

ECO413A – Assignment

Economic Assessment of Indian State

Madhya Pradesh

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The geographical position of a country or a state goes a long way in impacting the course of historical events and also its economic development. It also influences the outlook of its citizens and their behaviour. Madhya Pradesh occupying geographical the central position in the country, is veritably the **“Heart of India”**.

Madhya Pradesh, with an area of 3, 08, 000 sq.km. is the second largest state in India after Rajasthan. It is a part of peninsular plateau of India lying in north central part, whose boundary can be classified in the north by the plains of Ganga-Yamuna, in the west by the Aravali, east by the Chhattisgarh plain and in the south by the Tapti valley and the plateau of Maharashtra.

The topography of Madhya Pradesh is defined by the Narmada Sone Valley. It is a narrow and long valley extending through almost the whole of the state from east to west. Sone valley forms the upper part; Shahdol and Sidhi districts lie in this valley. The lower part forms the Narmada valley. It has an average elevation of 300 m above MSL and is covered with alluvial soil. The Sone valley is narrower than Narmada valley and alluvial deposit is also comparatively poor and thin, therefore Narmada valley is more important than Sone valley for agricultural activities. To the north of this valley lie the Central Highlands, to the south the Satpura-Maikal ranges and to the south-east, the eastern plateau. These three form the natural physiographic regions-into which the state is divided. The Central Highlands are spread between the Narmada-Sone valley and the Aravali ranges to the west in a triangular form. The Maikal ranges include the Amarkantak plateau, which is origin of both Narmada and Sone rivers. The other rivers in the area are Johila, Macherwa, Denwa and Choti Tawa which join the Narmada.

GEOGRAPHY

According to the 2011 figures, the recorded forest area of the state is 94,689 km²(36,560 sq mi) constituting 30.72% of the geographical area of the state. It constitutes 12.30% of the forest area of India. Legally this area has been classified into "Reserved Forest" (65.3%), "Protected Forest" (32.84%) and "Unclassified Forest" (0.18%). Per capita forest area is 2,400 m² (0.59 acres) as against the national average of 700 m² (0.17 acres). The

forest cover is less dense in the northern and western parts of the state, which contain the major urban centres. Variability in climatic and edaphic conditions brings about significant difference in the forest types of the state.

PEOPLE

The population of Madhya Pradesh is over 7 crore. More than 75% of the population resides in villages whose main occupation is agriculture, while the rest of the population lives in towns. The majority population is Hindu with Muslims making up the largest minority community. The tribes of Madhya Pradesh constitute over 20 % of the state's population and are mainly concentrated in southern southwestern and eastern parts of the state. The social customs prevalent among different tribes and castes vary more due to variation in their habitat and surrounding geographical conditions. For earnings they depend upon agriculture, forest produce and local craft. With improved communication and growth in the economy, the tribal's way of living is changing. Gond is the best known tribe and forms the largest group in Madhya Pradesh with Bhil as the second largest tribe.

ECONOMY

Madhya Pradesh, India's second largest state, which occupies 9.38% of the country's area, is also the second richest state in terms of its mineral resources. Primarily, it has an agricultural and pastoral economy. Industrial development is primarily concentrated in the more advance districts like Indore, Bhopal, Gwalior and Jabalpur.

Economy of Madhya Pradesh was considered as one of the most "sick" economies of India till 2003, and it was also considered in one of the BIMAROU states. After 2005, it registered consistent growth rate and it reached India's top-most state in terms of GDP growth, with a rate of 10.2% GDP for annual year 2011–12. Madhya Pradesh has been awarded from Shri Pranab Mukharjee (Hon'ble President of India), in January 2013 for improving its tourism, medical and infrastructural growth. After Gujarat, Madhya Pradesh is now the second preferred state for the corporate world to get their industries set up.

A large part of the mineral production of India is contributed by Madhya Pradesh. Big reserves of Manganese are found in Balaghat and Chhindwara districts. The state also produces about 45% of Bauxite in India with Jabalpur, Mandla, Shahdol, Satna and Rewa being the important Bauxite producing centers. Iron ore deposits are found in Balaghat, Jabalpur and Mandla districts. The State of Madhya Pradesh also has rich reserves of coal in the northeastern and Satpura regions. The state has the distinction of being the only diamonds producing state in India, with production in Panna and Chhatishgarh districts. Over 30% of the State's total area is enveloped by the forest. The abundantly found trees include Teak, Sal, Bamboo and Tendu. Agriculture is the main occupation of villagers, Wheat, Soybean and Jowar (Sorghum) are the main Crops. Paddy and Coarse Millets are also sown in large parts. Pulses, Cereals and Groundnut are also grown. Important among the cash crops are Cotton, Sugarcane and Oil Seeds. Mandsaur is the largest opium producing district in the country.

The irrigation of land is mostly dependent on major rivers like Narmada, Chambal, Tapti, Betwa, Sone, Shipra, Kali Sindh and Tava. The Chambal valley and the Narmada

valley offer good potential for hydroelectric power generation. Besides Thermal and Hydro power generation, numerous other conventional and non-conventional power projects are in place or in the stages of progress. Road density is increasing continuously with present road length being over 80 thousand kms. Communications are well developed.

Rail route connecting different parts of India passes through Madhya Pradesh. Major airports link all major cities like Delhi, Mumbai, Varanasi, Nagpur, Bengaluru, Hyderabad, Chennai etc. Telephone and cellular service provider BSNL and other private operators are operational; internet access is easy across the state. The big industries are mostly in districts of Indore, Bhopal, Gwalior and Jabalpur. Cement, sugar, paper, textile, steel, soya, vehicles and medicine are the major industries today. BHEL in Bhopal, Government Ordnance Factory Jabalpur, Currency Printing Press at Dewas, Alkaloid Factory at Neemuch, Rail Coach Factory Bhopal are notable Central Government managed organisations. Mineral development, industries based on agricultural and forest produce continue to be the mainstay of industrial production in the state.

