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An Assessment of Industrial Sector Efficiency of The State of Uttar Pradesh

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ABSTRACT

GSDP of the state of Uttar Pradesh accounted for INR 1,74,969 crore (US \$ 220 billion) during the year 2021-22. The GSDP of Uttar Pradesh contributes 8.5% in the India's total GDP. Uttar Pradesh is a highly aggression economy where the involvement of people in the primary sector is much higher than their involvement in secondary sector. The share of primary sector in the GSDP of Uttar Pradesh is very much less than the share of secondary sector in the GSDP of Uttar Pradesh. The above observations are sufficient enough to clarify the reasons of socio economic disparity in the state of Uttar Pradesh. To overcome problems like disparity, unemployment, seasonal unemployment, low growth etc. it is necessary to enhance the involvement of population in industrial sector and strength the efficiency of industrial sector in Uttar Pradesh because the historical evidences have proved that the industrial sector development is the most important dimension which can lead to the faster growth of any economy.

Keywords: *Occupational Structure, Composition of Income, Growth Rate, Share of Industrial Sector, GVA and GSDP.*

INTRODUCTION

In terms of GSDP the economy of the state of Uttar Pradesh is the third largest economy among all the state of India. GSDP of the state of Uttar Pradesh accounted for INR 1,74,969 crore (US \$ 220 billion) during the year 2021-22. The GSDP of Uttar Pradesh contributes 8.5% in the India's total GDP.

Table- 1

Occupational Structure and Composition of Income: India and Uttar Pradesh (2021-22)

Sectors of The Economy	Occupational Structure (Percentage of Population)		Composition of National Income (Percentage Share)	
	Uttar Pradesh	India	Uttar Pradesh (GSDP)	India (GDP)
Primary Sector (Agriculture & Allied Sector)	75	42.60	27.46	17.5
Secondary Sector (Industrial Sector)	10	25.12	23.63	26.8
Tertiary Sector (Service & Trade Sector)	15-20	32.28	48.91	53.7

Source:

- i.** Estimated on the basis of the data published in the Handbook of Statistics on Indian Economy, RBI, 2021.
- ii.** Statistical Diary of Uttar Pradesh, 2021-22.
- iii.** Monthly Economic Review, August 2022.

Table- 1 represents the occupational structure and income composition of India and the State of Uttar Pradesh.

The scrutiny of the **Table- 1** reveals the fact that 75% Population of Uttar Pradesh is engaged in primary sector for their occupation which is noticeably higher than the national average of 42.60% at all India level.

Moreover the percentage share of primary sector in the GSDP of Uttar Pradesh is 27.46% as compared to the 17.5% total share of primary sector in the GDP of India. Affirmation analysis shows the dominance of agricultural sector in the state of Uttar Pradesh. If we enquire into the occupational structure and composition of income from the view point of secondary sector, it is a noticeable fact that 25.12% of the total population of the India is getting its occupation in industrial sector which is much higher than the 10 % population of Uttar Pradesh engaged in secondary sector.

Further the contribution of secondary sector in the India’s GDP is 26.8% which is also higher than 23.63% contribution of secondary sector in the GSDP of Uttar Pradesh.

