

## GOVERNMENT INITIATIVES FOR ECONOMIC DEVELOPMENT OF TELANGANA STATE

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### ABSTRACT

The State of Telangana was formed in June 2014 post the split of erstwhile Andhra Pradesh state. Telangana economy has got a major shift in recent decade with a great focus on Primary, Secondary and Tertiary sector as it initiated various development programmes and schemes since the formation of new government with an aim to establish Bangaru Telangana. The government of Telangana is forging ahead for the realization of Bangaru Telangana by balancing the wheels of development through strengthening of all the sectors by initiating new development programmes and schemes. Sustainable Development Goals (SDGs) for Bangaru Telangana which entails sustained efforts for improving infrastructure facilities for overall development in both in rural and urban parts of the state. As a result, Telangana's Real Gross State Domestic Product (GSDP) at current prices grew by 11.2 percentage while that of the country's real GDP grew by 8.9 percentage, higher than the national growth rate by 3.6 percentage points, in the year 2021-22. State Per Capita Income (PCT) in current prices is Rupees 2,78,833 while national figure is 1,49,848 in 2021-22 (AE). Thus, the state economy was resilient to the challenges imposed by the COVID-19 pandemic.

**Keywords:** SDGs, GSDP, GDP, PCI, Pandemic.

### Introduction:

The state of Telangana is the eighth-largest state economy in India with higher growth rates in GSDP and Per capita GDP. The state emerged as a major focus for robust IT software, industry Agriculture crops and the service sector. Despite being India's youngest state, it had an inherent advantage in agricultural production, trade and business. Telangana's Gross State Domestic Product (GSDP) at current prices (AE) is Rs. 11.55 lakh crore. Telangana's GSDP at current prices increased by 19.1% in 2021-22 and the Per Capita Income (PCI) at current prices (AE) in Telangana is Rs. 2.8 lakh, which is Rs. 1.3 lakh higher than the National Per Capita Income in 2021-22 (SAE) (Rs.1.5 lakh). Agriculture and allied sectors in Telangana achieved annual growth rate in Gross Value Added (GVA) (current prices) of 9.09% in 2020-21. Since the sector employs 48.4% of the population of the state, its economic success is crucial to improving the living standards in Telangana. While the Industries sector in Telangana experienced a decline in GVA at current prices in 2020- 21 (growth rate of the sector was -1.73% in 2020-21), the sector grew at a notable 20.23% in 2021-22 (AE). The Services sector has been a primary contributor to the state's economic growth in all years between 2014-15 and 2021-22 and it witnessed a remarkable growth of 18.32% in its GVA at current prices in 2021- 22, against a growth of 0.91% in 2020-21.

As per the study done by Dr. A. Raji Reddy, K. Srujan Raju, and Dr. G R Sinha, on 'Research and Development Impact on Socio-Economic Rural India, Case Study: Telangana', the new minds always striving to inculcate global and local research into technological development

which will gradually improve human life. The improvement in the lifestyle can be majored with various parametric comparison, out of which societal improvement can be observed via socio-economic indices. Here case study of new state of India is proposed, which is analyzed through life cycle from data capturing to inference drawing. Such vital inference and finding will help government in policy making, problem finding and solving for local governance and sustainable solutions and Kamaraju.M, stated, in his paper on 'An overview of social development in Telangana State', that social development focuses on the need to put first in development processes. Poverty is more than low income- it is also about vulnerability, exclusion, unaccountable institutions, powerlessness, and exposure to violence. Social development promotes social inclusion of the poor and vulnerable by empowering people, building cohesive and resilient societies and making institutions accessible and accountable to citizens. Empirical evidence and operational experience show that social development promotes economic growth and leads to better interventions and a higher quality of life.

In contrast to above studies, this study focused on overall development of the state and review the impact of initiatives by the government for the achievement of higher growth rates in all the sectors and welfare development of the all sections of the people in the state.

#### **Objectives:**

1. To analysis the programmes and schemes of the state and central government in achieving Bangaru Telangana.
2. To review the impact of government initiatives for overall development of the state.

