

UTTAR PRADESH A BRIEF ANALYSIS

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I had been to other countries - in Europe, Asia and the Middle East - but none of them had provided even half as much variety, or so much to see and experience and remember, as this one State in northern India. You can travel from one end of Australia to the other, but everywhere on that vast continent you will find that people dress in the same way, eat the same kind of food, listen to the same music. This colourless uniformity is apparent in many other countries of the world, both East and West. But Uttar Pradesh is a world in itself.' - **Ruskin Bond.**

Uttar Pradesh (UP) is situated in northern part of India and is surrounded by Bihar in the east, Madhya Pradesh in the south, Rajasthan, Delhi, Himachal Pradesh and Haryana in the west and Uttaranchal in the north. Uttar Pradesh is the rainbow land where the multi-hued Indian Culture has blossomed from times immemorial. Blessed with a variety of geographical land and many cultural diversities, Uttar Pradesh, has been the area of activity of historical heroes like - Rama, Krishna, Buddha, Mahavira, Ashoka, Harsha, Akbar and Mahatma Gandhi. Rich and tranquil expanses of meadows, perennial rivers, dense forests and fertile soil of Uttar Pradesh have contributed numerous golden chapters to the annals of Indian History. Dotted with various holy shrines and pilgrim places, full of joyous festivals, it plays an important role in the politics, education, culture, industry, agriculture and tourism of India.

The state has the longest network of rivers and canals at 28,500 km fostering the agriculture sector. Uttar Pradesh is the most populous state in the country accounting for 16.4 per cent of the country's population. It is also the fourth largest state in geographical area covering 9.0 per cent of the country's geographical area, encompassing 2,40,928 square kilometres and

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comprising of 75 districts, 822 development blocks and 97,942 inhabited villages. The density of population in the state is 828 person per square kilometers as against 382 for the country.

The mineral resources in the state are mainly limestone, dolomite, glass-sand, marble, bauxite, non-plastic fireclay and uranium. Endowed with fertile land, salubrious-climate and perennial river systems, the state has long been, the granary of India. Agriculture is the major source of income for about 72 per cent of the population. The state is one of the leading producers of food-grains and other commercial crops in the country.

The structure of state income shows that the contribution of primary sector has declined to 23.9 percent of the state income though the sector still sustain 73 percent of the total working force. This shows the continued pressure of working population in the primary sector. The share of secondary sector, on the other hand, has gone up to 21.7 percent of the total state income which now employ 9 percent of the total workers in the state. This percentage is the lowest among all the major Indian states except Bihar, Madhya Pradesh and Orissa . The share of tertiary sector has been more impressive from 25 percent in 1970-71 to 37 percent in 1994-95 to 53.6 percent in 1994-95 and 54.4 percent in 2011-12 and the percentage share of workers employed by this sector has risen from 15 percent to 18 percent in 1991 and 21 percent in 2001. It thus shows that the U.P.'s growth has been more capital intensive than labour intensive, more urban based than rural based and the shift income from primary to other sectors is not accompanied by corresponding change in employment pattern.

Distinguishing feature of Uttar Pradesh's economy is its regional imbalances. In terms of economic indicators like agricultural productivity, infrastructural facilities, industrial growth, the Uttar Pradesh's economy can be categorise into four regions; Western, Eastern, Central and Bundelkhand. The Western Uttar Pradesh is agriculturally prosperous. It is relatively industrialised and has seen greater degree of urbanisation. At the other end is Bundelkhand. Low agricultural growth, less number of industrial units, lesser gross value of industrial products marks out his region as the least developed in the state.