1. Current state of that particular State and its key drivers

At current prices, the gross state domestic product (**GSDP**) of Madhya Pradesh (2014-15) was **US \$84.27 billion**. Between 2004-05 and 2014-15, the GSDP of the state grew at a **CAGR of 12.83%**. The net state domestic product (NSDP) of Madhya Pradesh was about US\$ 75.64 billion in 2014-15. The CAGR for NSDP between 2004-05 and 2014-15 was about 12.99 per cent. The state's per capita GSDP in 2014-15 was US\$ 1,121 compared with US\$ 389.4 in 2004-05. Per capita GSDP has increased at a CAGR of 11.16 per cent during 2004-05 and 2014-15.

Different factors important for the current state of Economy and its future aspects, obtained from the budgets 2016-2017 of Madhya Pradesh include -

- The Gross State Domestic Product of Madhya Pradesh at current prices for 2016-17 is estimated to be Rs. 7,13,676 crore. This is 18% higher than the revised estimate for 2015-16.
- Total expenditure for 2016-17 is estimated to be Rs 1,58,713 crore, a 20% increase over the revised estimates of 2015-16. Revised estimates for 2015-16 indicate that the budget target was exceeded by Rs 1,448 crore.
- Total receipts (excluding borrowings) for 2016-17 are estimated to be 17% higher, at Rs 1,34,419 crore. Total receipts (excluding borrowings) in 2015-16 fell short of the budget target by Rs 2,397 crore.
- Revenue surplus for the next financial year is targeted at Rs 3,510 crore, or 0.49% of the Gross State Domestic Product (GSDP). Fiscal deficit is targeted at Rs 24,914 crore (3.49% of GSDP). The Fiscal Responsibility and Budget Management Act, 2005 was amended in December 2015 to increase the fiscal deficit ceiling to 3.5% of GSDP (earlier 3%). Primary deficit is targeted at Rs 14,680 crore (2.1% of GSDP)
- The departments of Energy, Urban Development and Environment, and School Education saw increases in allocations for the year 2016-17. The department of Rural Development has a 3% decrease in allocation.

Madhya Pradesh is home to a large tribal population, who have been largely cut off from the mainstream development. This makes Madhya Pradesh one of the least developed states in India, with an **HDI** (Human Development Index) value of **0.375 (2011)**, which is well below the national average. The state's per-capita gross state domestic product (nominal GDP) is the fourth lowest in the country (2010–11). MP is also the lowest-ranked state on the India State Hunger Index. In recent years, the state's GDP growth has been above the national average.

Economy of Madhya Pradesh

Economy of Madhya Pradesh comprises of agriculture and industries of Madhya Pradesh. In fact, industries and agriculture form the backbone of economy of Madhya Pradesh, whereas the supporting bones are mining, tourism and banking. Precisely speaking, the economy of Madhya Pradesh is divided into five different heads, namely:

- Agriculture
- Industries
- Mining
- Tourism
- Banking and Finance

Agriculture

Talking about the first aspect of the economy of Madhya Pradesh, we can mention that Madhya Pradesh is an agricultural state where the main occupation of the people is agriculture. As of 2015, the state had 15.07 million hectare of area under cultivation.

Major Commodities of Madhya Pradesh includes - Soyabean (75% of National Share) , Grams (36%), Oilseeds (25%), Pulses (24%), Food Grains (8%) etc.

In 2014-15, total food grain production of the state stood at 24.08 million metric tonnes and total pulses production by the state was around 4.55 million tonnes. Madhya Pradesh is the largest producer of pulses, oilseeds, soyabean and gram in the country and second highest producer of wheat, masoor and mustard across India. It is one of the leading producers of garlic and coriander. In 2014-15, 1,265.8 thousand hectare of land was used for the cultivation of horticulture crops and the Government of Madhya Pradesh is targeting to increase the area of horticulture crops by 75 thousand hectare in the state during 2015-16.

Mining

The Government of Madhya Pradesh first formulated a Madhya Pradesh Mineral Policy in 1995. Mining and mineral wealth considerably contributes to the development of the state and thus, the nation. The Government of India announced a **National Mineral Policy** in respect of non-fuel and non-atomic minerals in 1993. Pre-bifurcation Madhya Pradesh contained vast mineral deposits and the scope of mining was immense. However when the state was divided in 2000, deposits of minerals like Iron ore, Tin ore, Corundum, Coal, Limestone, Dolomite and Bauxite passed over to Chhattisgarh. So it became imperative to introduce a new mining policy to mark formerly unidentified mineral

deposits and ensure mining takes place scientifically to maintain environmental balance. Some of the integral minerals mined in Madhya Pradesh are Diamonds, Coal, Bauxite, Copper, Manganese, Limestone, Iron ore, Dolomite and Rock phosphate.

Mining in Madhya Pradesh seeks :

- to unearth new mineral deposits by current techniques.
- to modify rules so that minor mineral quarries are distributed without auction to co-operative societies of members of Scheduled Castes, Scheduled Tribes and traditional miners.
- to prioritize minerals with minimum ill effects on environment and forest resources.
- to develop mineral based industries and promote export of minerals.
- to enhance employment opportunities in the mining sector.
- to create a mining advisory board.

Private individual organizations with excellent financial status and technical skills are inspired to take up prospecting projects for diamond, gold and other precious minerals.

Tourism

Madhya Pradesh tourism offers some very popular tourist spots. The main attractions of Madhya Pradesh tourism are Khajuraho temples in the northern part and Bandavgarh and Kanha in the eastern region.

