar Pradesh covers a large part of the highly fertile and densely populated upper Gangetic plain. There is an average population density of 828 persons per km<sup>2</sup> i.e. 2,146 per sq meters. Uttar Pradesh shares an international border with Nepal to the north. Other states along Uttar Pradesh's border include Uttarakhand, Haryana and Delhi to the north and northwest; Rajasthan on the west; Madhya Pradesh on the south; Chhattisgarh and Jharkhand on the south east; and Bihar on the east. As Uttar Pradesh shares an international boundary it assumes strategic importance as far as its defence is concerned. The administrative and legislative capital of Uttar Pradesh is Lucknow.

### Geography and Climate:

The climate of Uttar Pradesh is predominantly subtropical; however, weather conditions change significantly with location and season. Depending on the elevation, the average temperatures vary from between 12.5–17.5 °C (55–64 °F) in January to 27.5–32.5 °C (82–91 °F) in May and June. The highest temperature recorded in the state was 49.9 °C (121.8 °F) at Gonda on 8 May 1958. Rainfall in the state ranges from between 1,000–2,000 mm (39–79 in) in the east to 600–1,000 mm (24–39 in) in the west. About 90 percent of the rainfall occurs during the southwest monsoon, lasting from approximately June to September. Situated between 23° 52'N and 31° 28' N latitudes and 77° 3' and 84° 39'E longitudes, this is the fourth largest state in the country. Uttar Pradesh can be divided into three distinct hypsographical regions i.e. (i) The Himalayan region in the North; (ii) The Gangetic plain in the centre and (iii) The Vindya hills and plateau in the south



### History:

Uttar Pradesh forms a major area of the Indo-Gangetic plain. It is believed that this area have been occupied by the group of people referred to as "Dasas" by the Aryans. Their main occupation was agriculture. Till BC 2000 the Aryans had not settled in this region. Aryans occupied this area and laid the foundations of a Hindu civilization. The regions of Uttar Pradesh was said to have been the ancient Panchala country. The great war of the Mahabharata was said to have been fought here between the Kauravas and Pandavas. Besides the Kauravas and Panchalas, Vatsas, Kosis, Hosalas, Videhas etc formed the early region of Uttar Pradesh. These areas were

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\* Assistant Professor, DAV PG College, Varanasi

called Madhyadesa. It was during the Aryan inhabitation that the epics of Mahabharata, Ramayana, the Brahmanas and Puranas were written. During the reign of Ashoka, works for public welfare were taken up. Having rich resources there was active trade within and outside the country. Buddhism and Jainism were brought in to this region during the rule of Magadha Empire. Administrative and economic advancement was witnessed during this period in Uttar Pradesh region.

The region Uttar Pradesh was ruled by the Kushanas till 320AD.. The territory passed into the hands of the Guptas during whose rule, the Huns invaded this region. After the decline of the Guptas, the Maukharis of Kannauj exercised their power in the region. Kannauj was an important city during the rule of Harshavardhana. After his rule political chaos started in this region. Muslims invaded into Uttar Pradesh though the society was dominated by the Rajputs, Jats and other local chiefs. In 1016AD Mahmud of Ghazni was highly attracted for the wealth of Kannauj, followed by Mohammad Ghorī. The territory progressed a lot throughout the rule of the Delhi Sultanate and the Mughals. After the Mughals, the territory was ruled by the Jats, the Rohillas, and the Marathas. By 1803 the British controlled this region and annexed it by 1856. The first struggle for liberation against British rule was started in Uttar Pradesh during the period 1857-58. However the revolt was suppressed and Uttar Pradesh remained under British dominance till independence. After independence the state was organized and named as Uttar Pradesh.

#### Population:

The state of Uttar Pradesh is expanded in an area of 240,928 sq. km. There are 18 Mandals, 75 Districts, 312 Tehsils 813 Blocks and 106704 Villages. The population of Uttar Pradesh was recorded 199581477 persons during the census 2011 out of which 155.11 million (77.72 percent) are rural and 44.47 million (22.28 percent) are urban (Table 1). There is an addition of 33383556 persons from census 2001 to census 2011. The population in rural areas declined 1.50 percent during 2001-11. The state shares largest rural percentage i.e. 18.62 percent of the country's rural population during 2001-2011. The population growth rate of Uttar Pradesh was recorded 20.09 percent during 2001 to 2011. During 2001 to 2011 the decadal growth rates in rural and urban areas were recorded as 17.81 percent and 28.75 percent respectively. As per Census 2011, Uttar Pradesh has got 908 females per 1000 males and child sex ratio has been recorded as 899.