The state has a well-developed traditional industry besides mineral based industry. UP is now flexing its status as the leading agricultural state in the country to emerge as a preferred destination for the food-processing industry in the country. The state has some of the oldest powerhouses and currently is one of the largest power producers in the country. The state has good communication network including one of the longest rail and road lengths. The state is keen to improve the industrial infrastructure and has developed integrated industrial townships like Noida with state-of-the-art facilities. Noida export zone enjoyed a good inflow of investment from many domestic and international players. The state has established four agro export zones and three Special Economic Zones (SEZs) are under implementation. Centre for Monitoring Indian Economy (CMIE) index of Relative Development of Infrastructure of the state (2002-03) is at 103.3 against an all India figure of 100. The state has a well-developed agro-based industry. Being one of the largest producers of sugar cane, the state is India's sugar bowl. UP accounts for 28.03 per cent of India's sugar production. The affluence of agriculture spurred the growth of allied industries like cold storages and warehousing. In addition to industrial areas, many centres like Kanpur, Ghaziabad and Lucknow have an established traditional industry. The large livestock population allowed the leather industry to flourish in the state. Kanpur and Agra emerged as the hubs for leather goods in the country. Textile industry is the other promising sector in the state. Uttar Pradesh is the largest producer of electronic goods and is the fourth largest exporter of software products from the country. UP accounted for close to 10 per cent of IT & BPO exports from the country in. With a productive and cost-effective manpower, the state has attracted some of the largest MNCs to set-up their manufacturing facilities – Coca-Cola, Pepsi, Glaxo, Daewoo, Honda, and Piaggio to name a few. The state with its human resource potential, proactive policies and commitment to ensure encouraging climate to the investors is poised to emerge as a manufacturing hub in the country. The state has become a hub for corporate R&D with many domestic players and MNCs establishing their facilities.

Uttar Pradesh is the second biggest state economy in the country, with a share of 10.7 per cent in aggregate domestic product. Area-wise it is the fourth largest state in the country. The state recorded a growth of 4.5 per cent during 1993-94 to 2003-04 and 7.0 per cent during 2004-05 to 2011-12. Among the major states, Uttar Pradesh ranks fourteenth in per capita income. Uttar Pradesh is the most populous state in India, with more than 16 per cent of India's total

population. The western region is more urbanised than the rest of the state and has 622 industrial workers per thousand in registered factories, against 443 in the state. The density of population in the western region is 762 per thousand against 689 in the state. Agriculture is the primary sector of the state's economy, employing about 72 per cent of the total work force. The share of agriculture in the total income of the state is 33 per cent. Uttar Pradesh produces 38 per cent of India's wheat, 20 per cent of paddy and 21 per cent of sugarcane. The state boasts of the highest irrigation intensity at 66 per cent.

It is the largest producer of wheat, pulses, sugarcane, tobacco, potato and milk in the country. It also has the highest yield in the country of pulses and tobacco. The state has a well-developed agro-based and food processing industry. The total investment in the food processing industry is expected to be more than US\$ 42.55 million in 2004-05. The state is one of the leading producers of dairy and horticulture. The state, better known as the sugar bowl of the country is one of the largest producers of sugar cane. The state recorded total production of 5.8 million tones of sugar in 2010-11. The state ranks second in total number of sugar factories in the country at 101 in 2010-11. The availability of good natural resources and abundant manpower spurred the growth of the industry in the state. About 389,000 Small Scale Industries¹ like hand-knitted woollen carpets, woodcarving, brass metal industries, terracotta, etc. provide large employment opportunities. 2%

26% Three most important industries in the state are sugar, cotton fabrics and diversified food preparations. The state has fifth highest share in the country in manufacturing value added of nearly 7 per cent. The state witnessed a growth of 19 per cent in cement output in 2010-11 from 2009-10.

At 13,645, UP is in the top quartile in the total number of factories in the country. The electronics, leather, textiles and mineral-based industries have shown a promising growth over the years. The services sector is the key emerging sector in the state. Uttar Pradesh emerged as a hub for IT companies and ranks fourth in terms of software exports. Several MNCs have established their facilities in Noida industrial area, which is in close proximity to the national capital. Tourism is one of the promising sectors in the state. With a range of pilgrimages, the state is the favourite destination for the domestic tourists. The state enjoys the highest domestic tourist visits in the country.

Education

Four states identified as lagging behind other major states in terms of democratic transition turn out to be the four states with the lowest literacy level. The census indicates that the age literacy rate in these four states in the age group between 7 years and above ranges from 38 percent in Bihar to 44 percent in Madhya Pradesh.

Female literacy situation in Uttar Pradesh is dismal. Only one out of four in the 7+ age group was able to read and write in 1991. This figure goes down to 19 per cent for rural areas, 11 per cent for the scheduled castes, 8 per cent for scheduled castes in rural areas, and 8 per cent for the entire rural population in the most educationally backward districts. The 1981 census figures suggest that in Uttar Pradesh the crude female literacy rate among scheduled castes in rural Uttar Pradesh was below 18 per cent in 18 out of Uttar Pradesh's 56 districts and below 2.5 per cent in a majority of districts.