The latter two are included in India's finest game sanctuaries. Buddhist stupa of Sanchi and 15th-16th century citadels of Mandu in the southwestern part of Madhya Pradesh are worth visiting. Madhya Pradesh tourism offers a lineage of cultural heritage of Hinduism, Buddhism, Jainism, and Islam. Spectacular monuments, temples, stupas, forts and palaces are spread all over the state. Madhya Pradesh has enormous mountain ranges, meandering rivers and stretches of dense forests which offer a variety of wildlife in sylvan surroundings.

Over 2005-15, agriculture witnessed an increase in growth rate, whereas the other two sectors saw a decline.

- Agriculture growth increased from 3.6% in 2005-10 to 13.9% in 2010-15.
- In the meanwhile, growth rate in manufacturing decreased from 9.5% to 2.9%.
- The services sector growth also declined from 7.6% to 6.3%, during the decade.

2. Comparative Analysis of its own policy schemes vis-à-vis centrally sponsored scheme

In India, subjects are divided between the centre and the states on the basis of the union, state and concurrent lists. The centre is responsible for subjects that fall within the union list, the states for those subjects which fall in the state list and both the centre and the states are jointly responsible for subjects that fall within the concurrent list. There are several subjects such as education and health, which states are responsible for (as they are included in the state list) but might not have the resources to address adequately. The centre can provide additional resources to meet challenges in these sectors. One of the ways it does this is through establishing Centrally Sponsored Schemes (CSS). CSS are schemes that are funded fully or partly by the central government, but implemented by the states. This is because they address subjects that are included in the state list. For example, while health is a state subject, the National Rural Health Mission (NRHM) is a CSS which is partly funded by the centre and implemented by states.

Centrally Sponsored Schemes (CSSs) form a major part of the Central Assistance(CA) given by the center to states to implement the state plans. We can define it as special purpose grants (or loans) extended by the Central Government to States to encourage and motivate State governments to plan and implement programmes that help attain national goals and objectives which include extending clean drinking water and sanitation to every habitation, eradicating polio and tuberculosis, making primary education universal for every female and male child, and so on. CSS are extended by the Union Government to States under Article 282 of the Constitution. There were other types of Central Assistance before 2015-16, but almost all of them are discontinued as states got higher revenue after the 14th Finance Commission recommendations (higher devolution of taxes to states).

In the Union Budget for 2015-16, CSS are classified as Central Assistance to State Plan (CASP). In 2014-15, budgetary provisions were made for 66 CSS of which 17 large schemes were designated as 'flagship' programmes. 61 of these are operating in Madhya Pradesh. Total Central Release for first three years of 12th plan for MP was Rs. 41307 crore. That included with Block grants worth Rs. 17018 crore over the same period mean that total central assistance received by Madhya Pradesh over the 3 years of 12th five year plan is Rs 58325 Crore. Also Shri Shivraj Singh Chauhan, the honorable chief minister of Madhya Pradesh is the Convener of Sub-group of chief ministers that is part of Niti Aayog.

According to the REPORT OF THE SUB-GROUP OF CHIEF MINISTERS ON RATIONALISATION OF CENTRALLY SPONSORED SCHEMES (NITI Aayog) OCTOBER 2015, Madhya Pradesh gave its Inputs on CSS as -

Number of CSS - Number of CSS should be reduced and they should be implemented as umbrella schemes with large number of components in a sector to suit the local needs.

Funding Pattern -

- Funding pattern of all the components of an umbrella scheme should be the same.
- In no CSS, Central Share be less than 50%.
- CSS may be divided into Core and optional schemes. For NE and Himalayan States, Core schemes must have central share of 90% and in optional scheme, it should be 80%. For Other States, Core schemes must have funding pattern of Centre:State 60:40 and in optional Scheme it should be 50:50.

Funding of incomplete projects - All such incomplete projects where financial progress is 30% or above, funding should be continued as per the old pattern till 2016-17. Thereafter, the States may be allowed to complete the projects with their own resources.

Flexibility - Flexibility in a scheme should be increased. Monitoring & Evaluation

Criticism of Centrally Sponsored Schemes

- CSS dictate Centre's agenda and priorities which may not be relevant for states.
- CSS offers little flexibility for the states.
- Needs of states differ among themselves and a universal CSS package may not be practical in all cases.
- Many CSS which offers only partial support from Centre may impose a burden on states.

MP is centrally located and has excellent connectivity across major cities of the country. It has a total road network of 58,423 kms. with 20 national highways passing through the state. The state is well connected with rail services to all major cities and also to international exports markets via Jawaharlal Nehru port in Mumbai and Mundra port in Gujarat. The Delhi Mumbai Industrial Corridor (DMIC) passes through 10 districts of the state, which enhances high speed access to ports and northern and western markets of India.

Madhya Pradesh has been at forefront in promoting industrial growth by offering gamut of incentives to promote rapid industrialization, and is able to harness its strengths to expand its economy with the support of conducive policies. State has identified thrust sectors including auto and auto components, textiles, Tourism, IT/ITEs, Healthcare, Skill Development, Pharmaceutical, Renewable Energy, Biotechnology and Logistics & warehousing which provide the required impetus to the economic growth.

Objectives of various policies for growth of state includes -

Policies for Industrial Development -

- To accelerate the pace of industrialisation and make Madhya Pradesh a leading industrial state.
- To attract NRI and foreign investment by developing world class infrastructure.

- To chalk out special packages for removing industrial sickness.
- To create a congenial environment for the development of small, medium and large industries.
- To ensure balanced regional development by generating employment in the non-farm sector.
- To integrate the different employment-oriented schemes to provide employment opportunities on a sustainable basis.
- To make the state administration industry friendly by simplifying rules and procedures.
- To maximise employment prospects.
- Effective implementation of single window system through establishment of a Madhya Pradesh Trade and Investment Facilitation Corporation
- Promotion of different industrial clusters in the state, in view of availability of raw material, skilled labour and market.
- Revival of sick industrial units by granting special packages
- Setting up of an Industrial Infrastructure Development Fund
- The policy also provides incentives through exemption from stamp duty, registration charges, entry tax, etc. for a specified period.

