



# Impact of unemployment rate in Haryana during 2011-23 on gross state domestic product (GSDP)

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## Article Info

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## ABSTRACT

Haryana is a North Indian state surrounding New Delhi on 3 sides. It is known for its significant agricultural and industrial sectors. While Haryana has experienced economic growth and development over the years, unemployment remains a challenge. The main objective is to study the economic status of Haryana in recent years in terms of GSDP growth rate. The contribution of the state in National Gross Domestic Product at constant prices has increased from 3.52 % in 2014-15 to 3.86 % in 2022-23. This makes Haryana the 14th largest state economy of India. The service sector has also grown at a healthy pace, driven by the growth of the IT and ITEs sectors. The per capita income of Haryana in 2023 is estimated to be Rs. 296,685 (US\$ 4,700). Total unemployment rate 26.77% in march 2023, though Haryana unemployment rate fluctuated substantially in recent months, it tended to decrease through April 2022-March 2023. There is a gap between the skills possessed by the job seekers and the skills required by the agro-industries. If the youth of the state is frustrated with the instances of paper leaks, the government must act responsibly and take suitable measures to address this issue. The government could also strength the agro- industry to create more job opportunities.

**Keywords:** Development, Unemployment, Industry, Economic and Skills.

## 1. INTRODUCTION:

Haryana is a North Indian state surrounding New Delhi on 3 sides. It is known for its significant agricultural and industrial sectors. Haryana has experienced economic growth and development over the years, unemployment remains a challenge. The unemployment rate in Haryana has varied over a time due to various factors such as economic

fluctuations, government policies, and population growth.



Fig 1: Harayana state map<sup>[1]</sup>

The Centre for Monitoring Indian Economy (CMIE), in its unemployment rate data released, has once again shown Haryana with the highest rate of unemployment at 37.4 per cent in the month of December 2022, followed by Rajasthan at 28.5 per cent, Delhi 20.8 per cent, Bihar 19.1 per cent and Jharkhand 18 percent <sup>[2]</sup> The present study highlights the state of Haryana's economy and unemployment. It also studies the gross state domestic product statistics in recent years. Despite being India's fifth largest economy, Haryana has the highest unemployment rate. At 37.3%, the state's unemployment rate for august is nearly four times the national average (8.3%), according to a report by Centre for Monitoring Indian Economy (CMIE).

## 2. REVIEW OF LITERATURE

Bhupinder Singh Hooda (former CM, Haryana) also has stated the talk of major concern which should be addressed. Estimates of National Statistical Office (NSO) in 2019 revealed that the level of unemployment rate is the highest since past years. He pointed out that the unemployment rate is a multi-faceted problem. Firstly, it exists due to the lack or absence of employment opportunities and second, it is because of the current level of employability of job seekers. Lack of desired skills also leads to such problems.

Siddharth Tiwari (TOI, Sep 16,2022)stated in his article that in April 2020, the state had an unemployment rate of 43.2%, according to CMIE. According to his report one of the major factors that made august 2022 the worst month for the state in terms of job prospects was erratic monsoon patterns that disrupted agricultural activities. As a result, more people from rural areas and towns moved to urban centres in the state like Gurugram to find jobs.

Sh. Dushyant Singh Chautala (labour & employment minister, Haryana) stated in his answers to the question of SHRI JAGBIR SINGH MALIK (M.L.A.) in assembly of Haryana that according to 'PLFS report' [3] workers participation rate (WPR) in 2018-2019 has increased to 41.9% in Haryana, it can be stated that employment rate has improved in Haryana. Deepak Kumar Adhana (lingaya's university, June 2020) highlighted the state of Haryana economy and prospects in his article. He

appreciated the economic growth of Haryana that has been exemplary since its creation as a separate state.

## 3. OBJECTIVES OF THE STUDY

1. To study the Economic status of Haryana in recent years in terms of GSDP growth rate, GDP per capita income and foreign direct investment (FDI).
2. To examine in the reasons for the unemployment rate of Haryana in India.
3. To analyses the Causes of unemployment rate of Haryana
4. To study the consequences and suggestive measures of unemployment rate in India.

