

Author:Dr.D.ThirumalaRao
Vice-Principal (Academic)
Indian Institute of Management
and Commerce
Khairatabad, Hyderabad-500004.

Co-Author 1: Smt.Garima Agarwal
Faculty, Dept.of Commerce
Indian Institute of Management & Commerce
Khairatabad, Hyderabad

Co-Author 2: Mr.B.Karthik
Faculty, Dept.of Commerce
Indian Institute of Management & Commerce
Khairatabad, Hyderabad

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ABSTRACT

After a relentless struggle for 60 years, finally Telangana was constituted as a distinct State on 2nd June, 2014. The State, after its formation, focused on reinventing and reorientation, instead of dwelling on the challenges it had inherited. Economic development of any State is the benchmark for its country growth and development.

State's Gross Domestic Product is the most vital economic indicator, which is the result of increase in Agricultural output, development of industries, full literacy and 100% employment. This is also an indication of stability and sustainability.

After the State formation, Telangana has consistently outpaced growth in the country. The State not only measures the financial abundant, but also, it has ensured that the benefits of its stupendous growth reach every household in the State.

Hence, taking these benchmarks as a significant progress, this paper emphasizes the Telangana State Economy from select sectors and its growth from 2014 to 2023. The study is based on the data collected and analyzed from the Annual Reports, Telangana State Portals and other articles that portrayed the economic development in Telangana.

Key Terms: State, Financial, Household, Benchmark and Economy.

1.0 INTRODUCTION

ABOUT TELANGANA STATE

The Telangana State is the youngest State in the Indian Union, formed on **2nd June, 2014**. It is a land-locked State located in the Southern Indian Peninsula on the Deccan Plateau, Hyderabad as its Capital. Telangana is ranked **12th** in the country in terms of population and **11th** in terms of its area. The region is majorly drained by Godavari and Krishna rivers with **79%** and **69%** catchment areas respectively. Telugu is the most common language with Telangana slang and other languages spoken are Hindi, Urdu and English.

SITUATION OF TELANGANA STATE, AT THE TIME OF ITS FORMATION

1. The 12th Five Year Plan document laid down by the Planning Commission, categorized two districts – Khamman and Mahbubnagar as “Most Hungry” districts.
2. The agriculture and other allied sectors, which was nearly 46% of the State’s population, were mired in distress driving to farmers suicides.
3. Prior to formation of Telangana, State suffered severe power cuts.
4. The revenue growth potential of Telangana was very limited, as many of the districts were economically backward.
5. 9 out of 10 districts in the State, were then covered under the Backward Regions Grant Fund (BRGF).

SITUATION IN OF POST TELANGANA STATE FORMATION

The new Government of Telangana focused on remedying the situation, instead of dwelling on the past performance and other challenges, that are inherited. The State emphasized on optimum utilization of resources, from the available resources. The goal-oriented vision, unrelenting efforts of the mission, constant persistence have transformed the State into a successful domain, not only as a State, but has become a pride among the Indian States.

Based on the post glory, the following literature review stressed on the Telangana State achievement in terms GSDP and Per Capital Income (PCI) between 2014-15 and 2022-23.

2.0 LIETRATURE REVIEW

PER CAPITA INCOME (PCI) OF TELANGANA (2014-2023)

GROSS STATE DOMESTIC PRODUCT (GSDP)

After the State's formation, however, the growth in Telangana State consistently outpaced growth in the country and the gap has widened in each successive year. In the year of the State formation itself, Telangana achieved 1% higher growth rate of GDSP than India's GDP. In achieving this, the State surpassed all its neighboring States such as Andhra Pradesh, Tamilnadu, Karnataka and Kerala.

PER CAPITA INCOME (PCI)

The performance of Telangana State is exceptional, in terms of standard of living of the population, which is a broad measure as per the CPI of the State. Prior to Telangana State formation, the PCI of an average citizen of the State earned income was Rs.1,12,162/-, while the average Indian citizen earned an income of Rs.79,118/-, thus implying that an average Telangana citizen was earning Rs.33,044/- more than an average Indian citizen.