Policies for development of IT Sectors -

- Facilitate single window clearance system
- Introduction of IT in all government departments
- Manpower development in IT and setting up of a virtual university
- Promotion of infrastructure and investment through IT cities and by formulating special package for providing financial assistance to the IT industry, promoting hardware technology parks
- Setting up of Madhya Pradesh Agency for Promotion of Information Technology to propel the growth of IT.

Policies for Infrastructure Development -

- To improve urban infrastructure and develop civic amenities, the state is implementing a US\$ 330 million project at Indore, Bhopal, Gwalior, Ratlam, Jabalpur and Ujjain. This is being done with help from the Asian Development Bank. The project focuses on providing sustainable basic urban infrastructure and services to these six cities. It also supports comprehensive urban governance and institutional reform to enhance accountability in municipal management, resource mobilisation and cost recovery.

- The project covers improvement and expansion of municipal infrastructure services viz. urban water supply, sewerage and sanitation, storm water drainage and solid waste management.
- The state government has set up the **Madhya Pradesh State Road Development Corporation (MPSRDC)** to accelerate the development of transport infrastructure in the state. The state has achieved significant success in implementing road projects through private sector participation.

SPECIAL ECONOMIC ZONES -

There are **13** Special Economic Zones in Madhya Pradesh. The Policy of Govt. of Madhya Pradesh Regarding SEZ is development oriented and it has been carefully formulated in order to make it more industry and investor friendly. The growth and sustenance of the special economic zones in Madhya Pradesh highly depend on the its policies regarding SEZ. The SEZ units are **tax free zone** and the main purpose of the Govt. of Madhya Pradesh SEZ Policy is to promote rapid growth in the industrial sector of Madhya Pradesh. The SEZ units may indulge in various kinds of activities such as repair and service, manufacturing, and restructuring of products.

The Policy of Govt. of Madhya Pradesh Regarding SEZ units have the provision of establishing the SEZ units in the private sector, public sector, and joint sector. It is also proposed that the present operational export processing zones would be transformed into SEZ units.

Govt. of Madhya Pradesh SEZ policy structure are-

- To provide proper infrastructure facilities and development for Special Economic Zone.
- The policy regarding SEZ would include the present SEZ units and also the SEZ units coming in the future and would be formulated in accordance with the policy structure of the central government of India.
- The state government is given the authority for acquiring the land for the special economic zones under the provisions of the Land Acquisition Act.
- The airport at Indore is proposed to be transformed into an international airport with appropriate amenities such as heavy cargo facilities and air freight services.
- To have a single authority for the clearance certificates, sanctions, permissions, no objection certificates from the boards, departments and organization of the government. The authority would even control and supervise the functioning of the SEZ units.

So, we have seen here that CSS are not able to focus directly on the needs of the state as they are made for the development of the nation and hence they are mostly focussed on the social development of the state unlike state policies which are mostly helpful for the growth of industries, tourism, IT sector etc. that is the development of the economic conditions of the state.

3. Policy Measures undertaken for Growth and Equity.

Different Policies were undertaken by the Madhya Pradesh State Govt. to improve the living condition of the population or the inhabitants. These included various policies for the improvement of Health, Education, Status of Women in the state. We will consider various policies separately.

Population Policy

Madhya Pradesh is the second largest state in the country in terms of area. Its population has crossed the 60 million mark and accounts for 5.88% of the total population of the country. The pace at which the population has been growing can be gauged by the fact that the state's population doubled during the period of 30 years, between 1951 and 1981 from 26 to 52 million. At the present pace, it will double again in the succeeding 34 years, that is, up to 2015. The Technical Group on Population Projections constituted by the Planning Commission of the Government of India, concluded that Madhya Pradesh would reach replacement level fertility (which is a prerequisite for initiating the process of population stabilization), after 2060. If this were to happen, the census of 2061 would show a population size of 190 million. The state has taken the initiative of adopting a state specific population policy to address the serious problem of rapid, (and if not checked), alarming population growth.

Objectives:

- Achieving the replacement level fertility (a total fertility rate of 2.1) by the year 2011 by increasing the contraceptive prevalence rate to 65 percent from the current 42 percent.
- Reducing the infant mortality rate to 62 by the year 2011, from the current level of 90.
- Reducing the maternal mortality rate to 220 by the year 2011, from the current level of 498.

Policy Initiatives:

- To create an encouraging environment for planned family and to generate demand for family planning and reproductive health services.
- To increase the involvement of Panchayati Raj institutions, private sector and Non-Government Organizations to promote people's participation in population stabilization efforts.

Approach:

The policy approach is multi-sectoral in nature. It stresses the importance of both family planning and reproductive health services, as well as sustainable social and economic development in order to step up the pace of population transition in the state. It endeavors to address the root causes of high fertility viz. gender disparities in access to education, employment and other productive resources, and thereby create an environment that helps families make informed decisions. This marks a significant

departure from the past, where 'population' was regarded simply as a sub-sector of the health sector. The policy recognizes that the population perspective must cut across all sectors to achieve the goal of improving the quality of life of the people. It also recognizes that several issues impacting on reproductive health status and quality of life require serious advocacy initiatives in order to mobilize society, change attitudes and trigger action.

Implementation:

The 73rd and 74th Amendment to the Constitution for democratic decentralization has been fully implemented in the state. The elected three-tier Panchayati Raj Institutions and Urban Local Bodies have been delegated several government functions. Many residual powers of the state government, hitherto exercised from the state capital, have been extensively decentralized and delegated to District Planning Committees which are now vested with powers and responsibilities to plan and implement crucial development programmes. 'Gram Swaraj' has been achieved through effective delegation to 'Gram Sabhas' enabling speedy decision making.