## 4. RESEARCH DESIGN AND DATA COLLECTION

**Data Collection Method:** This study has been carried out with the help of secondary data, all the data has been collected<sup>[4]</sup> from various sources such as websites, reports, etc. The data analyse Quantitative and Analytical Research. For the purpose of present study, the data was extracted from the various newspapers, journals, articles, answers given in Haryana Assembly and websites particularly from the Ministry of Statistics and Programme Implementation and Ministry of Finance, Haryana and The Centre for Monitoring Indian Economy (CMIE).

### 4.1 HARYANA'S ECONOMY AND PROSPECTS

The economic growth of Haryana has been exemplary since its creation as a separate state. The state is one of India's largest automobile hubs and accounts for two-third passenger cars, 50% tractors and 60% motorcycles <sup>[5]</sup> manufactured in the country. The state has also emerged as a base for the knowledge industry, including IT and biotechnology. Haryana is the third largest exporter of software and one of the preferred destinations for IT/ITeS facilities.

### 4.2 GROSS STATE DOMESTIC PRODUCT

The growth of gross state domestic product is an important parameter to measure the state of economic health of states and as a whole of the country. It helps to describe the status of public welfare of the states and overall picture of the economy. But there is uneven growth of state domestic product (SDP) of Indian states which is a constraint on the overall growth of India's gross domestic product (GDP).<sup>[6]</sup>

The gross state domestic product (GSDP) of the state at current prices has increased from Rs. 297538.52 crore in 2011-12 to Rs.994195.01 crore in 2022-23 registering an increase of 234.13 percent. During this period, the lowest rate (-0.5%) recorded in 2020-21 and highest rate recorded (16.6%) in 2012-13 before covid and (18.1%) in 2021-22 after covid. The GSDP at constant current prices has increased from Rs. 297538.52 crore in 2011-12 to Rs.630573.75 crore in 2021-22 registering an increase of 111.93 percent. During this period, the lowest rate (-5.3%) recorded in 2020-21 and highest rate recorded (11.6%) in 2015-16 before covid and (9.8%) in 2021-22 after covid.

**Table -1: Gross State Domestic Product of Haryana (GSDP) 2011-2023)<sup>[7]</sup>**

YEAR	AT CURRENT PRICES		AT CONSTANT PRICES	
	GSDP (Rs. Crore)	GRO WTH RATE (%)	GSDP (Rs. Crore)	GRO WTH RATE (%)
2011-12	297539	-	297538.52	-
2012-13	347032	16.6	320911.91	7.9
2013-14	399268	15.1	347506.61	8.3
2014-15	437145	9.5	370534.51	6.6
2015-16	495504	13.4	413404.79	11.6
2016-17	561424	13.3	456709.11	10.5
2017-18	638832	13.8	482036.15	5.5
2018-19	698189	9.3	524170.88	8.7
2019-20	762044	9.1	566033.74	8
2020-21	758507	-0.5	536225.6	-5.3
2021-22	895671	18.1	588771.21	9.8
2022-23(E)	994195	11	630573.75	7.1

Source: Department of Economic and Statistical affairs, Government of Haryana.



**Figure-2: State Domestic Product of Haryana (GSDP) 2011-23**

The GSDP of the state for 2022-2023(at current prices) is projected to be about Rs 994195.01crore, amounting to growth of 11% over 2022-23.