**Table 1: Population and decadal growth rate of population total and child (0-6 years)**

Population (Male and Female)	2011			Percentage growth rates (Persons) 2001-2011		
	Total	Male	Female	Total	Male	Female
<b>Total</b>	199581477	104596415	94985062	20.09	19.45	20.80
<b>Rural</b>	155111022	81044655	74066367	17.81	17.19	18.50
<b>Urban</b>	44470455	23551760	20918695	28.75	27.94	29.67
Child Population	2011 (0-6 years)			Percentage growth rates (0-6 years) 2001-2011		
<b>Total</b>	29728235	15653175	14075060	-6.00	-5.18	-6.88
<b>Rural</b>	24248066	12736068	11511998	-7.66	-6.83	-8.55
<b>Urban</b>	5480169	2917107	2563062	2.14	2.77	1.43
Percentage of child population in the age group 0-6 years by total population						
	Year 2001			Year 2011		
<b>Total</b>	19.03	18.85	19.22	14.90	14.97	14.82
<b>Rural</b>	19.94	19.77	20.14	15.63	15.71	15.54
<b>Urban</b>	15.53	15.42	15.66	12.32	12.39	12.25
Percentage share of total population						
Region	2001			2011		
<b>Rural</b>	79.22			77.72		
<b>Urban</b>	20.78			22.28		
Sex Ratio						
<b>Total</b>	898			908		
<b>Rural</b>	904			914		
<b>Urban</b>	876			888		
Child 0-6 years						
<b>Total</b>	916			899		
<b>Rural</b>	921			904		
<b>Urban</b>	890			879		

Source: Census 2011, Government of India

#### Education:

The total literate population in Uttar Pradesh was recorded at 118.42 million persons as per census 2011 out of this 88.39 millions belong to rural areas and 30.02 million belong to urban areas. Total literacy rate in Uttar

Pradesh was recorded 69.72 percent as per census 2011. This shows that there is a significant increase of 45 percent over Census 2001. In state rural and urban literacy rates are 67.55 percent and 77.01 percent respectively. The decadal change indicates that there is an increase in literacy rate by 15.02 percent and 7.26 percent in rural and urban areas respectively.

Male literacy in Uttar Pradesh is recorded as 78.48 percent in rural areas and 81.75 percent in urban areas during the Census 2011. There is a significant increase in male literacy of the state in rural as well as in urban areas i.e. 11.89 percent and 4.99 percent respectively during 2001-11. Female literacy in rural areas of Uttar Pradesh is recorded at 55.61 percent and in urban areas it is recorded at 71.68 percent during the Census 2011. Female literacy rate in rural areas and urban areas increased by 18.71 percent and 9.95 percent respectively during the census 2001 to census 2011. Detailed information about various indicators of primary, secondary and higher educations are given in table 3.

**Table 2: Total Literate, Literacy rate in Uttar Pradesh**

<b>Total literate 2011</b>	<b>Total</b>	<b>Rural</b>	<b>Urban</b>
<b>Total</b>	118423805	88396557	30027248
<b>Male</b>	70479196	53609910	16869286
<b>Female</b>	47944609	34786647	13157962
<b>Literacy rate 2001</b>			
<b>Total</b>	56.27	52.53	69.75
<b>Male</b>	68.82	66.59	76.76
<b>Female</b>	42.22	36.90	61.73
<b>Literacy rate 2011</b>			
<b>Total</b>	69.72	67.55	77.01
<b>Male</b>	79.24	78.48	81.75
<b>Female</b>	59.26	55.61	71.68
<b>Gap in Literacy Rate</b>	<b>2001</b>	<b>2011</b>	
<b>Gap in rural &amp; urban literacy rate (urban-rural)</b>	17.22	9.46	
<b>Gap in male &amp; female literacy rate (male-female)</b>			
<b>Rural</b>	29.69	22.87	
<b>Urban</b>	15.03	10.07	

Source: Census 2011, Government of India

**Table 3: State Educational Indicators: Registered Educational Institute and registered students in Uttar Pradesh**

<b>Institute</b>	<b>2006-07</b>	<b>2009-10</b>	<b>2010-11</b>
<b>University</b>	31	30	30
<b>Degree College</b>	1893	2789	3166
<b>Secondary and Higher Secondary</b>	14745	16510	17644
<b>Upper Primary School</b>	44121	52155	53281
<b>Primary School</b>	137366	146568	147376
<b>Nursery School</b>	43	43	43
<b>Registered students (in Thousands)</b>			
<b>College</b>	1635	2054	2139
<b>Secondary and Higher Secondary</b>	9531	10928	11722
<b>Male</b>	5594	6312	6772
<b>Female</b>	3937	4616	4950
<b>Upper Primary School</b>	5960	9807	9805
<b>Male</b>	3483	5342	5197
<b>Female</b>	2477	4465	4608
<b>Primary School</b>	24038	27315	27319
<b>Male</b>	13172	14235	14206
<b>Female</b>	10866	13080	13113
<b>Nursery School</b>	13	15	15

Source: Education Directorate, Uttar Pradesh.

#### **Agriculture:**

The Economy of Uttar Pradesh is basically agrarian in nature. Majority of the population in the state depends on agriculture for its livelihood. As high as 65 percent of the total workforce in the state depends on agriculture most of them are below poverty line. Agriculture of the state has a paramount role in the food production and food security of the country. The production of food grain in UP was 383 lakh metric tonne in 2002-03 and

increased to 430 lakh metric tonne in 2007-08. The production of pulses, however, went down from 22 lakh metric tonne in 2002-03 to 16 lakh metric tonne in 2007-08. Average yield of food grain for Uttar Pradesh was 21.88 quintal per hectare in 2007-08. Average yield of rice was highest in the year 2003-04 in Uttar Pradesh. Average yield of wheat was highest in the year 2007-08 in UP. The actual yield levels are much below the potential thus indicating a large technological gap between known technology and its application.