Special emphasis has been placed on literacy, which is a precondition to any real empowerment, through the scheme for guaranteeing education to all. This is reflected in the increase in female literacy in the state from 29 percent in 1991 to 50 percent in 2001.

Health Policy

The life of the average woman is one of deprivation in every sphere. The girl child gets less nutrition, health care and education- a lesser childhood than the boy child. She soon becomes a woman, often missing out on her adolescence. She is married early, becomes a mother soon after and that too at frequent intervals; she has no say in any of these crucial events of her life, each of which adversely affects her health. The roots of gender inequality are social and economic. The state policy for women and the state nutrition policy have made serious efforts towards redressing this imbalance.

Efforts are being made to provide complete health care, especially to women, through the presence of trained birth attendants, provision of emergency obstetric care, helping women avoid unwanted pregnancy, preventing sexually transmitted infections and addressing other factors that contribute to poor health.

In order to provide access to health for all, a **Prathmik Swasthya Sewa Kosh** has been set up to provide assistance to private service providers in setting up a hospital in hitherto un-serviced areas.

The '**Swasth Jeevan Sewa Guarantee Yojana**' launched on 11th July 2001 (World Population Day) will further revamp service delivery systems through direct community action. It is hoped that by end 2002, there will be no village in the state without a trained Jan Swastha Rakshaka and a Trained Birth Attendant.

To improve the health condition of the population, various programs and schemes were implemented by the Madhya Pradesh Government.

Vision

All people living in the state of Madhya Pradesh will have the knowledge and skills required to keep themselves healthy, and have equity in access to effective and affordable health care, as close to the family as possible, that enhances their quality of life, and enables them to lead a healthy productive life.

Goals

- Ensuring geographic and economic access to primary and secondary quality healthcare and family welfare services to all people of Madhya Pradesh within a span of five to seven years.
- Prevention of disaster, to the extent possible, and preparedness for disaster management as and when necessary.
- Reducing the MMR to 220 by 2011 from the level of 498 (1997 level).
- Reducing the IMR to 62 by 2011 from the level of 97 (1997 level).
- Total Fertility Rate to reach replacement level fertility (i.e. a TFR of 2.1) by the year 2011.
- Stabilize the prevalence of HIV/AIDS at low level (present level) and further decrease it.

Various Programmes for social sector improvement and promoting equity includes –

- **Beti Bachao Abhiyan**

Beti Bachao Abhiyan is an initiative taken by the Government of Madhya Pradesh under the personal stewardship of the Chief Minister Shri Shivraj Singh Chouhan.

The campaign is aimed at arresting the declining sex ratio, which is a serious problem with far reaching social ramifications and at eliminating discrimination against girls in the society.

The Chief Minister himself visited several places to meet people and motivate them to end the abominable practice of female foeticide. Many activities have been carried out under this campaign for educating people about the importance of saving the girl child for a healthy gender balance in the society.

- **Samadhan Online**

As an effective means of sensitizing the administration at all levels towards resolving Public Grievances with an approach to address them with empathy, sensitivity and high priority Samadhan Online has been launched. Programme is conducted on first Tuesday of every month. All the District and Department Officials are asked to remain in the Office on that day for clarifications, if any. About 20 to 25 applications are randomly selected and sent to the concerned officials through the website on the same day of the programme for submission of the report. The report is submitted online by the concerned officials to the Office of Hon'ble Chief Minister. Hon'ble Chief Minister himself reviews the reports along with the complainant and the concerned officials through the Video Conferencing facility.

The instructions given by the Hon'ble Chief Minister are further followed up through the website. All the Districts participate in this programme through the Video Conferencing facility.

- **One Day Governance**

Samadhan Ek Din Mein is a very innovative and pro-people programme to provide about 21 certificates sought by the applicant on the same day itself. The public has to apply from 11.00 am to 1.30 pm, after which the certificates are issued before the end of the day. If application is rejected or delayed the reason thereof is furnished to the applicants. The Collector monitors the disposal of application at the end of each day. As a result of implementation of this programme, citizens' ordeal of uncertainty in getting the certificates in hand even after spending lots of time and money has ended. It also generates revenue, increases public confidence and reduces the number of pending cases eliminating of the role of middle men.

- **Laadli Laxmi Yojna**

This scheme was started in the year 2006 with an objective to lay strong foundation of girls' future through improvement in their educational and economic status and to bring about a positive change in social mind set towards birth of a girl. Under the scheme, National Savings Certificates worth Rs. 6,000 are purchased by the State Government in the name of a girl every year after she is born till the amount reaches Rs. 30,000. The girl covered under the scheme is given Rs. 2,000 on getting admission in class VI, Rs. 4,000 on getting admission in class IX and Rs. 7,500 on admission in class XI. She is given Rs. 200 per month during her studies in class XI and XII. When the girl attains the age of 21 and had not married before 18 years of age, she will be paid the amount at one time, which comes to Rs. 1 lakh. The benefit of the scheme is extended to the parents, who adopt family planning after two alive children and are registered in anganwadi centre and are not income tax payers.

- **Mukhyamantri Kanyadan Yojna**

The scheme has been launched at the initiative of Chief Minister Shri Shivraj Singh Chouhan. The objective is to provide financial help to poor, needy, destitute families for marrying off their daughters/widows/divorcees. Under the scheme, assistance of Rs. 15,000 is given for house hold items and the mass marriage expenditure. This assistance is given in mass marriages with the condition that the girl must have attained the age of 18 years.

4.1 Five major Strengths of Madhya Pradesh.

Madhya Pradesh is the second largest Indian state, covering 9.5% of the area of the country, is endowed with rich natural resources, salubrious climate and fertile agro-climatic conditions.