The problems of education system is exacting. Due to public apathy the schools are in disarray, privately run schools are functional, but beyond the reach of ordinary people. The State government has taken programmes to make the population totally literate. There are special programmes like World Bank aided DPEP. Steps are being taken with the help of NGOs and other organizations to raise popular participation. At the level of higher education and technical education Uttar Pradesh has 16 general universities, 3 technical universities, one Indian Institute of Technology (Kanpur), one Indian Institute of Management (Lucknow), one Indian Institute of Information Technology and large number of polytechnics, engineering institutes and industrial training institutes. This provides the State with a firm basis for providing opportunities for higher education to its youth.

There are several factors that affect the evolution of an industry in a particular region. The major factors impacting evolution are:

Policy proactiveness: The policy that a state government adopts towards a sector directly affects its attractiveness for further investment. For example, the Uttar Pradesh State Government has given many concessions for the IT sector. This has prompted many IT majors like HCL, Cadence to set up software development operations in the state.

Availability of natural resources: Certain industries like agro-based industries have a high dependence on availability of natural resources. The availability of a large livestock population spurred the growth of the leather industry in the state.

Capability: Availability of good quality manpower is a must for all industries to flourish. Highly cost-effective manpower in the state attracted many players to establish their manufacturing facilities.

Overpopulation: Uttar Pradesh suffers from the problem of overpopulation. The population of Uttar Pradesh is very high . Though Uttar Pradesh ranks first in population. Indira Gandhi, Prime Minister of India, had implemented a forced sterilization programme in the early 1970s but the programme failed. Officially, men with two children or more were required to be sterilised, but many unmarried young men, political opponents and ignorant, poor men were also believed to have been affected by this programme. This program is still remembered and regretted in Uttar Pradesh , and is blamed for creating a public aversion to family planning, which hampered Government programmes for decades.

Sanitation: Lack of proper sanitation is a major concern for India. Statistics conducted by UNICEF have shown that only 31% of population is able to utilise proper sanitation facilities. It is estimated that one in every ten deaths in UP is linked to poor sanitation and hygiene. Diarrhoea is the single largest killer and accounts for one in every twenty deaths. Around 450,000 deaths were linked to diarrhoea alone, of which 88% were deaths of children below five. Studies by UNICEF have also shown that diseases resulting from poor sanitation affects children in their cognitive development.

Unemployment : Unemployment and professional redundancy have been two major problems in Uttar Pradesh for several decades now. Thousands of young people, armed with all kind of degrees and diplomas, get pushed into the job market every year. Even among those who manage to find a job, several remain badly under-employed, doing something, which otherwise they might not have preferred to do in the first place. The unemployment problem also has its links to the phenomenon of downsizing or what the ‘reformists’ prefer to call — ‘right-sizing’. Over the last few years, almost all the big companies have been retrenching people as a means to cut costs and strengthen their bottom lines. With more people going out of the job than coming in, today we can find an entire brigade of qualified mid-career professionals sitting redundant, waiting for a suitable opening and wondering what to do next? The question is — whether there can be any practical solution to this longstanding and ever growing problem of unemployment? A possible answer could be suggested in strategies of self-employment and development of entrepreneurial

culture in the state. Developing entrepreneurship as a culture is essential because it is not something which could be adopted easily by everybody. It is a career, which not only requires a specific kind of aptitude, but also a different kind of mindset. The question is that can these people, who have been out of job and likely to be running low on money though high on morals, dream to embrace successfully something as challenging as entrepreneurship? What is entrepreneurship? Who are entrepreneurs? How are they different from nonentrepreneurs?