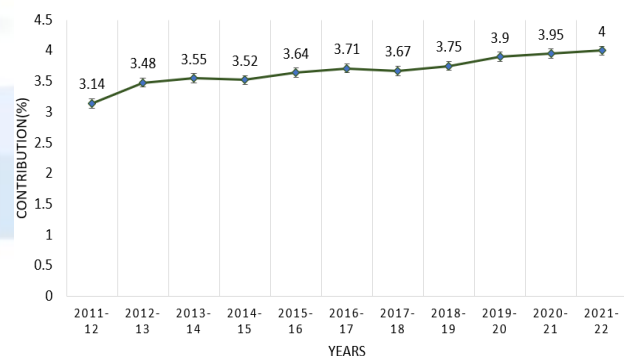
### 4.3 CONTRIBUTION OF HARYANA GDP IN NATIONAL GDP

Though Haryana is geographically small state, the contribution of the state in National Gross Domestic Product at constant prices has increased from 3.52 percent in 2014-15 to 3.86 percent in 2022-23. This makes Haryana the 14<sup>th</sup> largest state economy of India.

**Table-2: Contribution of Haryana State’s GDP in national GDP 2011-2023. <sup>[7]</sup>**

Year	Contribution
2011-12	3.41
2012-13	3.48
2013-14	3.55
2014-15	3.52
2015-16	3.64
2016-17	3.71
2017-18	3.67
2018-19	3.75
2019-20	3.9
2020-21	3.95
2021-22	4
2022-23(E)	3.68

Source: Department of Economic and Statistical affairs, Government of Haryana



**Figure-3: Contribution of Haryana State’s GDP in national GDP 2011-2023**

### 4.4 SECTOR WISE GROWTH RATE IN HARYANA ECONOMY

The manufacturing sector has been the fastest growing sector in Haryana over the past decade. This is due to the state’s focus on attracting investment in the sector. The service sector has also grown at a healthy pace, driven by the growth of the IT and ITES sectors. The agricultural

sector has grown at a slower pace, but still, it is an important contributor to the state's economy.

**Table-3: Sector wise growth rate of Haryana 2011-2023** [8]

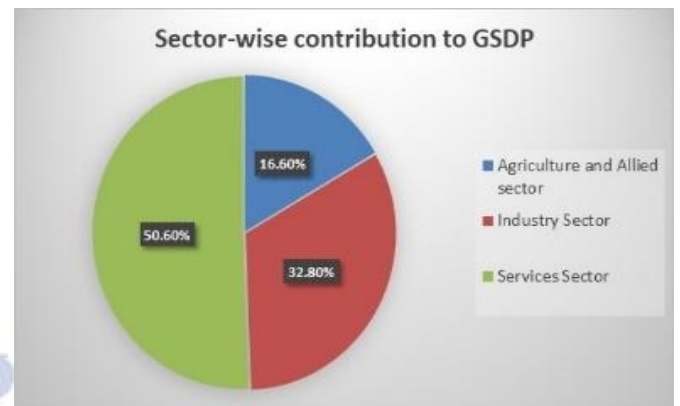
Years	Agriculture	Manufacturing	Services	GSDVA (%)
2011-12	8.30%	4.40%	9.70%	7.90%
2012-13	-2.00%	9.40%	10.00%	7.00%
2013-14	2.80%	7.40%	10.10%	8.20%
2014-15	-2.20%	4.70%	10.40%	5.70%
2015-16	3.80%	11.40%	10.80%	9.70%
2016-17	7.90%	12.90%	8.60%	9.90%
2017-18	7.00%	3.60%	5.60%	5.20%
2018-19	8.80%	13.00%	8.50%	10.00%
2019-20	5.30%	-2.40%	4.60%	2.10%
2020-21	-0.70%	-2.00%	-9.00%	-6.20%
2021-22	1.60%	11.80%	12.40%	11.30%
2022-23	5.30%	6.30%	8.40%	7.10%

Sources: Economic Survey of Haryana 2022-23, issued by Department of Economics and Statistical Affairs, Haryana. [5]



**Figure-4: Sector wise growth rate of Haryana 2011-2023**

From the figure-5 observed that the sector wise contribution of Haryana State GSDP, Out of GSDP Service sector is highest 50.60% which is economic sources of the state particularly in IT and ITEs Sectors, 32.80% is Industry was major role to play provide the employment in state of Haryana and 16.60% is the lowest contribution in aggregate



**Figure-5: Sector wise Composition of Haryana State.**[9]

#### 4.5 PER CAPITA INCOME

The per capita income of Haryana in 2023 is estimated to be Rs. 296,685 (US\$ 4,700). This is the highest per capita income in India, followed by Telangana (Rs. 2,89,529) and Karnataka (Rs. 2,76,383). The national per capita income is estimated to be Rs.1,70,620 (US\$2,400).