#### **Methodology:**

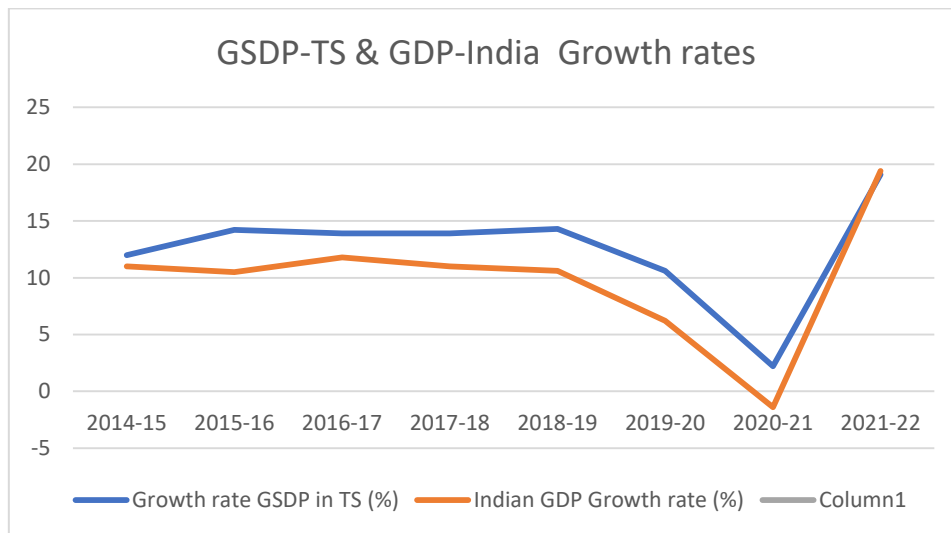
The approach adopted for the study was based on the use of secondary data. The impact of government initiatives in the state overall development and its applicability can be studied in an effective manner only by closely reviewing the growth trajectory and its stimulators. Thus, the study comprises the collection and brief review of reports, documents, government policies, plans and programs.

#### **Findings:**

##### **Initiatives, Policies and Strategies of Government:**

Telangana Government is actively playing an effective role for the growth and development of all the three sectors of state economy. It has taken various initiatives and framed number of policies for this purpose since 2014 from the time it came to power. Some of these important initiatives and policies in three sectors and their impact on the social, economic, and over all development of the state.

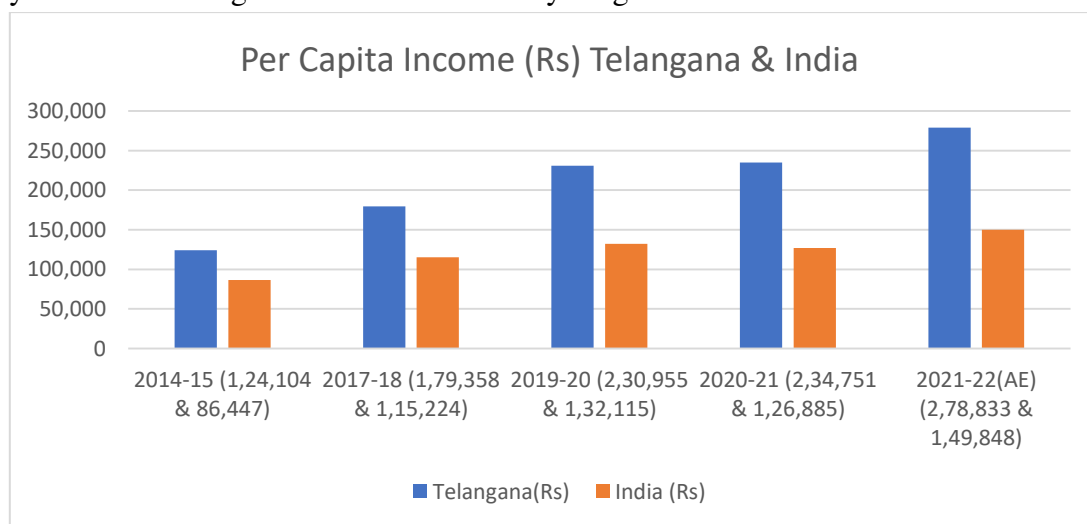
Growth Rate of GDP at Current Prices for Telangana and India (during 2014-15 to 2021-22):



Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Indian GDP (%)	11.0	10.5	11.8	11.0	10.6	6.2	-1.4	19.4
Telangana GSDP(%)	12.0	14.2	13.9	13.9	14.3	10.6	2.2	19.1

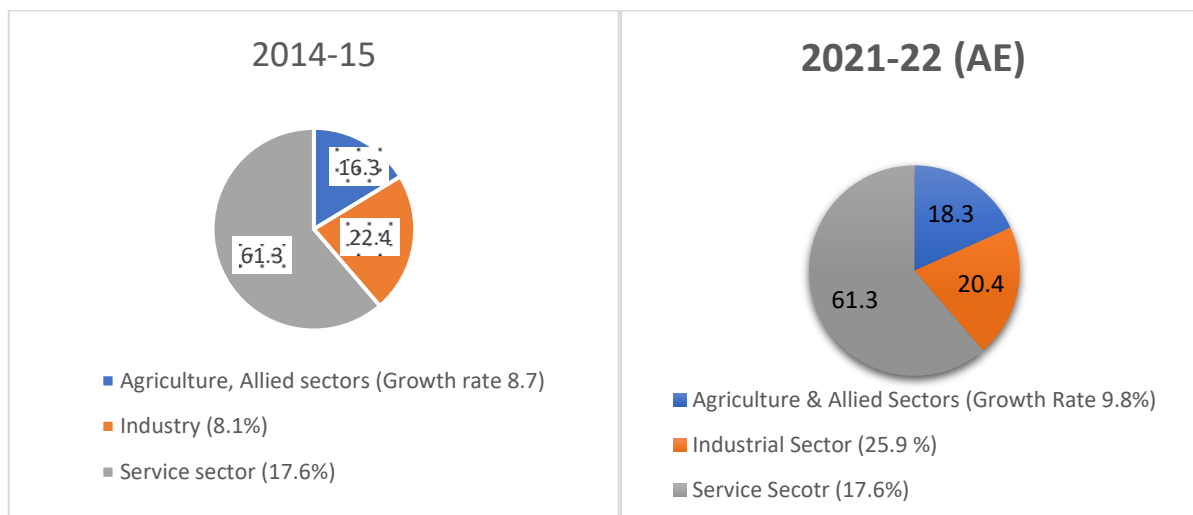
Source: Ministry of Statistics and Programme Implementation, GoI

**Per Capita Income:** State performance is significantly better than national figures since its formation. Even though there was variation between the PCI of the 33 districts in the state, every district had a higher PCI than the country’s figure.



Source: Ministry of Statistics and Programme Implementation-2021-22, GOI

**Sectoral contributions:** The growth of any state is measured in terms of the economic contributions made by three sectors, primary (Agriculture, allied sectors), secondary (Industry, mining and quarrying) and third sector (Services). Sectors contribution to GSVA (%) and Growth rates shown in Table:



Source: Ministry of Statistics & Programme Implementation, GoI

**Agriculture Development:** Agriculture plays a pivotal role in the economy of Telangana and the better performance of this sector is vital for inclusive growth. Therefore, it will continue to be central to all strategies for planned socio-economic development of the State.

Telangana government implemented various agricultural development programmes such as Irrigation projects for improvement of irrigation facilities, Mission Kaktiya to increase catchment area, Rythu Bandu for investment support, Rythu Bima to help bereaved families, Free Current for agriculture, Subsidy policy and others.

State government efforts to improve Irrigation by commissioning new projects. The overall gross irrigated area in Telangana increased by 119% between 2014-15 (from 62.48 lakh Acres) and 2020-21 (136.86 lakh Acres). Due to the construction of various irrigation projects, lifts, Restoration of minor irrigation tanks, check dams, the irrigation potential available has increased to 85.89 Lakh acres during 2020-21. The resultant impact of improved irrigation can be seen in production of major crops. Between 2015-16 to 2020-21, paddy production increased by a massive 378% and the cotton production increased by 61% in the same period and resulted in Telangana becoming a major Paddy production state.