#### **Irrigation:**

Irrigation facilities in Uttar Pradesh are relatively well developed. It is one of the indicators for measuring the development of Agriculture in Uttar Pradesh. Table 5 provides details about Irrigated area, net sown area, irrigated area as percentage share of sown area and percentage share of net irrigated area by different sources in Uttar Pradesh. There is variation in the net irrigated area during the period 2002-03 to 2007-08. In the year 2006-07 net irrigated area was the maximum (i.e.133.13 lakh hectare) and in the year 2002-03, it was minimum (i.e. 128.48 lakh hectare) during the period 2002 to 2007.

**Table 4: Agricultural and Food Grain Production in Uttar Pradesh**

<b>Agriculture Production of Major Crops (Lakh Metric Tonne)</b>						
<b>Crop / Food Grain</b>	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>Rice</b>	96	125	108	117	109	119
<b>Wheat</b>	237	263	234	241	260	263
<b>Pulses</b>	22	24	24	22	18	16
<b>Oil seeds</b>	6	6	8	12	11	10
<b>Total Food Grain</b>	383	445	400	411	419	430
<b>Average Yield of Major Crop (Quintal/Hectare)</b>						
<b>Rice</b>	18.41	21.81	18.13	19.96	18.70	20.63
<b>Wheat</b>	25.91	27.90	25.00	25.86	27.72	28.17
<b>Pulses</b>	8.26	8.75	8.63	8.35	7.35	7.17
<b>Oil seeds</b>	7.72	21.91	19.65	20.54	21.05	21.88
<b>Total Food Grain</b>	19.97	8.40	8.45	9.34	7.70	7.54

Source: State Planning Department, Uttar Pradesh.

**Table 5: Irrigated area, net sown area, irrigated area as percentage share of sown area and percentage share of net irrigated area by different sources in Uttar Pradesh**

<b>Indicators</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Gross irrigated area (in lakh hect.)</b>	177.92	185.24	189.39	189.70	192.18	191.42
<b>Net irrigated area (in lakh hect.)</b>	128.48	132.27	131.19	130.75	133.13	130.85
<b>Gross area sown (in lakh hect.)</b>	243.11	254.25	255.24	253.07	254.15	253.20
<b>Net area sown (in lakh hect.)</b>	165.97	167.50	166.83	166.33	165.73	164.17
<b>Gross Irrigated area/Gross area sown</b>	73.20	72.90	74.20	74.96	75.62	75.60
<b>Net Irrigated area/Net area sown</b>	77.40	79.00	78.60	78.60	80.30	79.70
<b>Percentage share of net irrigated area by different source</b>						
<b>Canals</b>	20.50	20.90	20.52	20.30	19.60	18.00
<b>Tube wells</b>	72.30	70.80	77.33	72.00	71.40	73.20
<b>Tank and Lakes</b>	1.00	1.10	1.10	1.00	1.10	1.80

Source: State Planning Commission, Uttar Pradesh (<http://planning.up.nic.in>).

Table 6 presents Net Irrigated area, net sown area (in lakh hectare) and percentage share of net irrigated area by the different sources of irrigation in Uttar Pradesh for the year 2010-11. The total irrigated area of state is 130.85 lakh hectares during the year 2010-11. In Uttar Pradesh the source wise irrigation status, shows that irrigation through canal is 18.02 percent, 3.01 percent through State Tube well and Private tube wells have maximum share of irrigation that is 70.17 percent.

**Table 6: Net Irrigated area, net sown area and percentage share of net irrigated area by different sources in Uttar Pradesh for the year 2010-11 (in lakh hectare)**

Irrigation Source	Area	Percentage (net area sown)	Percentage (net irrigated area)
Net Area Sown	164.17	-	-
Net Irrigated Area	130.85	-	-
Canal	-	14.36	18.02
State Tube-wells	-	2.40	3.01
Private Tube-wells	-	55.93	70.17
Other Sources	-	7.01	8.80

Source: Annual Plan, State Planning Commission, Uttar Pradesh (<http://planning.up.nic.in>).

**Industry:**

A large amount of industrialization in Uttar Pradesh has taken place in an organised manner, particularly in small scale sector. The major industries in the state include, sugar, cements, vanaspati, cotton cloths and yarn. The State has now taken a lead in improving the overall infrastructure and logistical facilities, essentials for driving industrial, economic and social growth. It was felt that growth can only be achieved by combining the industrialization and infrastructure projects. In this direction, to enhance industrialization in the state, efforts have been made for improving infrastructure facilities like speedy transportation of goods by constructing expressways, up-gradation of highways, making more availability of power to the industrial units, etc. Micro, Small and Medium Enterprises Sector is very important for economic development of the State. This sector is backbone of economic progress and development of the Country because of its contribution in industrial productivity, employment generation, versatile nature, adaptability and contribution in exports. MSME sector provides employment in bulk next to agriculture sector in the State. Information Technology, Biotechnology, and fast emerging Service sector are providing new dimensions to development. Details of capital investment and employment generation in the State during the 11<sup>th</sup> plan in Heavy Industries Sector are presented in table 7. Table 7 depicts that there is a gradual growth in setting up of Heavy Industries along with significant employment generation. The highlights of achievement of 11th plan in overall industrial sector as well as heavy and medium industries/enterprises in Uttar Pradesh are presented in table 8.

