

A state in transition

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The Uttar Pradesh Vidhan Sabha earlier this month witnessed a bitter exchange between the ruling Bharatiya Janata Party (BJP) and the Samajwadi Party (SP) after Chief Minister Yogi Adityanath slammed the Akhilesh Yadav government (2002-07) for leaving UP in sordid BIMARU (chronically backward) condition.

Adityanath said owing to the negative perception of UP, investors were not keen on the state till his government anchored a transition in the state's fortunes over the past four years.

"When we came to power, UP was ranked 14th on the Ease of Doing Business Index and it was a major constituent of the BIMARU states (Bihar, Madhya Pradesh, Rajasthan, and UP). Now, the state is ranked 2nd and we are striving to make UP top-ranked," he added.

It was not empty bluster. UP today is comfortably placed on several business and economic indices investors reckon on. In 2020-21, UP emerged the largest economy after Maharashtra, up from fifth position during 2019-20 and ahead of

Tamil Nadu, Gujarat, and Karnataka.

According to the UP government's finance department, the state's gross state domestic product (GSDP) is estimated at \$94 trillion against Maharashtra's \$30.7 trillion during 2020-21.

Besides, the state has seen its unemployment rate dip sharply to 4.1 per cent in February 2021 from the peak of 21 per cent last year after lockdown, according to the latest report of the Centre for Monitoring Indian Economy (CMIE). Prior to 2017, the state's unemployment rate stood at 17.5 per cent, which dipped to 10 per cent in the successive years, before climbing to 21 per cent due to the lockdown-induced economic slump.

At the same time, the UP Annual



Budget 2021-22 is projected at \$5.5 trillion, which is the highest among the domestic peers, including Maharashtra.

Last year, UP, which has a population of more than 220 million, witnessed an influx of estimated four million migrant workers from other states after lockdown. However, the government managed the massive reverse migration in addition to the Covid-19 management, which earned praise from Prime Minister Narendra Modi.

Now, UP is striving to become a \$3-trillion economy, in consonance with Modi

envisioning India hitting the \$5-trillion economy mark in the near future.

Yashvir Tyagi, former head of the department of economics, Lucknow University, said the Adityanath government had been able to ignite the growth engine of economy and shore up "Brand UP" to attract investment from domestic and foreign entities.

"The push to infrastructure, including metro rail and expressways, and improving the power situation have augmented the productive capacity of UP. The jump from 14th to 2nd rank in 'Ease

ECONOMY SCOREBOARD UNDER YOGI ADITYANATH

2nd UP's rank in ease of doing business

2nd its rank among states in terms of economic size (FY20)

4.1% unemployment rate

₹95,000 per capita income (FY20)

₹5.5 trillion annual Budget (FY22)

\$1 trillion the economic size UP aims to achieve by 2025

of Doing Business' has established the credentials of the dispensation as a business and industry-friendly government," he noted.

However, the economic turnaround was not organic in nature but a dexterous blueprint was prepared, including the amending or drafting of policies, and pulling up the socks on law and order. So far, land and property worth nearly ₹1,000 crore have been seized from big criminals in the state.

Concurrently, the government is striving to improve 'ease of living' by undertaking welfare and social security measures, specially for marginalised sections such as migrant workers, street vendors, and small and marginal farmers.

"Attracted by the reforms undertaken by the government, private players are keen to invest in different sectors, including new-age domains of data centres, defence manufacturing, IT, electronics and logistics," said Navneet Sehgal, UP additional chief secretary (micro, small, and medium enterprises, and export promotion).

For example, Samsung Display is investing about ₹5,000 crore in its manufacturing facility in the Noida region. This investment came after the South Korean multinational decided to shift its proposed plant in China to the National Capital Region.

Since the Assembly elections are due in early 2022 and the state panchayat polls in the next few weeks under the shadow of farm protests, Adityanath is in unofficial election mode and is touring different regions of the state, including comparatively backward Purvanchal and Bundelkhand.