Figure- 1

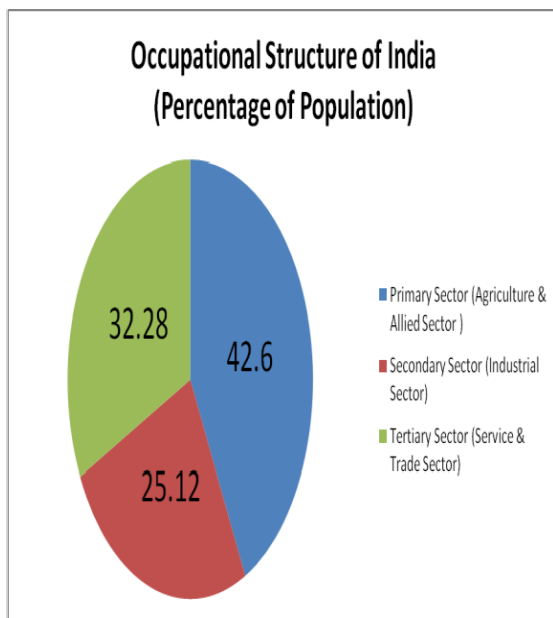


Figure- 2

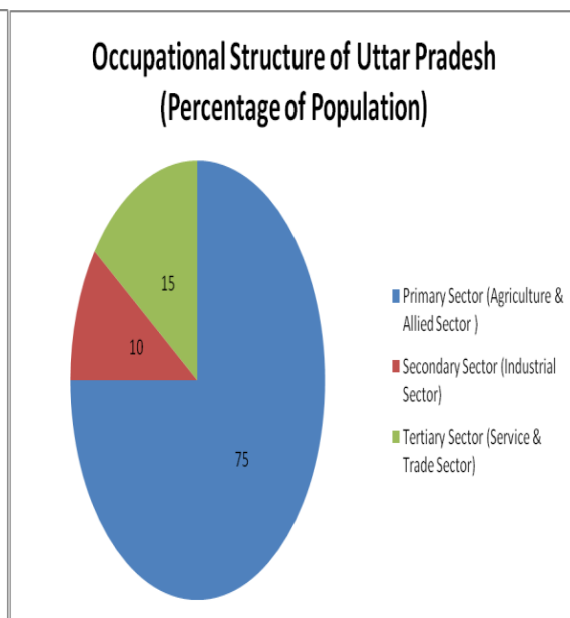


Figure- 3

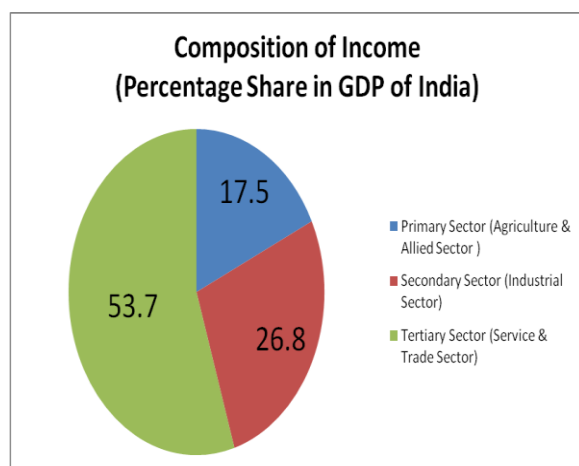
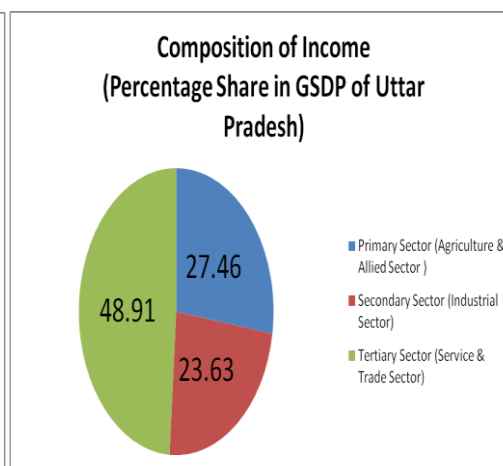


Figure- 4



Keeping in view the above structure of the occupation and income of state of Uttar Pradesh there are two noticeable observations –

- I. Uttar Pradesh is a highly aggression economy where the involvement of people in the primary sector is much higher than their involvement in secondary sector.
- II. The share of primary sector in the GSDP of Uttar Pradesh is very much less than the share of secondary sector in the GSDP of Uttar Pradesh.

The above two observations are sufficient enough to clarify the reasons of socio-economic disparity in the state of Uttar Pradesh.

To overcome problems like disparity, unemployment, seasonal unemployment, low growth etc. It necessary to enhance the involvement of population in industrial sector and strength the efficiency of industrial sector in Uttar Pradesh because the historical evidences have proved that the industrial sector development is the most important dimension which can lead to the faster growth of any economy.

REVIEW OF LITERTURE

Suhail Ahemad Bhat and Shambhvi Singh (2020) in their research paper- *“Development in Uttar Pradesh: Problems and Perspective”* explained that Industrial development is an engine for economic development. It helps in transforming the traditional economy into the modern economy and brings a rapid and sustained growth in the country.