**Table 7: Capital Investment and Employment Generation in Uttar Pradesh during the 11<sup>th</sup> plan in Heavy Industries Sector.**

Year	No. of total Industries set-up	Capital Investment (Rs. in Crs.)	Employment Generation
2007-08	35	2421.59	8913
2008-09	10	1210.51	1672
2009-10	87	7006.86	30171
2010-11	53	5054.70	9271
2011-12	140	19307.06	33643
Total	325	35000.72	83670

Source : Directorate of Industries, Uttar Pradesh. State and Planning Department, Uttar Pradesh.

**Table 8: Industrial Development of Uttar Pradesh during 11<sup>th</sup> plan.**

Year	No. of Units			Investment Rs. In Cr.			Employment		
	Total	Medium only	Heavy only	Total	Medium only	Heavy only	Total	Medium only	Heavy only
2007-08	32837	53	35	4918.26	391.78	2421.59	207720	5019	8913
2008-09	33771	35	10	5176.63	299.03	1210.51	212573	1613	1672
2009-10	37435	83	87	11951.93	584.95	7006.86	296469	7214	30171
2010-11	35861	72	53	10446.03	488.43	5054.7	253077	6642	9271
2011-12	36129	65	140	25052.42	499.03	19307.06	274779	7212	33643
Total	176033	308	325	57545.27	2263.22	35000.72	1244618	27700	83670

Source : Directorate of Industries, Uttar Pradesh. State and Planning Department, Uttar Pradesh.

The contribution of SSI sector towards economic development and removal of economic disparities among the cross sections of societies has been tremendous. This sector is playing significant role in creating large scale employment opportunities at lower capital cost. The SSI units are supplementary and complementary to large and medium scale of units also. About 612338 SSI units were established in U.P. with the capital investment of

₹ 7172.03 cr. and employment opportunities were extended to 2396121 persons upto March 2008. At the end of 11<sup>th</sup> plan, 747413 SSI units were established with the capital investment of ₹ 19334.31 Cr. and employment generation for 3104641 persons The Economic Region wise break-up of established SSI Units upto march 2008 is given below:-

**Table 9: Small Scale Industries in Uttar Pradesh**

Name of Region	Units (number)		Employment		Investment(Rs.Cr)	
	2008	End of 11 <sup>th</sup> plan	2008	End of 11 <sup>th</sup> plan	2008	End of 11 <sup>th</sup> plan
<b>Bundelkhand</b>	35859	45046	106034	138409	256.88	575.78
<b>Central Region</b>	98524	120964	363243	474411	1381.02	3267.19
<b>Eastern Region</b>	170486	207124	613925	756549	1427.16	3101.73
<b>Western Region</b>	307469	374279	1312919	1735272	4106.97	12389.60
<b>Total</b>	612338	747413	2396121	3104641	7172.03	19334.31

Source: Annual Plan, State and Planning Department, Uttar Pradesh,

website: [http://planning.up.nic.in/Annual\\_plann\\_2009-10/Vol-I%20Part-II/CONTENTS-Vol-1%20Part-2.htm](http://planning.up.nic.in/Annual_plann_2009-10/Vol-I%20Part-II/CONTENTS-Vol-1%20Part-2.htm)

### Growth of the State Economy:

U.P. registered a growth rate of 5.5 percent in GSDP against GDP growth rate of 7.8 percent (All- India) during the Tenth Plan. In the first two years of Eleventh plan (i.e. 2007-08 and 2008-09) the state registered GSDP growth of 7.9 percent and 7.2 percent respectively. Net state domestic product by economic activity (at 2004-05 price) of state has been presented in table 10.