**Table-4: Per Capita Income of State of Haryana with India (2011-23)**

Year	At current prices		At constant prices	
	Haryana	India	Haryana	India
2011-12	106085	63462	106085	63462
2012-13	121269	70983	111780	65538
2013-14	137770	79118	119791	68572
2014-15	147382	86647	125032	72805
2015-16	164963	94797	137833	77659
2016-17	184982	104880	150259	83003
2017-18	208437	115224	156200	87586
2018-19	223015	1252946	166747	92133
2019-20	240507	132115	177507	94270
2020-21	235707	126855	165617	85110
2021-22	274635	150007	179367	91481
2022-23(E)	296685	172000	181961	98118

Source: Department of Economic and Statistical affairs, Haryana and NSO, New Delhi.

While presenting the budget, shri Manohar Lal Khattar<sup>[10]</sup> said that the national per capita income at current price was Rs 86,647 in 2014-15, which is likely to increase to Rs 1,70,620 in 2022-23, whereas for Haryana, it has increased from Rs 1,47,382 in 2014-15 to Rs 2,96,685

**Table-5: Per Capita Income of Hararyana (2011-2023).**

YEAR	AT CURRENT PRICES		AT CONSTANT PRICES	
	PCI(RS.)	GROWTH RATE (%)	PCI(RS.)	GROWTH RATE (%)
2011-12	106085	-	106085	-
2012-13	121269	14.3	111780	5.4

2013-14	137770	13.6	119791	7.2
2014-15	147382	7	125032	4.4
2015-16	164963	11.9	137833	10.2
2016-17	184982	12.1	150259	9
2017-18	208437	12.7	156200	4
2018-19	223015	7	166747	6.8
2019-20	240507	7.8	177507	6.5
2020-21	235707	-2	165617	-6.7
2021-22	274635	16.5	179367	8.3
2022-23	296685	8	181961	1.4

Source: Department of Economic and Statistical affairs, Government of Haryana.

electronics and IT exports from India. Haryana's business capital Gurugram is home to over 250 of the fortune 500 companies



Figure-7: Foreign Direct Investment of Haryana (2011-23)

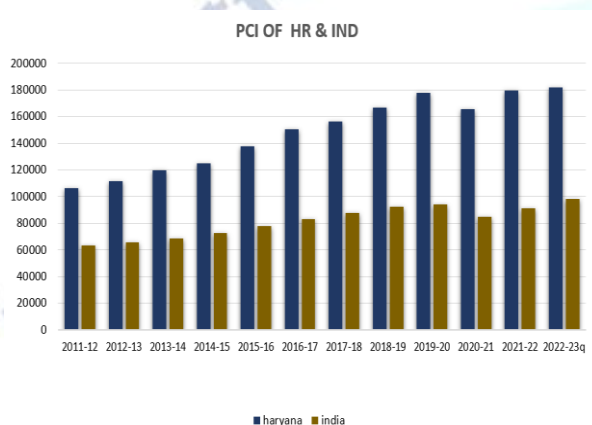


Figure-6: Per Capita Income of State of Haryana (2011-2023)

## 6. UNEMPLOYMENT RATE IN HARYANA

When an individual who is not employed and is seeking employment, cannot find work.[12] Unemployment rate is a major of the number of people who are employed as a percentage of the total labour force. The labour force includes people who are unemployed and people who are unemployed but actively looking for work. Total unemployment rate 26.77% in march 2023, though Haryana unemployment rate fluctuated substantially in recent months, it tended to decrease through April 2022-March 2023.

