

## State of States as they go for Elections

India will witness the State Assembly Elections in this month ahead of Lok Sabha Elections scheduled in the summer of 2024. This Report studies the socio-economic profile of each of the states heading for Elections. It also captures other indicators that help in assessing how well the states have been performing lately. A brief overview of parameters such as GSDP, per capital income and inflation rate offers the macroeconomic view of state performance. To this one can add indicators on general standard of living and infrastructure development. A look at Public Finances is also taken to make the picture complete. It may be stated upfront that economic elements may not have a significant bearing on the Elections outcomes. This note hence only profiles the socio-economic position for these states to provide a perspective in relative terms.

### Introduction

In the coming days, 5 States across the country will be witnessing the assembly elections. This will be the last round of state elections in 2023 and will be followed by the general elections scheduled to be held in May'24. Following states are going in for elections: Chhattisgarh, Mizoram, Madhya Pradesh, Rajasthan and Telangana. The only state to have elections in 2-phases is Chhattisgarh, with polling beginning from 7 Nov and second phase on 17<sup>th</sup> Nov. The results of all the 5-assembly elections will be declared on 3<sup>rd</sup> December 2023. A total of 1.77 lakh polling stations have been created across the 5-states with over 60-lakh first time voters expected to participate. Around 680 seats are being contested for these states as shown in Table 1 below.

**Table 1: Date and total seat for upcoming assembly election**

States	Polling Date	Total assembly seats
Mizoram	07-Nov	40
Chhattisgarh	07-Nov*	90
Madhya Pradesh	17-Nov	230
Rajasthan	23-Nov	200
Telangana	30-Nov	119

Source: ECI, Bank of Baroda | Note: \* For phase-I and 17 Nov for 2nd Phase

Table 2 highlights the GSDP of each of the state including the current growth levels as well as the CAGR for FY19-23. Rajasthan has registered a growth of 8.2%, while Chhattisgarh and Telangana have grown at a robust pace of 8% and 7.8% respectively in FY23. On CAGR basis too, most of the states have grown at a healthy pace of 3%-4.5% considering this includes the pandemic period too which witnessed lockdowns.

Table 3 showcases the per capital income of states at current prices for FY23. Telangana has per capita NSDP of Rs 3.12 lakhs followed by Rs 1.99 lakhs for Mizoram and Rajasthan at Rs 1.56 lakhs. MP and Chhattisgarh have relatively lower per capita income.

**Table 2: GSDP over the years**

GSDP (%)	CAGR (FY19-23)	FY23
Chhattisgarh	3.4	8.0
Mizoram	2.8	12.6*
Madhya Pradesh	3.4	7.1
Rajasthan	4.4	8.2
Telangana	3.6	7.8

Source: CEIC, Bank of Baroda Note: \* CAGR and current growth rate for Mizoram is used for the year FY22

**Table 3: State-wise NSDP (per capita) for FY23**

States	Per capita NSDP (Rs,current prices)
Chhattisgarh	1,33,898
Mizoram	1,98,962
Madhya Pradesh	1,40,583
Rajasthan	1,56,149
Telangana	3,12,398

Source: CEIC, Bank of Baroda

Inflation varied across states for FY23, ranging between 4.7% and 8.6% (Table 4). Telangana had the highest inflation rate in FY23 while Chhattisgarh had the lowest. Inflation data for Sep'23 indicates that Rajasthan witnessed highest inflation compared with other states though it should be noted all the states have experienced moderation in inflation in Sep'23 from Aug'23.

**Table 4: State-wise inflation**

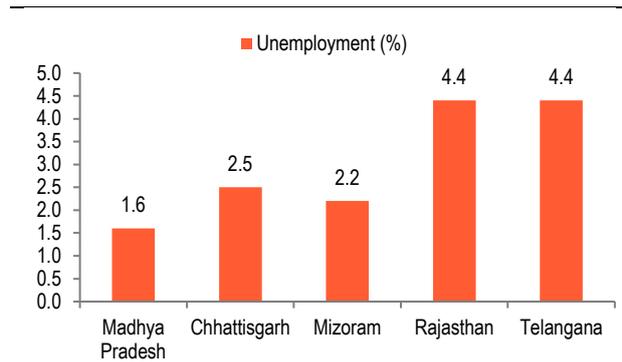
Inflation (%)	FY23	Sep'23
Chhattisgarh	4.7	2.0
Mizoram	7.9	4.5
Madhya Pradesh	7.5	3.7
Rajasthan	6.9	6.5
Telangana	8.6	6.0