**Table 10: Net state domestic product by economic activity (at 2004-05 prices)**

Economic Activity	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Primary</b>	<b>73143.69</b>	<b>74835.84</b>	<b>76858.89</b>	<b>78881.79</b>	<b>82468.03</b>	<b>83374.47</b>
Agriculture & Animal Husbandary	63867.35	64984.77	66676.57	68486.32	71394.51	71203.22
Forestry & Logging	6136.79	6257.82	6411.34	6539.98	6672.80	6828.88
Fishing	854.39	897.03	949.59	1030.88	1078.68	1213.49
Mining & Quarrying	2285.16	2696.22	2821.39	2824.61	3322.04	4128.88
<b>Secondary</b>	<b>47877.47</b>	<b>52092.07</b>	<b>59572.06</b>	<b>63387.83</b>	<b>66235.44</b>	<b>71555.00</b>
Manufacturing	27887.04	29048.72	35365.13	37682.28	37774.62	41077.61
Registered	13642.06	14102.87	18581.48	18708.09	19276.98	21020.79
Unregistered	14244.98	14945.85	16783.65	18974.19	18497.64	20056.82
Construction	18370.72	21748.45	22865.52	24517.38	27220.31	29233.50
Electricity, Gas & Water Supply	1619.71	1294.90	1341.41	1188.17	1240.51	1243.89
<b>Tertiary</b>	<b>108053.32</b>	<b>114986.53</b>	<b>125048.35</b>	<b>136488.16</b>	<b>147110.67</b>	<b>161976.23</b>
Transport, Storage & Communication	17164.98	18831.41	20813.07	23971.87	25896.04	28930.31
Railway	3150.27	3264.45	3593.17	4415.62	4793.36	5275.68
Other means of Transport & storage	10478.05	11312.65	12194.62	13344.87	13865.32	15126.22
Communication	3536.66	4254.31	5025.28	6211.38	7237.36	8528.41
Trade and Hotel & Restaurant	32785.28	33853.69	37169.47	39263.57	40277.15	42477.33
Transport, Communication & Trade	49950.26	52685.10	57982.54	63235.44	66173.19	71407.64
Banking and Insurance	9370.55	10798.40	13315.08	14954.39	17568.23	20540.34
Real Estate, Ownership of Dwellings and Busi. Serv.	17450.71	18531.59	19846.28	21883.86	24129.26	26454.95
Finance and real Estate	26821.26	29329.99	33161.36	36838.25	41697.49	46995.29

Public Administration	12181.20	12560.65	12283.07	13227.72	14456.03	16624.09
Other Services	19100.60	20410.79	21621.38	23186.75	24783.96	26949.21
Community and Personal Services	31281.80	32971.4	33904.45	36414.47	39239.99	43573.30
<b>NSDP</b>	<b>229074.48</b>	<b>241914.44</b>	<b>261479.30</b>	<b>278757.78</b>	<b>295814.14</b>	<b>316905.70</b>
Population (in lakhs)	1784.06	1818.68	1853.30	1888.12	1923.25	1958.41
Per Capita Income (Rupees)	12840.07	13301.65	14108.85	14763.77	15380.95	16181.79

Source: State and Planning departments, Government of Uttar Pradesh, Uttar Pradesh, website:<http://planning.up.nic.in>

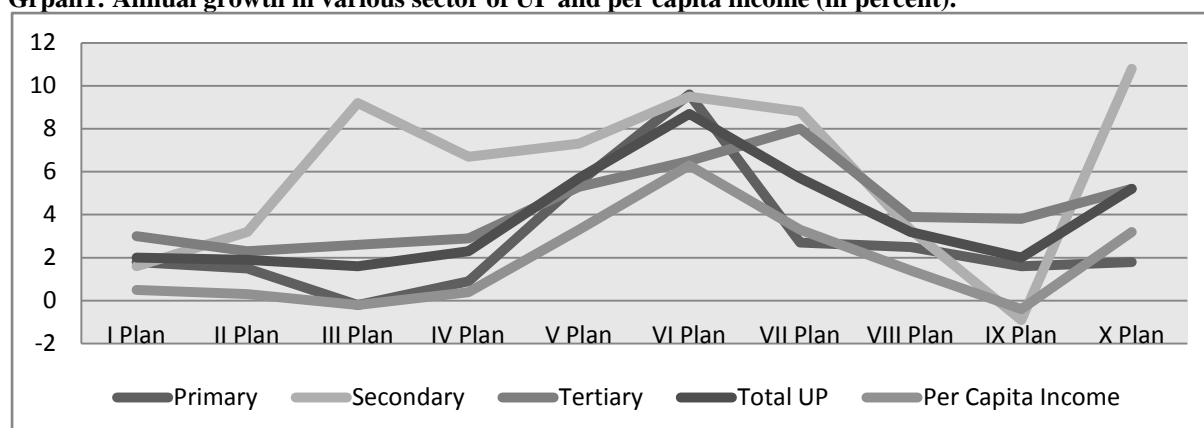
Table 11 presents annual growth in NSDP during five year plans in Uttar Pradesh. Graph 1 present annual growth rate of various sector of the state economy.

**Table 11: Annual Growth in NSDP during different five year plans in U.P.**

Economic Activity	I Plan	II Plan	III Plan	IV Plan	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan	X Plan
<b>Primary</b>	<b>1.8</b>	<b>1.5</b>	<b>-0.2</b>	<b>0.9</b>	<b>5.5</b>	<b>9.6</b>	<b>2.7</b>	<b>2.5</b>	<b>1.6</b>	<b>1.8</b>
Agriculture & Animal Husbandary	1.7	1.4	-0.5	0.8	5.7	9.7	2.7	2.7	0.8	1.3
Forestry & Logging	6.2	2.2	8.1	2.3	-2.9	3.9	-7.4	-13.1	32.9	5.9
Fishing	1.2	13.0	7.3	3.9	4.3	9.6	11.6	5.3	9.1	5.5
Mining & Quarrying	32.0	30.0	25.3	-1.4	5.8	23.7	6.4	0.0	0.2	14.0
<b>Secondary</b>	<b>1.6</b>	<b>3.2</b>	<b>9.2</b>	<b>6.7</b>	<b>7.3</b>	<b>9.5</b>	<b>8.8</b>	<b>3.3</b>	<b>-0.9</b>	<b>10.8</b>
Manufacturing	2.3	1.7	5.7	3.4	9.4	11.8	10.9	4.2	-4.3	6.6
<b>Tertiary</b>	<b>3.0</b>	<b>2.3</b>	<b>2.6</b>	<b>2.9</b>	<b>5.3</b>	<b>6.5</b>	<b>8.0</b>	<b>3.9</b>	<b>3.8</b>	<b>5.2</b>
Transport, Storage, Communication & Trade	2.9	2.0	1.8	2.5	6.6	8.6	4.5	2.6	3.1	5.6
Finance and real Estate	2.4	2.5	2.5	2.9	7.3	5.7	11.2	5.5	2.9	4.7
Community and Personal Services	3.8	2.7	4.1	3.7	1.8	3.1	11.0	4.4	5.8	4.9
<b>Total</b>	<b>2.0</b>	<b>1.9</b>	<b>1.6</b>	<b>2.3</b>	<b>5.7</b>	<b>8.7</b>	<b>5.7</b>	<b>3.2</b>	<b>2.0</b>	<b>5.2</b>
Per Capita Income	0.5	0.3	-0.2	0.4	3.3	6.3	3.3	1.4	-0.4	3.2