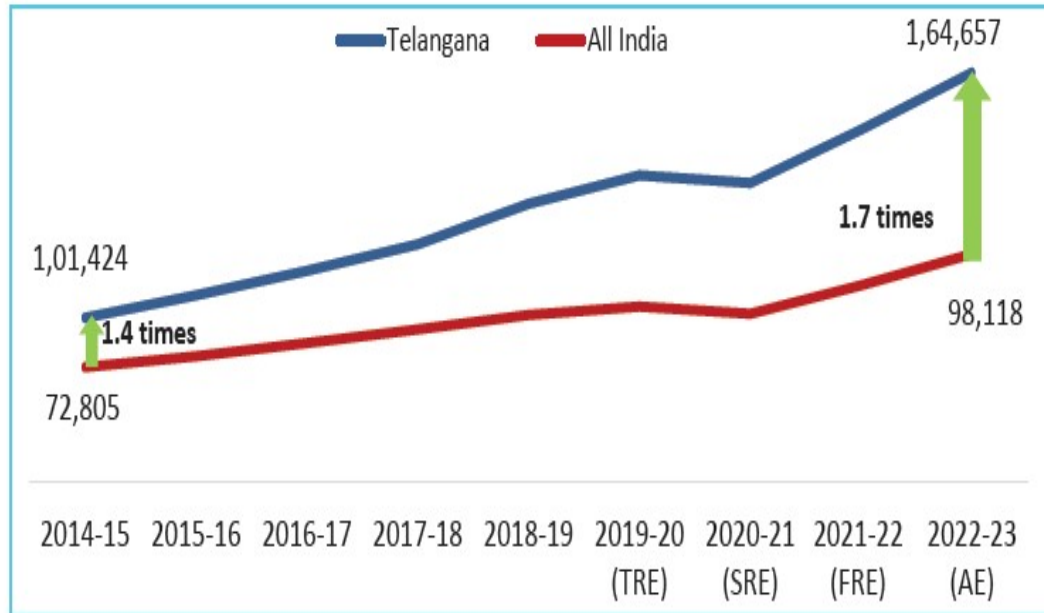
In 2022-23, the average Telangana citizen earned an income of Rs.3,08,732/- - Rs.1,36,732 (Rs.1,72,000/-), which seems to be more than the income of an average Indian citizen.

It is observed that, 2 years prior to State's formation, Telangana region had an average growth rate of PCI of 10.9%, which was 0.8%, lower than the national PCI growth rate (11.7%). Since formation of the State, however, Telangana's PCI growth rate has grown at an average rate of 12.1% in comparison to India's average PCI growth rate of 9.2%.

The below given figure shows the Telangan State PCI at constant prices (Rupees)

Figure 1.0

Figure 9: Per Capita Income of Telangana and India at Constant Prices (Rupees)



Secondary Source: Directorate of Economics and Statistics, 2022-23

From the above figure, it is analyzed that, the Telangana State PCI was 139.30 in 2014-15, which was raised to 167.81 in 2022-23, with an increase of 28.51%, when compared to our nation’s CPI. This shows that the CPI of 2022-23 raised to 1.7 times to that of nation’s CPI, when compared to 1.4 times in 2014-15.

This indicates a phenomenal growth in the PCI of Telangana, which achieved the 2nd highest percentage increase in PCI at constant prices between 2014-15 and 2022-23.

3.0 NEED FOR THE STUDY

Based on the literature review, in terms of GSDP and PCI, the State has shown a marvelous growth and prosperity since 2014-15 to 2022-23. The State has shown a continuous and persistent development in all the sectors. This paper emphasizes on the need to study the selected sector's growth in Telangana State between 2014-15 and 2022-23, as the State's economy is aiming to be the role model for all the States in India, in Agriculture, Industrialization, IT Sector, Entrepreneurship and Start-ups.

4.0 OBJECTIVES OF THE STUDY

Based on the literature review and need for the study, the following are the objectives.

1. To analyze the sectoral growth in the Telangana State Economy.
2. To study the growth and development in the selected sectors and schemes.