Table-6: Foreign Direct Investment of Haryana (2011-2023)

Year	FDI (in Rs. crores)	Growth rate (%)
2011-12	100	-
2012-13	120	20
2013-14	140	16.67
2014-15	160	14.28
2015-16	180	12.5
2016-17	200	11.11
2017-18	220	10
2018-19	240	9.09
2019-20	260	8.33
2020-21	280	7.69
2021-22	300	7.14
2022-23	320	6.66

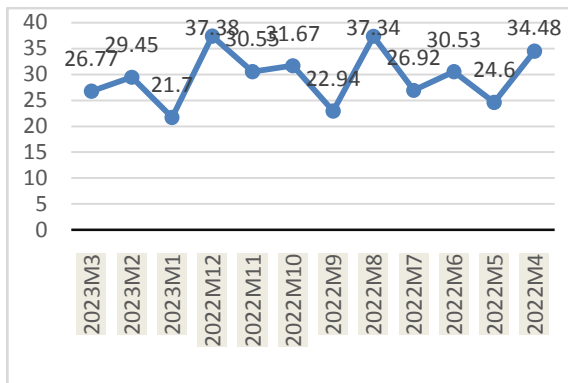
Source: Department of Economics and Statistical Analysis, Government of Haryana, India.[11]

It was observed that the Haryana data was reported at 48,482.559 INR mn in March 2023. This records an increase from the previous number of 22,479.648 INRmn for dec 2022. Haryana's electronics and it exports stood at \$7.2 bn during 2016-117, which is 6.2% of the total

Table -7: Monthly-Wise Unemployment rate of Haryana's (2022-23)

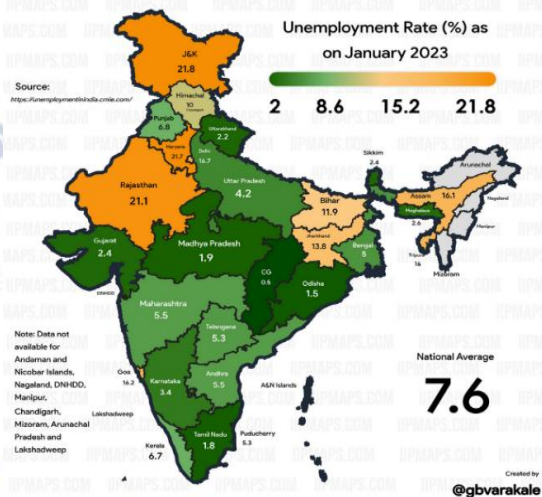
DATE	VALUE (%)	CHANGE%
2023M3	26.77	-9.10%
2023M2	29.45	35.71%
2023M1	21.7	-41.95%
2022M12	37.38	22.36%
2022M11	30.55	-3.54%
2022M10	31.67	38.06%
2022M9	22.94	-38.56%
2022M8	37.34	38.71%
2022M7	26.92	-11.82%
2022M6	30.53	24.11%
2022M5	24.6	-28.65%
2022M4	34.48	40%

Source: Department of economics and statistical analysis, Haryana and CSO, New Delhi



**Figure -8: Monthly-Wise Unemployment rate of Haryana's (2022-23)**

With a 34.48% unemployment rate, Haryana's unemployment rate is nearly four times the national average – 8.11% in April 2023. It has increased from the previous rate (24.6%) which was also four times of national average 7.8%.<sup>[13]</sup>



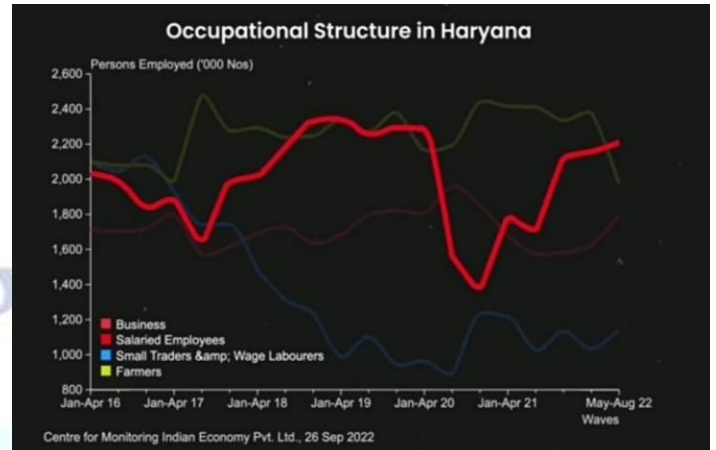
**Figure-9: All India level Unemployment Rate in India 2022-2023.**