Thus, Agriculture, Forestry, Livestock and Fisheries sectors' Gross Value added (Current Prices) to the state economy has seen a CAGR of 13.94% from Rs.76,123 crores in 2014-15 to Rs.189,826 crores in 2021-22 (AE) and during the same period the sector CAGR at all India level was 9.55%. A significant portion of this growth was driven by the livestock sub-sector, currently livestock accounts for 49.73% of the overall sector, followed by crops at 44.66%, fishing and aquaculture at 3.23%, forestry and logging sector stood at 2.38% in 2021-22.

As part of agriculture investment support, under the Rythu Bandhu scheme, cumulatively, state government disbursed Rs. 50,448 crores in 8 instalments (from Vanakalam 2018-Yasangi 2021-22) to 63 lakh beneficiaries (in Yasangi 2021- 22). Under the Rythu Bima scheme, from 2018-19, the Government has settled claims to an extent of Rs. 3763.80 Cr and transferred the amount to the 75,276 bereaved families.

The State government has provided a safety net during the previous year by procuring total production of major crops (Paddy and Cotton) and given the unpredictability of the Government of India's position on supporting procurement, the State is actively supporting a transition to demand driven and commercial agriculture which will provide sustainable income increase to farmers through initiatives like crop diversification and the oil palm mission etc.

**Efforts of State Government in Strengthening Agriculture Statistics:** Multiple levels of checks and verifications have been adopted by the government in the data collection process to ensure that the final data arrived at is error-free.

This includes 4 major aspects: a). Land Records Updating Programme (Dharani Portal in 2020): A programme initiated by the Government of Telangana to undertake the purification of land records across all villages in all Mandals of the state. Under the programme, 1 crore hectares of land was verified, and new Pattadar Passbooks-cum-Title Deeds were issued to 60.24 lakh khatas covering 0.6 crore hectares of agricultural land (92%). The programme has now been completed, thereby guaranteeing that land records data across the state is authentic. b).Crop Booking: A bi-seasonal census was undertaken to capture the details of the crop sown by farmers. Estimation is done by visiting each and every farmer field in the state, and data collected is verified by 4 different officials under the agriculture department. From the season (Yasangi 2021-22), the Department of Agriculture has commenced strengthened mobile applications under the 'Crop Booking Enhancement' module. In addition, the government has also recruited 472 Mandal Planning and Statistical Officers (MPSO) to verify the data. c).Survey CTO Application: The MPSOs have entrusted the job of verifying area enumeration done by the agriculture department by using a mobile-based data collection platform that allows for complex skip patterns, geo-tracing and tagging of crops, and ensures collection of authentic data during agricultural area enumeration surveys. d). Crop Cutting Experiments (CCEs): For CCEs to enhance accuracy in yield estimates, an app was developed with NIC to capture data during harvest of crop (i.e. Form 2, 3), a web portal to capture data of plot selection (Form 1).

**Development of Industrial Sector:** The Government of Telangana announced the new industrial incentive schemes: a).T-IDEA in 2014 (Telangana State Industrial Development and Entrepreneur Advancement) for the General category entrepreneurs and b). T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) of 2014 for Scheduled Caste / Scheduled Tribe entrepreneurs, extending various incentives for MSME and Large Industries Sectors. The government also envisaged the policy to give infrastructure support. Some of these include: 1. Provision of Rs.100.00 Crore budget every year for promotion of quality infrastructure like roads, power, water, waste management etc. under Industrial Infrastructure Development Fund (IIDF) Scheme. 2. Promotion of National Manufacturing Investment Zone (NMIZ) along National Highways to capitalize on the strengths in line with Government of India initiatives for value addition within the State. 3. Reservation of 30-40% of the land for MSMEs in the upcoming industrial estates developed by Telangana Industrial