In Madhya Pradesh, investors have better options in terms of project location, infrastructure, incentives and other facilities. The State Government has laid out business friendly policies for accelerating industrialization of the state.

Industry, in Madhya Pradesh, is largely natural resources driven. It has abundant natural wealth in the form of limestone, coal, Soya, cotton, bauxite, iron ore, silica and so on. The state has a strong industrial base in sectors like textile, cement, steel, Soya processing and optical fibre.

Connectivity is the key to economic advancement. Connectivity is the key to development. And connectivity is strength of Madhya Pradesh. The State has a well high perfect equidistant connectivity to India's metros, and other markets. Due to low Industrialization, large semi-skilled and unskilled labour is available at low cost for all labour intensive industries e.g. agriculture, forestry.

Major Strengths of Madhya Pradesh are:-

1. Strategic Location

The state is home to dense forests, areas that are rich in minerals, a variety of fauna and a network of rivers. Madhya Pradesh's scintillating natural beauty also makes it ideal for tourism. Madhya Pradesh conjures up images of abundant natural beauty.

2. Natural Resources

Madhya Pradesh is rich in natural resources with diverse forests it has 11 different agro climatic zones. Rich mineral wealth of iron ore, diamonds, copper ore, magnesium ore, limestone, coal and marble, granite, 7.7% of India's coal reserves are in Madhya Pradesh, it has Asia's thickest coal seam located in the district of Sidhi. Madhya Pradesh has the only working diamond mine in India and Large reserves of limestone, the basic construction raw material. Manganese and dolomite, key ingredient to iron and steel, found here, exotic varieties of dimensional stones i.e. marble, granite and flagstone available.

The forest area of the state is 95,221 km². The forest area of Madhya Pradesh is almost 31% of the geographical area of the state. The Forest area of the state constitutes as much as 12.44% of the forest area of the country. Legally this area has been classified into "Reserved Forest, Protected Forest and Unclassified Forest", which constitute 61.7%, 37.4% and 0.9% of the forest area respectively. Per capita forest area is 2,100 m² as against the national average of 700 m². Madhya Pradesh also has several National Parks, which are named as: Kanha, Panna, Pench, Bandhavgarh, Satpura and also Van Vihar in Bhopal, Madhav National Park, Sanjay National Park, etc.

There are also several nature preserves, such as Amarkantak, Pachmarhi, Bagh Caves, Bhedaghat, Bori Nature Reserve, Ken Gharial, Ghatigaon, Kuno Palpur, Narwar, Chambal, Kukdeswar, Narsingharh, Nora Dehi, Panpatha, Shikarganj and Tamia. Madhya Pradesh also has a Plant Fossils National Park in Mandla district.

3. Agriculture

Madhya Pradesh is the largest producer of oilseeds and pulses in the country. It produces 25.3% of pulses and 36% Grams of total production of the country. It has commercially favoured varieties of wheat and potato and also the largest producer of garlic and coriander. Government of Madhya Pradesh has prepared a policy for allotment

of non forest waste land for the investors massive wastelands and government farms measuring from 50 to 3000 acres ready to be offered for investment.

4. Tourism

Madhya Pradesh has not only maintained its pristine beauty as it was years ago but has also added a great deal to it for today's travellers. Its natural settings beautified by hills, forests, rivers, rich heritages, exciting wildlife and cultural diversity make it a land of many splendours.

Madhya Pradesh has enormous potential and resources to become a major tourism destination. Numerous monuments of historical, archaeological, architectural and pilgrimage importance dot the state. The forests are teeming with all kinds of wildlife. Because of its central location and easy accessibility, tourism is becoming a major attraction.

Madhya Pradesh is resplendent with the hill ranges of the Vindhyas and the Satpuras and is green throughout. The landscape is made lucid by its rivers, whose names have the sound of water in them - Narmada, Tapti, Shipra, Betwa, Chambal, Sone and many others, carrying their own legends and history with them. So interlaced with meandering rivers, hills, lakes and forests, Madhya Pradesh has a varied natural setting of mesmerising beauty.

There are several tourist places in Madhya Pradesh. Some of these also have the status of being the World Heritage Sites as per UNESCO. The Khajuraho Group of Monuments which is series of beautiful temples with extra-ordinary architecture, the stupas of Sanchi which are the pilgrimage for the Buddhists and the famous art collections at the Rock Shelters of Bhimbetka near Bhopal are three places which UNESCO has declared as the World Heritage Sites.

5. Industry Facilitation

In the recent years, Indian economy has changed substantially. Market forces have begun to dictate investment flows across the industrial sectors. Accelerating investments in industrial development for economic growth is one of the major focus areas for Madhya Pradesh.

Industry in Madhya Pradesh is largely natural resources driven. It has abundant natural wealth in the form of limestone, coal, oilseeds, pulses, bauxite, iron ore, diamond, copper ore, manganese ore, rock sulphate, silica, soya, cotton and so on.

Madhya Pradesh is fast emerging as new destination for industries with following facilitation:-

- Creation of Industry - friendly administration and an incisive industrial promotion policy.
- The state provides a facilitative environment for the development of small, medium and cottage enterprises.
- It has Special Economic Zones.
- Ensures reliable power to the industries.
- Air connectivity with major industrial towns available.

- Special package of incentives for Mega Investment Projects, with investment above Rs. 25 Crores.
- Assistance for setting up of Industrial Parks.
- Concessions for Tourism Projects.
- Single table clearance for mega projects through project clearance Implementation Board (PCIB). Projects worth approximately Rs. 2,64,129 Crores facilitated.

4.2 Five Major Weaknesses of Madhya Pradesh

- **Landlocked location away from ports.**

Away from ports prevents quick access to international market and hence inhibits the available scope for the market of its produce. This makes trade costly and hence makes industries difficult to grow because of higher trade cost involved.