## 7. CAUSES OF UNEMPLOYMENT

**(I) LACK OF SKILLS AMONG YOUTHS:** There is a gap between the skills possessed by the job seekers and the skills required by the industries. This skill mismatch can contribute to unemployment as job seekers struggle to find suitable employment opportunities. The Haryana government has also tried to address this issue and pledged to allocate INR 250 crore to improve the skills of Haryanvi youth under its 2023 budget.

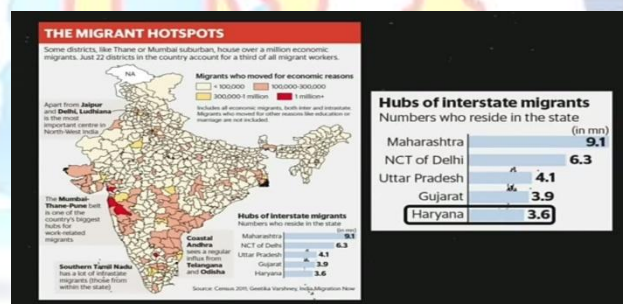
**(II) OCCUPATIONAL STRUCTURE:** Agriculture has traditionally been a significant sector in Haryana. Industrial and service sectors in Haryana have been growing steadily. Haryana has profited from the development in the industrial and service sectors. Earlier, Haryana is relied on agriculture for income. Now they have salaried jobs. But its disadvantage is that the

people do not want to work as daily wage labourers and do not prefer to work in fields.



**Figure-10: Occupational Structure of Haryana 2022-23**  
Source: Centre for monitoring Indian Economy Pvt.Ltd (CMIE).

**(III) LABOUR MIGRATION:** Workers from around the country move to Haryana in search of labour. Haryana is among the top 5 states in India that migrants choose to move to. Moreover, the minimum wages offered to workers under the MNREGA scheme are higher in Haryana compared to other states.



**Figure-11: Number of Interstate Migrants in India 2022-23**

Source: Centre for monitoring Indian Economy Pvt.Ltd (CMIE).

## CONSEQUENCES AND SUGGESTIONS

### CONSEQUENCES:

- **Rise in crime rate among youth:** As youth is unable to get jobs, they tend to follow the deviance path and fall into the web of drugs, crime etc. and create imbalance in the society.<sup>[14]</sup>
- **Increasing rate of unmarried youth:** As youth is remaining out of unemployment this is leading to another social issue which is increasing ratio of unmarried people, especially males as they are finding it hard to find match for them as they lack

employment and, in such scenario, they are moving to other states (especially poor) for marriages, which also leads to other problem of trafficking of young women from such states to states like Haryana<sup>[1]</sup>

- **“Save boys campaign”**: you must have heard of the ‘save girl child’ campaign. But currently, a different campaign is popular in Haryana – “save boy child”. This is because many Haryanvi youth have been addicted to drugs.

## 9. CONCLUSION AND SUGGESTIONS:

Main problem challenged the employment in Haryana are present economic crisis, gap between the curriculum and industry requirement and increasing labour force. In spite of the increase in employment introduced many schemes. Many of those schemes are really beneficial but it creates more of mixed of unskilled labour force, rather than creating surplus skilled labour force. So, much more to do, government should focus more on how to bridge the gap between the curriculum and industry requirement. If the youth of the state is frustrated with the instances of paper leaks, the government must act responsibly and take suitable measures to address this issue. The government could also strength the agro-industry to create more job opportunities.

### Conflict of interest statement

Authors declare that they do not have any conflict of interest.

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