Mehta G.S. (2011), “*Agro-Processing Industry in Uttar Pradesh: Emerging Structure and Development Potentials*”. Its explained There is no denying fact that effective industrial development is very essential for successful economic development, particularly for developing country like India, where the population growth is much higher and employment growth is much lower.

OBJECTIVES

Our objectives in this research paper are as under:

- I.** To analyze the trend of share of industrial sector in GDP and that of in the GSDP of the states of Uttar Pradesh.
- II.** To enquire into the difference between growth rates of industrial sector at all India level and growth rate of industrial sector in Uttar Pradesh.
- III.** To trace out the reasons of differences in the performance of industrial sector of Uttar Pradesh as compared to the performance of industrial sector at all India level.

HYPOTHESES

To analyses the objectives of the study we are having the following hypotheses-

- I.** As we have already observed in our introductory section of the study that the involvement of population in industrial sector in Uttar Pradesh is relatively lower than its national average and also that the share of industrial sector in the GSDP of Uttar Pradesh is relatively lower than the national average, we can hypothesize that - *“the share of industrial sector in the GSDP of Uttar Pradesh has continuously been lower than share of industrial sector in the India`s GVA during the period of the study from 2001-2021”*.
- II.** To analyzed the second objective of the study pertaining in the deviation between the growth rate of industrial sector in Uttar Pradesh and at all India level, we have hypothesized that- *“growth rate of the industrial sector in state of Uttar Pradesh has continuously been lower than the growth rate of industrial sector at all India level”*.

RESEARCH METHODOLOGY AND RESEARCH DESIGN

The study is descriptive and empirical in nature. In order to achieve specified objective. data for the research is collected through secondary source. Secondary data is collected from Hand Book of Statistical on Indian Economy (various years), Statistical Diary of Uttar Pradesh (various years) & Monthly Economic Review. To analyze the data statistical, tools are also used according to the requirement of the analysis.

ANALYSIS

Year	Growth Rate of Industrial Sector in Uttar Pradesh (%)	Growth Rate of Industrial Sector in India (%)
2001-02	9.8	4.89
2002-03	9.18	12.4
2003-04	17.2	11.34
2004-05	17.2	21.5
2005-06	16.76%	14.95
2006-07	23.29	19.53
2007-08	14.38	16.67
2008-09	7.05	12.78
2009-10	18.25	13.03
2010-11	14.67	16.08
2011-12	46.01	16.05
2012-13	10.95	7.7
2013-14	16.15	5
2014-15	2.57	8.3

2015-16	15.67	10.8
2016-17	26.3	7.9
2017-18	2.06	5.9
2018-19	8.92	6.9
2019-20	0.63	2.5
2020-21	-0.63	-7

To analysis the trends of industrial sector growth and compare it with national level statistics, growth rate of industrial sector in Utter Pradesh, growth rate of industrial sector in India, share of industrial sector in GSDP of Utter Pradesh & share of industrial sector in GVA. The data on presented in Table-2 & Table-3.

Table- 2

Growth Rate of Industrial Sector: India and Uttar Pradesh

The table 2 represents the growth rate of industrial sector in Utter Pradesh and the growth of industrial sector at all India level from the year 2001-02 to 2020-21. The growth rate of industrial sector is an important parameter to check the efficiency of industrial sector in an economy. The data shown in the table- 2 is plotted as bar diagram in Figure- 5.