- **Large unskilled/ semi-skilled reserved class population and limited availability of skilled manpower.**

Due to extremely low urbanization there is a very large section of reserve (SC/ST/OBC), illiterate and economically weak population. These are good for providing cheap labor but there is lack of skilled manpower which hinders the growth rate of the state since, there is very less scope for the population to take part in industry development and other skill intensive processes. Instead large section of population of the state is still involved in agriculture which in turn affects the optimum benefit that can be reaped from Agriculture. It also hinders technological development in agriculture in the state.

- **Inadequate physical infrastructure.**

Weak conditions of roads, bridges, shortage of power, irrigation canals and poor connectivity to remote areas. These factors affect the trade opportunities for the small scale industries and also makes condition worse for farmers. This also reduces the market for agricultural produce for the farmers. This not only affects the trade but also hinders the development in the social sectors like health, education etc.

- **Over-dependence on primary sector and low development indicators**

40% of the state revenue comes from primary sector, which is very high against the national average reflecting an adverse economic condition. This kind of agrarian society with such a high population as involved in Madhya Pradesh doesn't give optimum benefits to farmers. Also it results in over-exploitation of land and farms. The development in primary sector is required but it alone cannot sustain such huge population with a good standard of living.

- **Limited tax base**

Approximately, 40% of the tax revenues are from agriculture and mining sector thus leaving less scope for growth in revenues and low tax to GDP ratio. Due to the less income from the primary sector, government cannot expect to collect higher amount of taxes which in turn affects the fiscal deficits of the state as states need to take loans to

achieve the desired goals of growth. This provides a kind of positive feedback mechanism which intensifies the above mentioned problems.

5. Recommendations as a Policy Planner

1. Attracting investment in the sector so that the educated youth is able to contribute to the development of the State Create a pool of highly skilled professionals who are at par with the best in the country.

2. Investing in skill development programs so that Youth can participate creatively in overall development of state.

3. M.P. lags behind in physical infrastructure when compared to other states. Govt. should either take up some projects of its own or better yet contract private sector firms in Infrastructure and construction sectors.

4. One of biggest challenges in front of CM Shivraj Singh's Govt. is to reduce M.P's dependence on agriculture and primary sector. In 2014-15, the primary sector contributed 38.92 per cent to the state's GSDP. MP needs critical reforms in its labour force so that it can be escape the status of BIMARU states. Govt. needs to set up Easy Business Growth Environment to attract outside investment and develop its industry sector.

5. MP is one of the states that stands to gain the most out of Make in India campaign. The state is rich in natural resources and there is very little competition. Only problem is the unavailability of sea ports, which can be resolved by developing an extensive railway system to move freight goods.

6. MP govt. can also provide easy loans to small scale industries thus achieving dual goals of women empowerment and job creation.

7. Start-Up India campaign has a lot of scope to fulfil the job requirements and expand the skill sets of predominantly young population of MP.

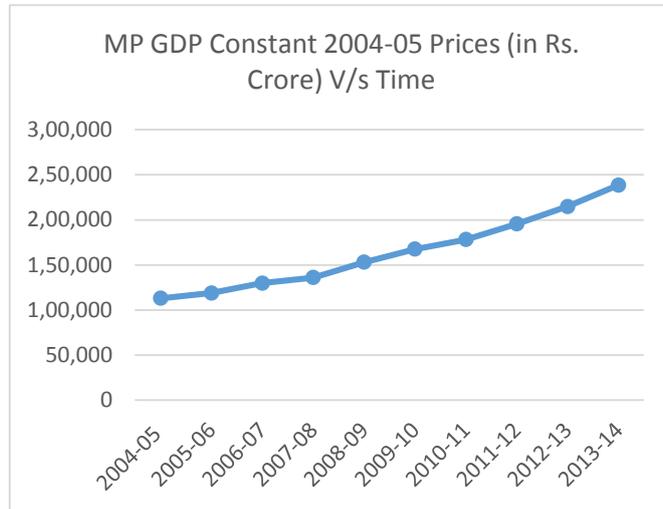
8. Develop the service sector of economy by providing better education and health facilities.

9. Govt. needs to set up a plan to develop inclusively. The tribal population make up a critical portion of MP and they cannot be ignored in any plan to develop M.P

10. M.P holds a lot of cultural diversity and some of the best tourist places of India. Investing in expanding and bettering "MP: The heart of India" tourism campaign to attract more foreign tourism will not go amiss.

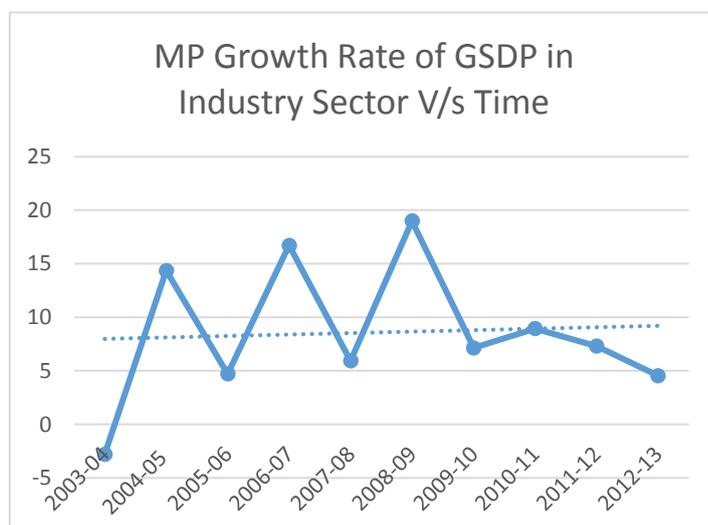
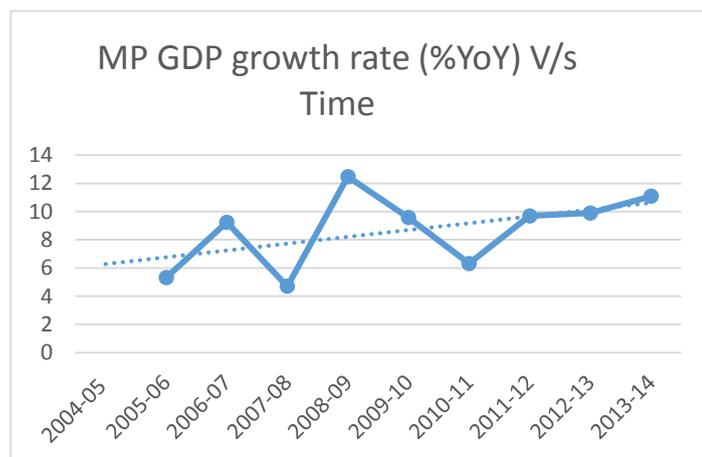
6. Statistical Analysis