Infrastructure Corporation (TSIIC). 4. Allocation of 15.44% of plots to Scheduled Caste Entrepreneurs and 9.34% of plots to Scheduled Tribe Entrepreneurs in new Industrial Estate and preferential allotment to SC/ST entrepreneurs in existing Industrial Estates. 5. TS-iPASS for approval/clearances of projects: i. One of the major schemes to accomplish the mandate of Minimum Inspection and Maximum Facilitation and is acclaimed as the best policy in the country. ii. Clearances are given within the set time limit varying from one day to a maximum of 30 days depending upon on the complexity of the approval, failing which the approval is said to be deemed. iii. For Mega Projects i.e., the projects with investment more than Rs.200 crore provisional clearances will be issued within 15 days, based on the self-certificate furnished by the applicant. Formal approvals/clearances will be issued before the unit commences its operations. The T-SWIFT Board, headed by the Chief Secretary, will monitor it. In the year 2021-22 (until January 2022), 3,185 approvals have been given through the TS-i PASS, bringing in new investments worth Rs.6,965 crore.

Telangana ICT Policy 2016: i.To make Telangana the most favoured destination for the IT companies. ii.To position the state among the leading global hubs for innovation and technology entrepreneurship in the country.

T-Hub: i. Country's largest incubator for start-ups and a unique public-private partnership between the Government of Telangana, IIIT-Hyderabad, ISB and NALSAR on the one hand and the private sector on the other. It is not just an incubator that supports start-ups; it nurtures a start-up ecosystem in Hyderabad to make the city the start-ups capital of India

Telangana Innovation Policy: i. To boost the start-ups, present across the social & rural enterprises by the provision of additional incentives to them. ii. To endorse the innovative ideas through positive industrial engagement. The development and promotion of industries is an important policy priority of the Government and in the year 2021-22, the sector contributed 20.40% to the state's Gross Value Added (GSVA) at current prices, besides providing employment to 18.23% of the working population in the state (2019-20). Between 2020-21 and 2021-22, the GVA of the Industrial sector increased by 20.23%.

During 2014-15 to 2021-22, the Compounded Annual Growth Rate (CAGR) for Gross Value Added at current prices of 3 out of 4 sub-sectors under the industries was higher than the CAGR at the national level. The Mining and Quarrying CAGR in Telangana was roughly 1.5 times that at the national level, while the Manufacturing CAGR was 1.4 times the national level, and the Electricity and Utilities CAGR was roughly 1.3 times the national CAGR.

According to the Periodic Labour Force Survey 2019-20, 'Manufacturing' and 'Construction' are two major subsectors of employment generation in the state, employing 10.69% and 6.62% of the total working population respectively.

As per the Export Preparedness Index 2020 published by NITI Aayog, Telangana ranked second among the land-locked states and sixth overall in terms of Export Preparedness.



During 2020-21, Telangana exported merchandise goods worth Rs.64,539 crore. Pharmaceutical goods and Organic Chemicals constituted 65% of the total goods exported. The USA was the largest importer of goods from Telangana, importing over 26.3% of all exports by value. Since 2016, Telangana has consistently ranked among the top 3 states in India in the Ease of Doing Business ranking since its introduction. This is also reflected from the state's efforts through initiatives such as TS i PASS, T-PRIDE, and support by establishing a land bank of 1.5 lakh acres and 63 Special Economic Zones.

Telangana has evolved from being a power deficit state in 2014 to a power surplus state, with a contracted capacity of 16.6 GW by August 2021, supplying uninterrupted electricity to more than 16 lakh industrial units in the state. Facilitating the growth of the textiles sector in the state, the Government has attracted over Rs. 2,000 crore in investment from companies like Kitex, Youngone Corporation, and Ganesha Ecosphere at the Kakatiya Mega Textile Park. Taken together, the major industrial parks are expected to generate 5 lakhs new jobs.

Food processing industry is a sunrise sector in the state. As per the ASI 2014-15, there 3,245 food processing factories in the State with total GVA of Rs.2,412 crore. During 2017-2018, total exports of drug formulations and biological from Telangana stood at US\$ 1,795.09 million which was 27.33% of the total exports. At present, the entire life sciences eco system, comprising the pharmaceutical and biotech sectors is pegged at \$50 billion with over 800 companies present in the state (Source: Socio-economic Outlook 2018, Government of Telangana). Telangana is one of the top IT-exporting states of India accounting net export of Rs.93, 442 Crores in the year 2017-18. The pharmacy exports from Telangana are about 38% at Rs.17, 744 Crores. The state contributes to over 35% of India's drug manufacturing which is quite good in measure (Source: "Pharma exports from Telangana up 38% at 17, 744 Cr" Mar 27, 2018. The Hindu, Business Line).