Figure 5

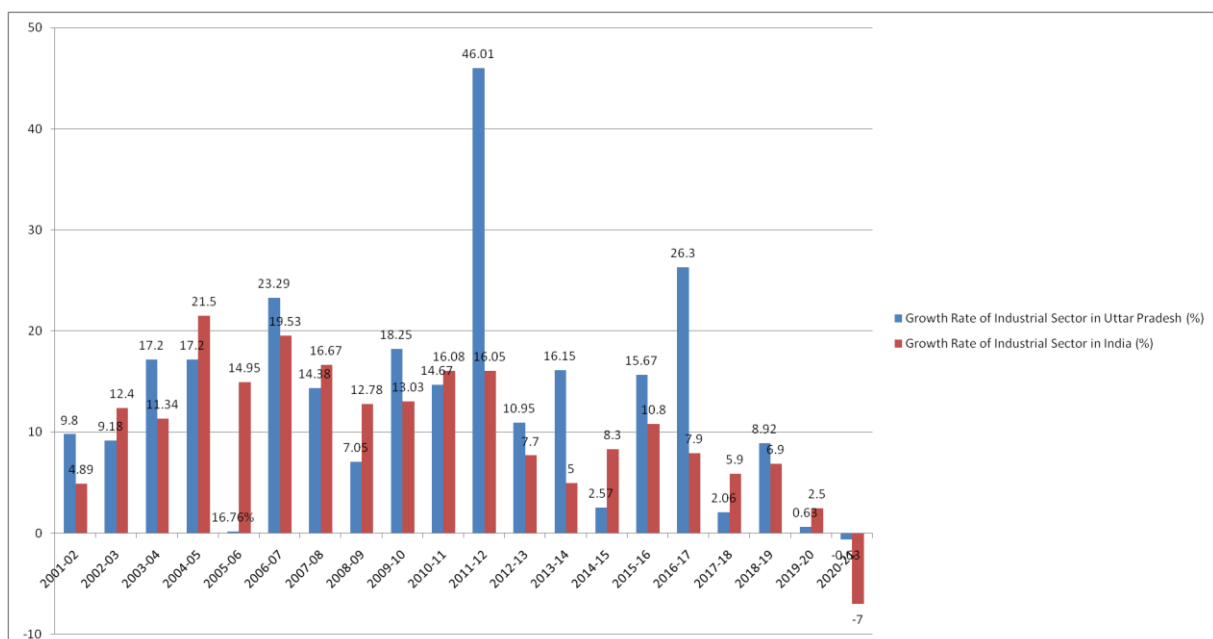


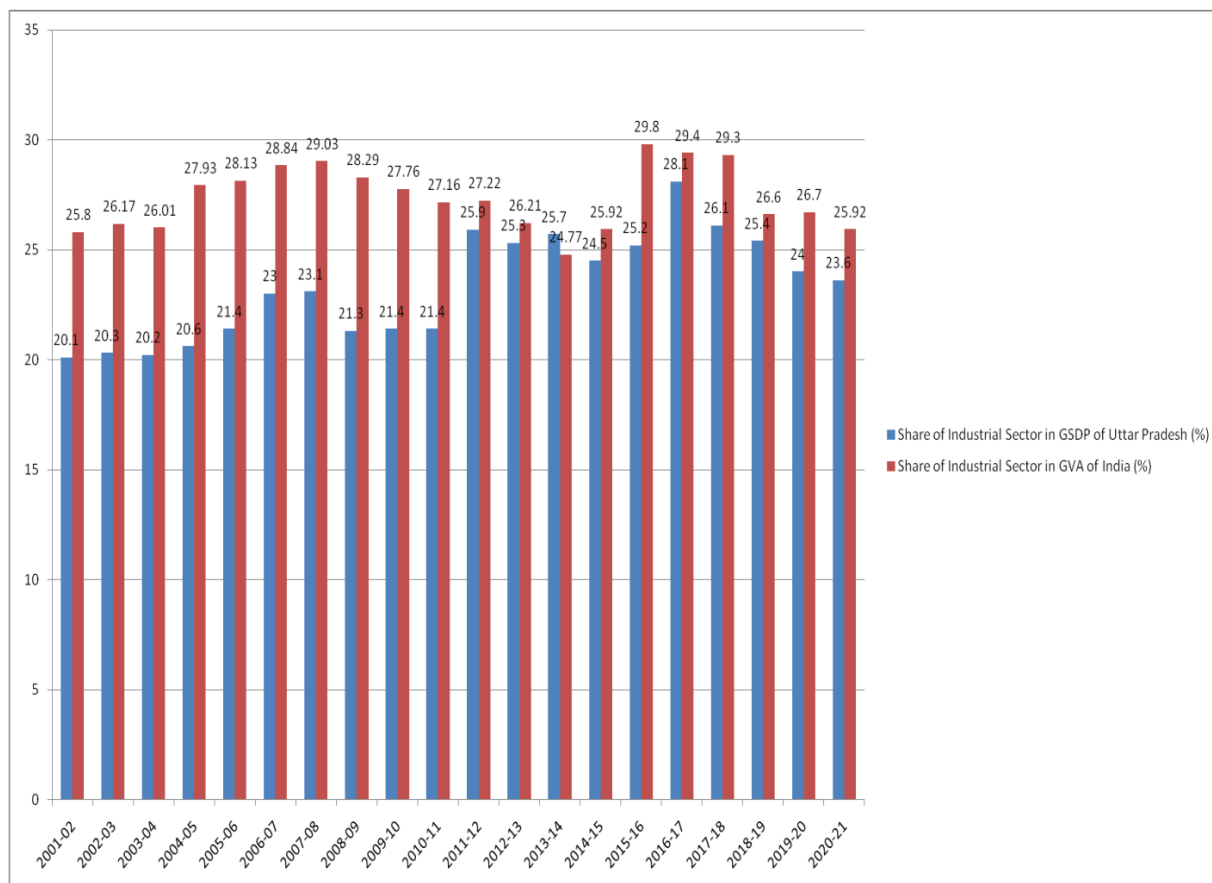
Table- 3**Share of Industrial Sector in GVA of India and GSDP of Uttar Pradesh**