Source: State Planning Department, Uttar Pradesh, <http://planning.up.nic.in>

**Graph 1: Annual growth in various sector of UP and per capita income (in percent).**



Note: Data given in Table 10 used for the graph.

### Economic Infrastructure:

The economic infrastructure of any region to a large extent depends on the economic and social development. The power, transport and roads, telecommunication and banking sector come under economic infrastructure. The situation with respect to main items of economic infrastructure is shown below.



**Power:**

Power is considered to be one of the most important resources for economic development. The shortage of power has wide ranging implications for industrialisation as well as overall development of UP. The power generation capacity in the state has not expanded earlier to keep pace with the rising demand. Under the provisions of the Energy Conservation Act-2001, Uttar Pradesh Power Corporation Ltd has been designated to function as State Designated Agency, Uttar Pradesh. SDA UP is assisting the Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India to implement the Energy conservation Act 2001 in Uttar Pradesh- India. Taking IPP, co-generation and share in central projects power availability currently in U.P. is 6640 MW. Peak period gap is over 25 percent of the availability. In UP, 88.27 percent villages were electrified by the end of the year 2008-09, while the corresponding national figure was 83.6 percent. To meet the objective and ensure availability of 1000 Kwh. per capita by the end of 2017, Government of Uttar Pradesh has encouraged Private Participation in the Power Sector.

**Table12: Production, Consumption and Production from various sources of electricity in Uttar Pradesh**

Items	2006-07	2009-10	2010-11
<b>Installed Capacity (MW)</b>	4686	4608	4609
<b>Production (Lakh KW per hour)</b>	221723	210670	196224
<b>Thermal</b>	207413	201581	189160
<b>Gas</b>	-	-	-
<b>Hydro</b>	14310	9089	7064
<b>Consumption (Lakh KW per hour)</b>	334242	413385	430890

Source: UPPCL, Uttar Pradesh, Statistical Dairy, Uttar Pradesh, State Planning Department, Uttar Pradesh,

**Table13: Installed capacity (in MW) of power utilities in Uttar Pradesh (2011)**

Mode wise Breakup	Ownership Sector			
	State	Private	Central	Total
<b>Thermal</b>	4322.00	1980.00	31.3981	<b>9441.81</b>
<b>Coal</b>	4322.00	1980.00	2589.84	<b>8891.84</b>
<b>Gas</b>	0.00	0.00	549.97	<b>549.97</b>
<b>Diesel</b>	0.00	0.00	0.00	<b>0.00</b>
<b>Nuclear</b>	0.00	0.00	335.72	<b>335.72</b>
<b>Hydro (renewable)</b>	524.10	0.00	1176.32	<b>1700.42</b>
<b>Renewable Energy Sources</b>	25.10	612.88	0.00	<b>637.98</b>
<b>Total</b>	<b>4871.20</b>	<b>2592.88</b>	<b>4651.85</b>	<b>12115.93</b>

Source: Annual Report 2011-12, Ministry of Power, Government of India, New Delhi.

**Road:**

One of the important preconditions for rapid economic development of any economy is the presence of a good road network. The state has an extensive road network. Uttar Pradesh has set up Uttar Pradesh State Road Transport Corporation (UPSRTC) to provide an economical, reliable and comfortable transport in the state. In UP, length of all weather pucca roads per thousand sq. km. is 182 km (2003-04). The road network requires modernization in view of the rapidly growing road traffic. Another major issue is that of poor road connectivity in the rural areas, as still a large number of villages are not connected with all weather pucca roads. The state's share in road network in India is merely 12 percent. The total number of vehicles on road was 13297 (in thousands) reported in the year 2010 in State. Details of the vehicles are presented in table 15.

**Table 14: Achievements in road length of all categories in Uttar Pradesh**

Item	Achievement			
	2006	2007	2009	2010
<b>National Highway*</b>	5570	5700	5802	6681
<b>State Highway**</b>	8551	8449	8739	7957
<b>Major District Roads***</b>	7345	7344	7101	7307
<b>Other District Roads &amp; Village Roads***</b>	255316	269480	315212	329215
<b>Total#</b>	<b>276782</b>	290973	336854	351160

Source: annual plan 2008-9, 2009-10, 2010-11, State Planning Department, Uttar Pradesh, PHD Research Bureau, New Delhi.