5.0 RESEARCH METHODOLOGY

The study is analytical in nature. The statistical data of the growth is analyzed based on the secondary data collected from Telangana State Economy official portal, Statistical data from Department of Economics & Statistics, Government of Telanganaportal and from other reputed research articles.

6.0 SCOPE OF THE STUDY

The scope of the study is confined to selected sectors and schemes of Telangana State Economy only.

7.0 PERIOD OF THE STUDY

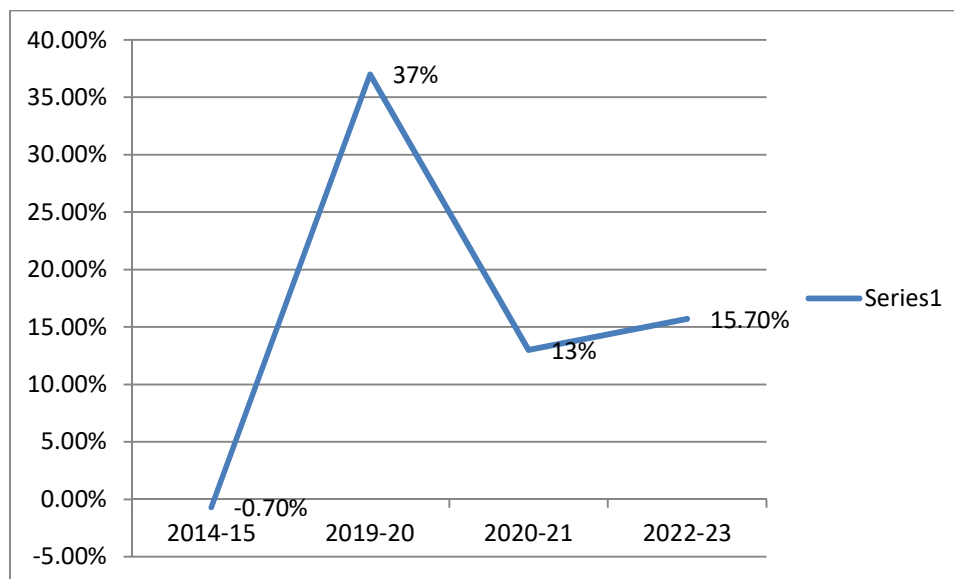
As the Telangana State was formed in June 2014, the period of study is taken since the formation of State March 2023.

8.0A SECTORAL ANALYSIS OF TELANGANA STATE SELECTED – FOR THE STUDY

1. AGRICULTURE & ALLIED SECTORS

Agriculture and its Allied Sectors are the backbone of Rural Telanagan State. Agriculture has shown a notable progress in their growth rate, since the formation of a separate State. At the time of formation of State, Telangana started with a negative growth rate in ‘Agriculture & Allied Sectors’ in 2014-15, but it has revolutionized agriculture, attaining an exemplary growth rate.

Figure 2.0



Secondary Date: Economic Development of Telangana

From the above chart, it is observed that, the growth rate in 2014-15 was negative 0.7%, which was increased to 37% by 2019-20, followed by an increase of 13% in 2020-21 and 15.7% in 2022-23. During the tenure of 10 years, it has grown with an average of 12.8% in Telangana, where as the average growth rate of the sector in the country as a whole during the period was only 10%.

2. INDUSTRIAL& SERVICE SECTOR

Innovation and Technology are the prime drivers of industrial growth in Telangana. At present, the State has 78 incubators, accelerators and co-working spaces with a specific focus on Fin Tech, Digitalization, Agri Tech and Start-Ups.

The innovation policy of the State and incentives provided scope more start-ups and made a fertile ground for many aspiring and young entrepreneurs and some of the start-ups have gone to the level of gaining national importance. A start-up named “Darwin Box” is the first start-up from Telangana and another start-up ‘Skyroot Aerospace’ incubated at T-Hub gained a distinguished status of developing India’s first private rocket called ‘PRARAMBH’, for which T-Hub has been awarded as “Best Incubator” of India, at the National Start-Ups Awards 2022. The second phase of T-Hub was started on 28th June, 2022 and it is the world’s largest innovation campus with a capacity to house 4,000 start-ups and other key elements of the innovation ecosystem.