Year	Share of Industrial Sector in GSDP of Uttar Pradesh (%)	Share of Industrial Sector in GVA (%)
2001-02	20.1	25.8
2002-03	20.3	26.17
2003-04	20.2	26.01
2004-05	20.6	27.93
2005-06	21.4	28.13
2006-07	23	28.84
2007-08	23.1	29.03
2008-09	21.3	28.29
2009-10	21.4	27.76
2010-11	21.4	27.16
2011-12	25.9	27.22
2012-13	25.3	26.21
2013-14	25.7	24.77
2014-15	24.5	25.92
2015-16	25.2	29.8
2016-17	28.1	29.4
2017-18	26.1	29.3
2018-19	25.4	26.6
2019-20	24	26.7
2020-21	23.6	25.92

The data pertaining to the share of industrial sector in GSDP of Uttar Pradesh & share of industrial sector in GVA of India is presented in the Table-3. The analysis of the Table- 3 brings in to light the share of industrial sector in GSDP of Uttar Pradesh and share of industrial sector in GVA at national level from the year 2001-02 to 2020-21. The data given in the Table- 3 is plotted as bar diagram in Figure- 6. The analysis of Table- 3 and figure 6

brings into light the difference between share of industrial sector in GSDP of Uttar Pradesh and that of the national average.

Figure-6



FINDINGS AND CONCLUSION: COMPARISON OF INDUSTRIAL SECTOR EFFICIENCY OF UTTAR PRADESH WITH NATIONAL AVERAGE:

- There are only 6 years during that analysis of two decades from 2001-2021 (2005, 2008, 2009, 2015, 2018 and 2020) in which the growth rate of industrial sector in Uttar Pradesh is found lower than the growth rate of industrial sector at all India level. This finding rejects our hypothesis that *“growth rate of the industrial sector in state of Uttar Pradesh has continuously been lower than the growth rate of industrial sector at all India level”*.

- If we inquire in to the Table- 3 a noticeable finding is that the share of industrial sector in the GSDP of Uttar Pradesh has continuously been lower than the share of industrial sector in the GVA of India. On the basis of this finding our hypothesis that- *“the share of industrial sector in the GSDP of Uttar Pradesh has continuously been lower than share of industrial sector in the India`s GVA during the period of the study from 2001-2021”* can fully be accepted.

POLICY IMPLICATIONS

- Strengthening of industrial sector of Uttar Pradesh is highly required to bridge the socio-economic gap. For this it is essential to increase the share of industrial sector in the GSDP of Uttar Pradesh at least equal to its national average i.e. shares of industrial sector in the GVA of India. For this purpose the skill training and vocational education to the people of Uttar Pradesh can be arranged by the Govt. Also the disguisedly unemployed people of primary sector can be promoted to migrate in to the secondary sector.
- Though the growth rate of industrial sector in Uttar Pradesh has been more than the growth rate of industrial sector of India during most of the years of analysis but it doesn't seem to be satisfactory. Hence it also needs to be pushed up.

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