\* including PWD and NHAI, \*\* PWD Only, \*\*\* including other Department Roads (excluding Local Bodies and Avast Vikas Parishad), # including Black Top.

**Railways:**

Uttar Pradesh is connected with the major cities of India by railways. Express, super-fast, and passenger trains connect Allahabad, Agra, Lucknow, Kanpur, Varanasi and Gorakhpur with the other parts of the country. In Uttar Pradesh total rail root is 8702 km out of 2137 km (i.e. 24.56 percent) roots has been electric root.

Railways play important role in the development of industry, agriculture, cement, coal, fertilizer and manufacturing sector.

**Table15: Vehicles on road (number) in Uttar Pradesh.**

Items	2006-07	2009-10	2010-11
<b>Government Bus</b>	6822	8862	9000
<b>Bus</b>	6561	8598	8741
<b>Truck</b>	162	156	169
<b>Taxi</b>	99	108	90
<b>Private</b>	9073021	11988349	13287232
<b>Bus</b>	25423	28124	31922
<b>Truck</b>	191642	268617	307058
<b>Taxi</b>	124575	162335	193715
<b>Car</b>	643045	873251	984937
<b>Motorcycle</b>	7135712	9493677	10563850
<b>Tractor</b>	798210	953959	978627
<b>Others</b>	154414	208386	227123

Source; UP state transport and transport commissioner, Uttar Pradesh, Statistical Diary, Uttar Pradesh

#### **Aviation:**

Aviation department of Uttar Pradesh government does the following functions: Providing air transport facilities to VIPs on short notices; Providing air links at the time of distress and for law and order purpose; Providing training in Aircraft Maintenance Engineering; Maintenance of State owned Aircrafts and Helicopters; Imparting Training in Flying and Aircraft Maintenance through PSP; Maintenance of state owned Airstrips, Development & Construction of New Airstrips within the state. In Uttar Pradesh there are six domestic airports at Agra, Allahabad, Gorakhpur, Kanpur, Lucknow and Varanasi including two international airports i.e. Chaudhary Charan Singh International Airport, Lucknow and Lalbahadur Shastri Airport, Varanasi. It is also proposed to set up Taj International airport in the Delhi- NCR region.

#### **Banking:**

A well developed financial infrastructure is an essential requirement for promoting economic activities in any economy. As far as banking sector is concerned there is predominance of nationalised banks with more than 5000 branches of which SBI and its associates have 1712 branches, followed by regional rural banks with 3092 branches, private sector banks with 526 branches and foreign banks with 17 branches. The operations of scheduled commercial banks in the state are an indicator of its financial development. Uttar Pradesh has 11567 scheduled commercial banks (2012). The credit deposit ratio (CDR) for the State in 2011 and 2012 was 43.60 and 44.04 respectively. The credit off-take is lowest in the eastern part of the State. This is a reflection of low industrial and commercial activity in this area. Uttar Pradesh ranks at 13<sup>th</sup> position out of 15 major States.

**Table 16: Distribution of Deposits and Credit of Scheduled Commercial Banks in Uttar Pradesh**

Items	2011	2012
<b>Number of Reporting Offices</b>	10767	11567
<b>Deposit (Amount in Rs. Billion)</b>	3736.34	4347.32
<b>Percent Share in Total Deposit</b>	6.9	7.00
<b>Credit (Amount in Rs. Billion)</b>	1628.90	1914.48
<b>Percent Share in Total Credit</b>	4.0	4.00
<b>Credit Deposit Ratio</b>	43.60	44.04
<b>Population Per Office</b>	18646	17658
<b>Per Capita Deposit</b>	18611	21284
<b>Deposit Per Office</b>	347	376
<b>Per Capita Credit</b>	8114	9373
<b>Credit Per Office</b>	151	166

Source: Reserve Bank of India, Mumbai

#### **Telecommunication:**

In the state, telecom sector has expanded at a very fast rate in recent years. In Uttar Pradesh, 2519 thousand telephone connections were working in 2007-08. The numbers of post offices in 2010-11 in Uttar Pradesh were 17669. The State needs to harness full growth potential of this sector for overall growth of its economy.

#### **Health:**

In Uttar Pradesh health care facility is dominated by the private sector, as 90 percent of rural and urban residents utilize the private sector for outpatient care and 74 percent of rural and 68 percent of urban residents visited private hospitals. The State has accorded to reduce infant, child and maternal mortality, the incidence of communicable diseases and to improve reproductive health. The desired achievements in these sectors require improved essential health care services, such as coverage for immunization, family planning and institutional (or

safe) deliveries, early recognition and prompt and effective treatment of life threatening illnesses, especially acute respiratory infections (ARI), Diarrhea, Malaria and T.B. and access to reliable basic health care, as well as health advocacy for increased knowledge and understanding of appropriate health behavior. In the year 2009 death rate (per thousand) and birth rate (per thousand) were recorded at 29 and 9 respectively.