Since, the formation of State, Telangana is making continuous efforts for the growth of industrial as well as service sector, which paved way for many job opportunities, increase in business, trade, commerce and investments.

Table 1.0

Sectoral Growth Rates (%) at current prices in Telangana

Year	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Industries	1.5	19.8	3.4	16.6	20.9	-0.6	-4.6	16.2	9.5
Services	18.1	15.3	15.9	12.1	12.2	10.7	-4.0	20.1	17.8

Secondary Source: Economic Development of Telangana

From the above table, it is opined that, the growth rate of industries which was 1.5% in 2014-15, was increased to 19.8% by 2015-16 followed by 20.9% in 2018-19, but it was decreased by -0.6% and -4.6% in 2019-20 & 2020-21. The service sector has shown a positive growth, but only during 2020-21, it has been fallen to -4.0%.

TWO SELECTED SCHEMES OF TELANGANA- FOR THE STUDY

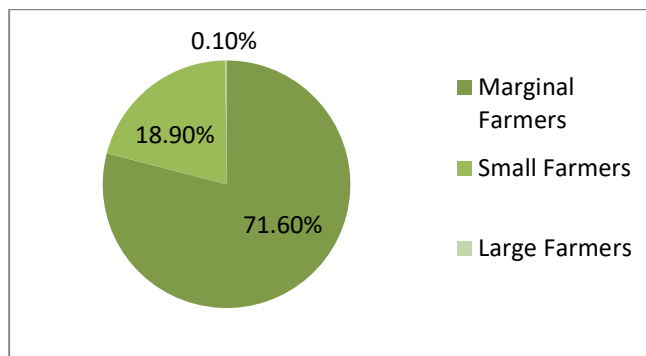
1. RYTHU BANDHU



Recognizing the importance of food to a common man, agriculture is given prominence by Telangana State Government. In the year 2018-19, RythuBandhu Scheme was launched by the Government, with an objective of rescuing Telangana farmers from their financial plight by breaking the vicious circle of rural indebtedness. The scheme provides Rs.5,000/- per acre to farmers as a financial support. This amount is directly credited to farmers account.

In Vanakalam of 2021-22, 61,07,762 farmers were enrolled as beneficiaries under this scheme. The following pie diagram shows the beneficiaries under this scheme.

Figure 3.0



Secondary Source: Telangana State Statistical Abstract 2021-22

From the above pie diagram, it is analyzed that, the marginal farmers are benefitted to the extent of 71.6%, to that of small farmers, which is 18.9%, followed by only 0.1% of large farmers are the beneficiaries of Vanakalam provision.

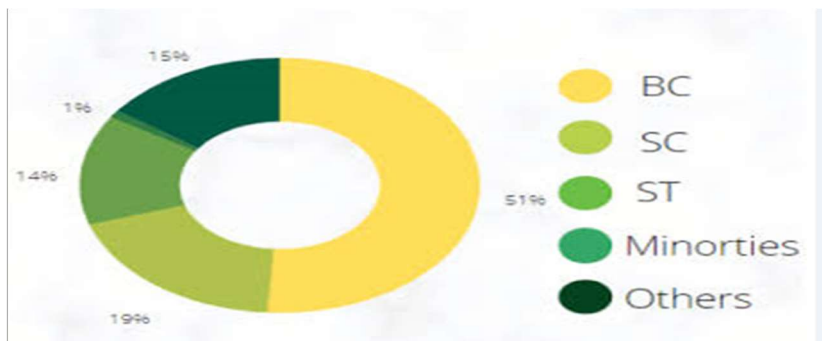
2. RYTHU BIMA



Many of the farmers are the sole earners in their family and any sudden death of the farmers is a big loss to the family. Hence, taking this as a notable element, the Government of Telangana introduced RythuBima Scheme in 2018 to mitigate the impact of such tragedy. Under this scheme an amount of Rs.5,00,000/- is provided to the family of the victimized farmer. The farmers whose age is between 18 & 59 are eligible to enroll under this scheme. Since inception of this scheme in 2018, the Government of Telangana has transferred an amount of Rs.3,259.30crores directly to the bank account of the nominees through direct cash transfers. A total of 65,184 claims were settled till 2021-22.