Source: CEIC, Bank of Baroda Note:

## **Unemployment and LFPR**

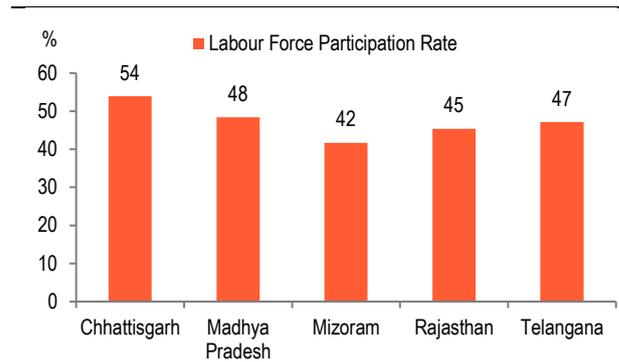
Fig1 and 2 throws light on the unemployment and the labor force participation rate across states for the latest year. The unemployment rate for both Rajasthan and Telangana is 4.4% followed by Chhattisgarh, Mizoram and Madhya Pradesh. On Labor Force Participation Rate (LFPR), amongst other states, Chhattisgarh has the highest LFPR (54%) closely followed by Madhya Pradesh (48%) and Telangana (47%).

**Figure 1: State wise Unemployment rate**



Source: Periodic Labor force survey-Annual Report, Bank of Baroda Research Note: Annual, ending "Jun" of 2023. Unemployment rate according to usual status (ps+ss) for all ages.

**Figure 2: LFPR across states**



Source: Periodic Labor force survey-Annual Report, Bank of Baroda Research Note: Annual, ending Jun" of 2023. LFPR according to usual status (ps+ss) for all ages

### **Social and Economic Indicators across States:**

It is important to understand how each of the states fare in term of various social and economic indicators which is presented in Table 5. Niti Aayog has highlighted that the share of multidimensional poor in the country has gone down to 15% in the year 2019-20 from 24.9% in the year 2015-16. The headcount ratio shows the proportion of multidimensional poor in the population. For Madhya Pradesh, 20.6% of the population is considered to be poor, while this proportion stands at 16.4% for Chhattisgarh, 15.3% for Rajasthan and 5.8% for Telangana. Mizoram has the lowest proportion of population that is poor.

### **Health**

In terms of health parameter, over 15.4% of the total population in Madhya Pradesh is deprived of nutrition. For Chhattisgarh and Rajasthan, it stands at around 13.2% and 12.2% respectively. The child and adolescent mortality is defined as the household will be deprived if the child under 18 years of age has died in last 5-year (preceding the survey). A small proportion of population is deprived in this indicator across all states. Number of hospital beds per lakh of population is highest for the state of Mizoram, followed by Rajasthan, Madhya Pradesh and Chhattisgarh.

### **Education**

On education, over 7.9% of the population in Madhya Pradesh and 6.2% in Rajasthan have been deprived of years of schooling, (not even one member of the household (above the age of 10) has completed 6-years of schooling).

Similarly other indicators such as *standard of living* and *infrastructure* sheds light on how each of the states have been performing across indicators. States such as Madhya Pradesh and Rajasthan have scored low on access to cooking fuel and sanitation. The deprivation levels are also higher in Chhattisgarh. Furthermore, over 17.6% of the population in Madhya Pradesh and 14.4% from Chhattisgarh have been deprived of housing as per the Report.

**Table 5: Socio profile of states**

Indicator	Chhattisgarh	Madhya Pradesh	Mizoram	Rajasthan	Telangana
Headcount ratio (%)					
Proportion of multidimensional poor	16.37	20.63	5.3	15.31	5.88
<b>Health</b>					
-Nutrition deprivation (%)	13.2	15.44	3.38	12.2	4.91
-Child-Adolescent Mortality (%)	1.38	1.46	0.27	1.17	0.47
-Maternal health deprivation (%)	9.79	11.31	3.42	9.37	2.64
-No. of government hospital (per lakh)	1.0	0.6	9.0	4.2	1.9
-No. of hospital beds (per lakh)	37.6	42.8	184.3	68.2	14.6
<b>Education</b>					
- deprivation of Years of Schooling (%)	5.69	7.94	3.05	6.17	3.85
- deprivation of School Attendance (%)	3.61	4.86	1.4	2.87	0.74
<b>Standard of Living</b>					
- deprivation of Cooking Fuel (%)	15.31	18.57	4.19	13.76	2.06
- deprivation of Sanitation (%)	7.93	13.32	1.42	9.09	3.6
- deprivation of Drinking Water (%)	3.26	8.52	1.6	3.58	0.5
- deprivation of Electricity (%)	0.79	0.86	1.03	1.14	0.21
- Deprivation of Housing (%)	14.4	17.56	4.45	11.52	3.17
- deprivation of Assets (%)	4.98	7.96	3.75	4.79	1.83
- deprivation of Bank Account (%)	1.43	1.37	0.49	0.59	0.37