**Table 17: Telecommunication in Uttar Pradesh in the year 2010-11**

Items	2006-07	2009-10	2010-11
Telephone Connection (working)	2525045	2614085	1948936
Telephone exchange (working)	3277	3258	3230
Post Office	17666	17666	17669
Rural	15680	15719	15721
Urban	1986	1947	1948

Source: Chief Post Master General, UP and Chief General Manager, BSNL( UP East and West), statistical Diary 2011, Uttar Pradesh.

The state government manages a vast network of health facilities. It consist of 20521 sub centers, 3692, P.H.C., 515 C.H.C, 191 District and Other hospitals, 3 Super Specialty Hospital and 9 Medical Collages to provide a range of preventive and curative health services to the public. However, despite this vast network, access to the targets stands as one of the barriers in the upgrading the health services.

**Table18: Public health infrastructure in Uttar Pradesh**

Areas	Name of the facilities	Number of facilities
Urban Areas	Super Specialty Institute	5
	Medical Colleges *	12
	District Male Hospital	61
	District Male Hospital	53
	Combined hospitals	20
	Urban FW Bureau	5
	Urban FW Centres	61
	Health Posts	288
Rural Areas	District level PPCs	61
	CHCs@	426
	BPHCs	397
	Additional PHCs#	2867
	Sub Centres\$	20521

\*(7 State Govt., 2 Central Govt. and 3 Private); @198 under constructions;

# 1609 in government building; \$8289 in government building.

Source: State Action Plan Uttar Pradesh 2009-10, National Rural Health Mission, Department of Family welfare, Uttar Pradesh, Website: <http://upnrhm.gov.in/site-files/pip2009-10.pdf>

#### Poverty:

Poverty prevents people from advancing in economic and social spheres of life. National Sample Survey (NSS) data is used to form the basis for computation of poverty statistics. The latest such Round was 61<sup>st</sup> round in 2004-05. The poverty rates for rural and urban areas of the State are found to be 30.7 and 32.9 % respectively.

**Table 19: Poverty in Uttar Pradesh**

Items	Region	1993-94	2002-03	2004-05	2007-08
Poverty line	Rural	213.01	346.37	365.84	461.84
	Urban	258.65	460.21	483.26	599.07
Head count poverty rate (%)	Rural	42.30	28.50	25.30	19.18
	Urban	35.10	32.30	26.30	19.55
	Total	40.90	29.20	25.50	19.24
Number of poor (millions)	Rural	49.50	38.40	35.77	29.87
	Urban	9.90	10.30	10.05	5.87
	Total	59.30	48.80	45.82	37.74

Source: State planning Department, Uttar Pradesh, website: [http://planning.up.nic.in/Annual%20Plan%202010-11%20for%20website/Volume%20-%20I%20\(%20Part-II\)/Chapter-2.pn.pdf](http://planning.up.nic.in/Annual%20Plan%202010-11%20for%20website/Volume%20-%20I%20(%20Part-II)/Chapter-2.pn.pdf)

Updated poverty lines were used in conjunction with the 2007-08 MPCE distribution of state sample data of 64<sup>th</sup> round NSS. In Uttar Pradesh, 19.2 percent population (19.2 percent rural, 19.5 percent urban) was found to be below the poverty line in 2007-08. A steeper fall in rural poverty as compared to urban poverty resulted in the pattern that urban poverty rate in the state now surpasses the rural poverty rate.

#### Unemployment:

The major challenge before economy of Uttar Pradesh is unemployment problem. The different rounds of NSS give the unemployment situation. The unemployment rate in 43<sup>rd</sup>, 50<sup>th</sup>, 55<sup>th</sup> and 61<sup>st</sup> round was 3.73, 3.70, 4.47

and 4.61 percent respectively. On the basis of NSSO 66<sup>th</sup> round of survey unemployment status in Uttar Pradesh are presented in table.

**Table 20: Unemployment Rates in Uttar Pradesh**

Status	Unemployment rate (per 1000)	
	Rural	Urban
<b>Usual Status (ps)</b>		
<b>Male</b>	17	31
<b>Female</b>	9	47
<b>Total</b>	16	32
<b>Usual Status(adjusted)</b>		
<b>Male</b>	12	29
<b>Female</b>	5	34
<b>Total</b>	10	29
<b>Current daily</b>		
<b>Male</b>	61	44
<b>Female</b>	28	55
<b>Total</b>	56	45
<b>Current Weekly</b>		
<b>Male</b>	35	33
<b>Female</b>	15	47
<b>Total</b>	31	35

Source: NSSO report No. 537, NSSO 66<sup>th</sup> rounds survey, pp 167- 69.

Uttar Pradesh is having 1st rank in population and 5th rank in terms of geographical area in the country however the above analysis shows that Uttar Pradesh is one of the backward states in India. The slow growth of the state economy can be attributed to various factors. Political willingness is one of the major factors which affected pace of economic development though there was political stability in the state. Low productivity in agriculture and allied sectors has adversely affected employment and income generation. Poor industrial infrastructure along with low level of investment is the major reason for the slow growth of industrial sector in the state. The development of potential sectors like handloom, tourism, bio-technology, IT needs an integrated approach for the speedy development of the state.

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