**Service Sector:** The developed economies around the world have a more dominant services sector in terms of their contribution to the GDP. The services sector remains the dominant sector in Telangana's economy with a share of 61.33% in the Gross State Value Added (GSVA) at current prices in 2021-22. Major services in Telangana include Trade, Hotels and Restaurants, Transport, Storage & Communication, Real estate and Business etc. As per National Account Statistics data released by the Central Statistical Organisation (CSO), Trade, Hotels & Restaurants account for about one-fourth of total services sector GSDP in the State, followed by Real estate and Business services (21 percent) and Transport, Storage and Communications (21 percent). According to the Economic Survey released by the Central government in 2020, during the five-year period from 2014-15 to 2018-19, the year-on-year growth of services sector in the State remained consistent at 11.5 per cent. Karnataka with 10.5 per cent occupies second place in the list.

The Compounded Annual Growth Rate (CAGR) of Gross Value Added (GVA) at current prices by the services sector in Telangana (12.13%) between 2014-15 and 2021-22 was nearly 2.3 percentage points higher than the All-India average (9.53%). The 'Real Estate,

Ownership of Dwelling and Professional Services' is the most dominant sub-sector of the services sector in the state, which contributed more than one-third (33.79%) of the GVA at current prices by the sector in 2021-22. It is also the single largest sub-sector of the state's GVA (20.73%). Approximately one-third (33.32%) of the total workers in Telangana are employed in the services sector. Among the total workers in the service sector, more than one-third (37.75%) work in the 'trade, hotels and restaurants' sub-sector.

The services sector in urban Telangana employs a greater share of persons (68.07%) than those employed in urban India (61.48%), whereas in rural Telangana, the sector employs a smaller share (15.66%) of persons than rural India (18.47%). Between 2014-15 and 2020-21, IT exports from Telangana experienced a Compounded Annual Growth Rate of 14.01%. The total employment in the IT sector increased from nearly 3.7 lakhs to 6.28 lakhs during this period. This reflects the success of the first ICT Policy (2016) that aimed to augment the IT sector growth. The Government has introduced its second ICT Policy (2021-26) to further scale the sector. Telangana received two global recognitions in 2021 in the tourism sector: n The Ramappa Temple in Mulugu District was declared as a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). Pochampally village in Yadadri Bhuvanagiri district was awarded the title 'Best Tourism Village' by the United Nations World Tourism Organisation (UNWTO).

To ease the administrative burdens in the development of new buildings, the Government introduced the Telangana State Building Permission Approval and Self Certification System (TS-bPASS), a single-window system that expedites the approval of building designs. The Government introduced Dharani Portal in 2020, a service sector innovation for agricultural land transactions, that offers 100% advance slot bookings and instantaneous mutations and registrations. Within a span of one year, the portal completed more than 8 lakhs transactions.

**Welfare development Programmes:** Telangana Government introduced various welfare schemes such as Mission Kakatiya, Rythu Bandhu (Agricultural Investment Support Scheme), Rythu Bhima, Subsidy to Farmers for buying buffalo, Soil Health Card, Seed Village Programme, Agricultural Technology Management Agency (ATMA), Handlooms Weavers Loan Waiver Scheme, Kalyana Lakshmi, Asara Pension, SHE Teams, Mee Seva Health Card, 2 BHK housing scheme, Mission Bhagiratha, Haritha Haram and other programmes for overall development of the Telangana state.