The following chart shows the categories of beneficiaries, amount and the claims settled.

Figure 2.0



Source: Secondary Date

From the given pie diagram, it is observed that, 51% farmers of category-BC, followed by 19% of SC and 14% of ST farmers, 11% of minorities and 15% others are the beneficiaries of Rythu Bima Scheme since 2018 to 2023.

9.0 FINDINGS OF THE STUDY

Based on the data analysis and interpretation, the following are the findings drawn, for the purpose of study.

1. The performance of the State is exceptional in terms of GSDP and PCI since time of formation in 2014.
2. The Government focused on the core sector, Agriculture, which is the primary occupation of any State. The allied industries of agriculture are given due importance. Many times Government stressed that, Telangana State would become the food provider to many States in India, in the near future.
3. Industrialization is given much prominence, inviting the investments across the world and T-Hub is the live example of prosperity of industries both manufacturing, as well as service sector.
4. Innovation and Entrepreneurship is given a vital role and the start-up culture is encouraged, which resulted in bagging best innovation award for our Government in 2022.
5. RythuBandhu scheme helped the farmers and rescued them from suicides, its implementation in 2018-19. Farmers are given due importance, because of which the rural areas of Telangana are continuing their legacy.
6. The suicides of farmers are reduced when compared to pre-Telangana period, 2013-14.
7. The RythuBandhu Scheme brought awareness among many farmers w.r.t. Agriculture, tools, inputs, technology and so on. This brought a revolutionary change in the farming procedures.
8. The Rythu Bima Scheme also another feather in the cap of Telanagan Schemes for the benefit of 'Annadatha', who is the sole food provider for the entire State and for the country also, may be. This scheme saved the farmers family from the loss on his death.

10.0 SUGGESTIONS

1. The Government may change 5-yearly, but it has to continue the legacy of three pillars Growth-Development & Welfare.
2. Job opportunities should increase to bring full employment in all the fields.
3. Start-up culture should be enhanced to reach globally in business and trade.
4. Skill based courses should be given prominence.
5. The evaluation of the students caliber should be based on their skills and productivity rather theoretical approach.
6. Welfare schemes should reach the real beneficiaries rather than to all, making the society lethargic.
7. Nothing should be given at free of cost, as anything given at free, will not carry any value but definitely it will be misused. As it is the nature of typical human mentality.

11.0 CONCLUSION

Growth, Development and Welfare are the three pillars on which the Telangana State Economy is built. Firstly, “**Growth**” which was little at the time of formation of State, was increased on par with nation’s growth and the PCI and GSDP was more than that of nation’s average growth. Secondly, “**Development**” is shown in Agriculture & Allied Sectors, Industries (both manufacturing and services) and IT industry. The Government was so actively supporting a transition to demand-driven and commercial agriculture which will provide a sustainable increase in incomes to farmers.

Industrialization has played a crucial role in uplifting the economy and raising the productivity of Telangana State in terms of employment, skill development, job opportunities and availability of resources. IT industry welcomed many new investments and T-Hub has a big share in contributing towards State economy.

Entrepreneurship and start-ups in the State focused on innovations and the success of these young entrepreneurs was spoke by all over the country in 2022, as our State bagged “Best Innovation” Award.

Thirdly, “**Welfare**” measures taken by the State towards poor and needy, specifically incase of farmers, old age persons, downtrodden village people served the beneficiaries on a large scale. Arogyasri, Sowbhagyalakshmi, Shadi Mubarak schemes and KCR Kit helped many needy people in time.

Education, Roads & Buildings, Transport, Electricity, Water Supply, Irrigation and Infrastructure made a huge contribution towards State economy, as per their share in the GSDP.

Telangana State has a long way to grow and develop, in every phase and has abundant opportunities to grab, heavy investments to make, invite world wide companies to establish in Telangana or joint together to work for the State in particular and the country in general.

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