The definition of an entrepreneur has evolved in last three centuries, from someone who bears risk by buying at a low price and selling at a higher price; to the creation of new enterprises of which the entrepreneur is the founder (Financing Micro enterprises, Theory and Practice) Considerable effort has gone into understanding the psychological and sociological wellsprings of entrepreneurship; and some common characteristics like the need for achievement, locus of control, orientation toward intuitive rather than sensate thinking, and risk-taking propensity of entrepreneurs have been suggested. Entrepreneurship is nothing but an enlarged/magnified version of self-employment capabilities. Both require similar fundamentals for success. Interestingly, self-employment can serve as an ideal launch pad for becoming a full-fledged entrepreneur. To begin with the definitions, while 'self-employment' is largely about earning a living by being on one's own, 'entrepreneurship' is about working to make a DREAM come true . . . some day. For example, being a teacher and taking private tuitions is self-employment, while aspiring to build an educational institute is entrepreneurship. The development of entrepreneurship is not a pretty task. The odds are daunting, the road long and difficult. Therefore with an intention to understand what is actually required for the development of entrepreneurial culture in Uttar Pradesh, this research project has been identified. The era of globalization, liberalization and privatization has given a fresh dynamism to the engine of economic growth in Uttar Pradesh . It has opened up opportunities as well as challenges. Job opportunities are getting influenced with the entry of MNCs in Uttar Pradesh market and also due to rapid strides in technology. Leather entrepreneurs are one of the largest foreign exchange earners of our country, who unfailingly give a boost to the national economy and per capita income. Empirical literature analyses the characteristics of unorganized rural leather entrepreneurs, which found direct relationships between the need for achievement, locus of control and risk taking propensity with success in most cases. Again, the entrepreneurial characteristics required to launch a business successfully are often not those required for its

growth and even more frequently not those required to manage it once it grows to considerable size. In other words, the role of the entrepreneur needs to change with the business cycle as it develops and grows.

Therefore for the development of the state I have few suggestions i.e.

Therefore our study summaries the strategies and recommendations for the development of Uttar Pradesh leads these findings:

- Relative decline in UP economy in National Economy.
- Available resources provide strong base in agriculture and wide range of production possibilities in industrial sector with export potential.
- Growth is constrained due to overdependence on agriculture and low level of industrialization while agriculture itself plagued with poor yield.
- Investment climate needs to be improved through fiscal management ,effective governance progressive policies initiatives and effective use of central plan.

Thus focused approach is required to accelerate its rate of growth while at the same time, through a favorable composition of such growth, bringing about a reduction in regional disparity and poverty and achieving a high rate of growth of employment in the state With this aim, the following suggestions are :

- Development of critical infrastructure, particularly of irrigation and power, as a base for rapid and sustained development.
- Development of agriculture, more particularly in areas lagging behind, and of the rural economy, through diversification within agriculture from low value to high value crops and from agriculture to non-farm and more remunerative activities.
- Acceleration of the pace of rural development with the objective of generation of productive and gainful employment. More particularly for those living below the poverty line, eradication of poverty and reduction in regional disparities.
- Improvement in the economic and social condition of disadvantaged groups such as women, scheduled castes, scheduled tribes, other backward castes and minorities.
- Provision of “Basic Minimum Services” to improve the quality of life of the rural population.
- Reduction of growth of population

- Promoting and developing people's participatory institutions like Panchayati Raj institutions, cooperatives and self-help groups.
- Achieve higher efficiency from investments already made or being envisaged and to ensure a better delivery system
- To secure and promote private investment
- To focus development strategies in order to maximise the impact of growth on poor areas and deprived groups.
- To encourage labour intensive growth
- To ensure a large share of investment in the state by Central government and financial institutions.
- To develop an institutional framework this is consistent with such growth.
- To encourage the growth of participatory people's institutions in the State.

Area	: 2,40,928 Square km.
Population (As per census 2011 Provisional data)	: 19,95,81,477
(a)Males (As per census 2011)	: 10,45,96, 415
b)Females (As per census 2011)	: 94, 985,062
Decennial Growth rate (2001-2011) (As per census 2011)	: 20.09 percent
Sex Ratio (As per census 2011)	: 908 per thousand
Density (persons per sq. km.) (As per census 2011)	: 828 per thousand
Child Population (0-6 years) (As per census 2011)	: 29,728,235
Child sex ratio (0-6 years) (As per census 2011))	: 899 per thousand

Total Literacy rate-

Persons	: 69.72 percent
a)Male Literacy	: 79.24 percent
b)Female Literacy	: 59.26 percent
Districts	: 75
Cities & Towns	: 689