The Government introduced Asara Pension scheme since 2014-15, with a view to ensure secured life with dignity for all the poor, enhanced the monthly pension amount from 200 to 1000 rupees for the old aged, widows, weavers, toddy tappers and AIDs patients and 500 to 1500 rupees for disabled persons. Since 2014-15, the Government has covered an average 38 lakh beneficiaries annually under this new Pension scheme with a total disbursement of Rs. 45,883 Crore (upto January 2022). The Government introduced Dalit Bandhu in 2021 to assist SC households with a grant of Rs.10 Lakhs per household without any bank loan linkage, to establish a suitable income generating source. Under the 2-BHK Housing Scheme



the Government constructed 1,07,612 houses by the end of November 2021 with an amount of Rs. 10,445 Crore. To provide educational support to children from marginalised communities, the Government has doubled the number of Social Welfare Residential Institutions from 134 in 2014 to 268 in 2021. During this period, the number of Tribal Welfare Residential Institutions increased from 96 to 188, BC Residential Institutions from 19 to 281 and the Minority Welfare Institutions from 12 to 204. To ensure the health and wellbeing of women and children, the Government spent Rs.118 crore in 2021-22 benefitting around 22 lakh beneficiaries under Arogya Lakshmi Scheme. Upto November 2021-22 around 1.51 lakh beneficiaries have received a Direct Benefit Transfer of Rs. 186 crore, along with KCR Kits. Under the Kalyana Lakshmi/ Shaadi Mubarak scheme nearly 10 lakh marriages have been performed from its inception in 2014 till 2021. A total of 1.9 lakh SC, 1.1 lakh ST, 4.55 lakh BC and 1.97 lakh minority brides have benefited from the scheme.

To empower women financially, a total number of 47.53 lakh women have been organised into 4.39 lakh SHGs and 17,886 Village Organisations in the State. SC/ST Special Development Fund Act was enacted in 2017 for proportionate allocation of funding to SCs and STs in the budget. Around Rs. 18,000 crore earmarked funds have been utilised for the exclusive benefit of SCs and STs during the year 2021- 22 (until February 2022). Under the Sheep Distribution Scheme, the Government distributed 79.98 lakh sheep to 3.81 lakh beneficiaries comprising Yadava and Kurma communities.

### Suggestions:

- The state and central governments have to be more cooperative towards support of the farmers in purchase of paddy and other crops in time, which will enable the farmers to improve the productivity and result in reduction of migration. The farmers suicides in the state gradually decreasing as a result of various supporting schemes by Indian and Telangana government, such as Rastriya Krishi Vikas Yojana, PM Kisan Man dan yojana and Rythu Bandhu (Agricultural Investment Support Scheme).
- The governments have to encourage and make awareness about Agri Tourism, which has fruitful results in some states and countries like Maharashtra, Karnataka, Kerala and Italy and America.
- State has become strong and most favoured location for next generation sectors like Artificial Intelligence, Gaming, Block chain, Cloud Adoption and Cyber security. So, the educational, industrial training courses and technical trainings, internships have to be initiated more in Higher Educational Institutions.
- Sustaining growth momentum in service sector at present level is important for following reasons:
  - (i) Elasticity of employment in some of the sub-services sector such as tourism, real estate sector is high and waiting to be tapped
  - (ii) As there has been increasing in the number of highly skilled professionals in the state seeking employment in this sector
  - (iii) Growth of services sector is important for the growing urban population in the State, which is about 39 percent at present, and generation of employment opportunities and creating

free environment for foreign investment in IT software and other sectors in cyber city and urban areas is crucial in achieving Bangaru Telangana.

➤ As per the data released by Union Department of School Education recently, the number of students pursuing school education in government-run schools in Telangana has spiked, due to the economic impact of pandemic, over the last five years to 4,15,062, while the number of students in private schools has gone up marginally by 1,191 in 2021-22. Hence, the state has to increase the investment on education and recruit a greater number of teachers for quality improvement, as compared to all-India data Telangana shows a middling performance with a pupil teacher ratio of 22 (national average 28).

**Conclusion:** The performance of Telangana economy before and during pandemic period indicates that it withstood the health related, social and economic challenges and difficulties of new emerging state and pandemic 2019 and also recovered at an accelerated pace as per the above study. Though we hope that the innovative and broad based policies that are adopted by the state government would contribute for better overall development of the state in the same way, the governments have to more vigilant in capturing the employment sources by providing good environment for major software industries and offering technical skill development trainings and courses for youth in order to encourage them in new start-ups.

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