We are going to observe the various trends followed by the indicator of the development of the Economy of the state. For this, we will use the data obtained from the Planning Commission website over a range of time period for the state.

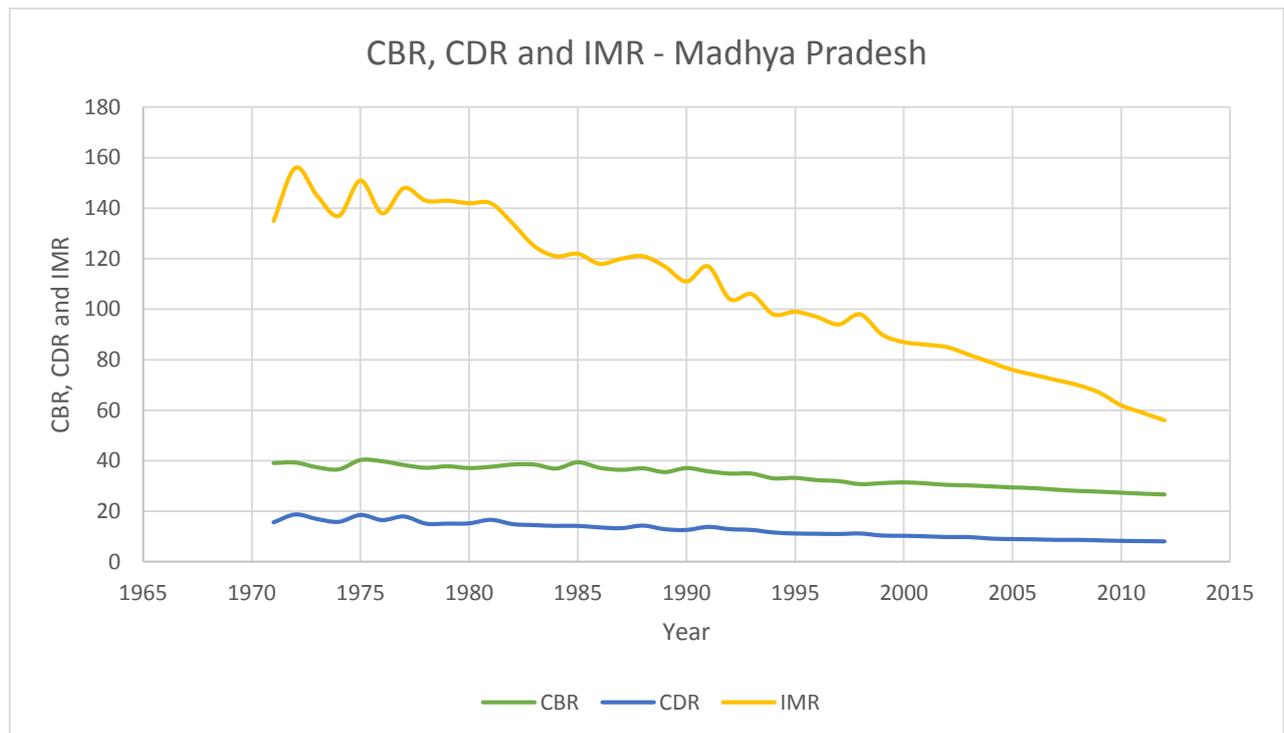


We have plotted time series data of the GDP of Madhya Pradesh or the GSDP (Gross State Domestic Product) at Constant (2004-05) Prices and the graph is showing a positive relation between the two. This shows the continuous improvement in the economy of the state. Here we have used the data obtained from the Planning Commission website.

In this plot, we have used the time series data obtained from the Planning Commission's website. Here data is taken over 2004 – 2014 , for the growth rate of GDP. Here also we can observe the positive trend shown by the growth rate of GDP of the state over time. This is a good indicator for the state's development.



Here we have plotted the Growth rate of GSDP in Industry sector from 2003 - 2014. This also shows the positive nature with fluctuations that shows the success of the Industry sector in Madhya Pradesh. The value of growth rate is fluctuating but its positive for most of the time period under observation with very high magnitude of positive growth at different times.



This is the plot of CBR (Crude Birth Rate), CDR (Crude Death Rate) and IMR (Infant Mortality Rate) with time from 1974 – 2012 for the state, Madhya Pradesh. Here we can observe that the –

- CBR has fallen slowly over this period as a result of change in family pattern growing over the state. This demographic change is basically due to gradual shift from the large family, agrarian society to the small family, city wage earners. This shows the change in the employment patterns, though not directly but it can be inferred that the society is changing. Another cause is better health facilities available which has reduced the CDR.
- CDR also has fallen over the period due to better health facilities available and change in the living standards of the family.
- IMR has also fallen, which shows that the number of death of children below the age of 1 yrs. has fallen due to the availability of better health facilities and sanitation available.

All the three indicators are showing progress in the health of the inhabitants of the state.

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