Development blocks	: 820
Nagar Nigams	: 12
Members of Lok Sabha from U.P.	: 80
Members of Rajya Sabha from U.P.	: 30
Members of U.P. Legislative Assembly	: 404
Members of U.P. Legislative Council	: 100
Principal Crops	: Paddy, Wheat, barley, Millet, Maize, Urad (Black Gram), Moong (Green Gram) Arhar etc.
Principal Fruits	: Mango, Guava
Principal Minerals	: Lime-Stone, Dolomite, Soap Stone, Gypsum, Bauxite, Glass-sand, manganese, Non-plastic fire clay etc.
Principal Handicrafts	: Chikan-work, Embroidery, wood work, wooden toys and furniture, Clay -toys, carpet weaving, Silk & Brassware work.
Principal Follores	: Birha, Chitee, Kajri, Phaag, Rasia, Alha, Pooran Bhagat, Bhartrahari
Principal rivers	: Ganga, Yamuna, Gomti, Ram Ganga, Ghagra, Betwa, Ken
Principal Folk Dances	: Charkula, Karma, Pandav, Pai-danda, Tharu, Dhobia, Raai, Shaira etc.
Tourist & Historical Places	: Piparhava, Kaushambi, Shravasti, Sarnath (varanasi), kushinagar, Chitrakoot, Lucknow, Agra, Jhansi, Meerut etc.

Source : Statistical Department U.P. & Directorate Census, Lucknow

STATE INCOME

Percentage distribution of total State Income by Industrial Origin
(At 2004-05(Constant) prices,new series)

Year	Agriculture and Animal Husbandry	All Primary Sub - Sectors	Manufac - turing	All Secondary Sub - Sectors	Tertiary Sub - Sectors
1	2	3	4	5	6
2004-05	27.9	32.0	11.9	20.6	47.3
2005-06	27.0	31.0	11.6	21.2	47.7
2006-07	25.5	29.4	13.1	22.5	48.1
2007-08	24.6	28.4	13.1	22.5	49.1
2008-09	23.7	27.4	11.0	21.5	51.1
2009-10	21.9	25.2	12.6	22.4	52.4
2010-11*	21.3	24.4	12.5	22.1	53.5
2011-12+	20.9	23.9	12.1	21.7	54.4

* Provisional estimates

+Quick estimates

STATE INCOME

Percentage distribution of total State Income by Industrial Origin
(At current prices)

Year	Agriculture and Animal Husbandry	All Primary Sub - Sectors	Manufac - turing	All Secondary Sub - Sectors	Tertiary Sub - Sectors
1	2	3	4	5	6
2004-05	27.9	32.0	11.9	20.6	47.3
2005-06	27.2	31.5	11.4	21.4	47.1
2006-07	25.4	29.4	12.9	23.0	47.6
2007-08	25.2	29.0	12.8	23.1	47.9
2008-09	27.6	31.0	10.6	21.3	47.7
2009-10	26.7	30.0	11.2	21.4	48.5
2010-11*	26.0	29.3	11.1	21.1	49.6
2011-12+	27.1	30.5	10.8	20.5	49.1

*Provisional estimates

+ Quick estimates

STATE INCOME

Annual Income growth rate in different Industrial Sectors
(At 2004-05(Constant) prices) (Percentage)

Sectors	2004-05 Is 2011-12
1	2
1.Agriculture and Animal Husbandry	2.6
2.All Primary Sub-sectors	2.6
3.Manufacturing	7.3
4.All Secondary Sub-sectors	7.7
5.Tertiary Sub-sectors	9.1
6.Total State Income	7.0
7.Per Capita Income	5.0

INDUSTRY

Production of some Industrial Commodities in U.P.

Items	2006-07	2009-10	2010-11
1	2	3	4
1.Cement ('000 Tonnes)	5141	5875	7021
2.Cotton cloth+ (Lakh meters)	252	6	-
3.Cotton yarn ('000 M.Tonnes)	51	41	-
4.Sugar # ('000 M.Tonnes)	8475	5179	5887
5.Vanaspati oil ('000 M.Tonnes)	258	200	145

+ Only for mill sector

October of previous year to September of current year.

Source:-Related Departments.

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