Source: RBI, Niti Aayog, CEIC, Bank of Baroda Research | \*: Based on 2019-20 data | Note: The following indicators capture % share of population being deprived in each indicator- Headcount ratio, Education, Health, standard of living.

### Infrastructure

In terms of per capita availability of power there is wide variation across the states. Telangana tops with 2004 kw-hr while Mizoram is way below at 613. The other three states are in the range of 1180-1300.

Rajasthan has the highest installed capacity of renewable power at around 10,200 MW with MP and Telangana considerably below at 5,200 and 4,400 respectively. This is where potential lies.

## Agriculture and Environment

In terms of forest cover, Madhya Pradesh has the highest forest cover amongst other states, with Chhattisgarh coming a close second. On cold storage capacity, Madhya Pradesh once again tops the chart with Rajasthan, Telangana and Chhattisgarh coming subsequently, though lower by over 50%.

**Table 6: Economic profile of states**

Indicator	Chhattisgarh	Madhya Pradesh	Mizoram	Rajasthan	Telangana
<b>Infrastructure</b>					
Per capita availability of power, 2021-22 (kilowatt-hr)	1,231	1,184	613	1,301	2,004
Total installed capacity of grid interactive renewable power, Megawatt	573	5,206	38	10,205	4,378
<b>Agriculture and Environment</b>					
Forest cover (sq km)	55,717	77,493	17,820	16,655	21,214
Cold storage Capacity (metric tonne),2021	4,87,262	13,26,032	3,971	6,31,969	4,11,218
Storage Capacity of foodgrains (lakh metric tonne)	24.73	167.86	0.25	20.35	17.09
<b>State Finances</b>					
-Fiscal Deficit (% of GSDP)	3.0	4.0	3.5	4.0	2.7
-Capex as % of total exp	20.8	19.4	13.3	12.8	8.5
-Interest as proportion of revenue receipt	6.5	10.0	5.8	13.8	10.3
-Salaries + pension as % of revenue receipt	36.9	33.9	5.7	41.7	23.9

## State Finances

Fiscal health of state is another indicator, which shows variation. On fiscal deficit, both Rajasthan and Madhya Pradesh are keeping a target of 4% of GSDP for FY24. States like Telangana and Chhattisgarh are targeting 2.7% and 3% of GSDP respectively as fiscal deficit. As per the budget, capex as a % of total expenditure is expected at 20.8% and 19.4% respectively for Chhattisgarh and Madhya Pradesh. Clearly these two states have given a big push to infrastructure development.

Chhattisgarh and Mizoram are less strained by interest burden with debt levels being manageable. This is not the case with MP, Rajasthan and Telangana. The picture is different for other committed expenditure in the form of salaries and pensions which are highest in Rajasthan followed by Chhattisgarh and MP.

### **Concluding remarks**

The economic and social profiles of the five states are very different from one another as the tables above shows. Telangana does the best in terms of per capita income which is the best indicator of economic prosperity. GDP growth on the other hand has been quite even. Telangana and Mizoram do very well in terms of the poverty count (multi-dimension poverty count) while MP, Rajasthan and Chhattisgarh have some distance to traverse. Telangana also excels in power availability compared with the other states. Telangana also does well on headline fiscal deficit number but faces pressures on committed expenses. The central Indian states are more aggressive in capex.

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**For further details about this publication, please contact:**

Economics Research Department

Bank of Baroda

+91 22 6698 5143

[chief.economist@bankofbaroda.com](mailto:chief.economist@bankofbaroda.com)

[jahnavi@bankofbaroda.com](mailto:jahnavi@bankofbaroda.com)