



# SHRI RAM COLLEGE OF COMMERCE



*Startups Restoring The Indian Economy?- A Study on Impact of Startups on The Indian Economy*  
Arihant Jain

*The Initiative to Boycott Chinese Goods*  
Kuhikaa Vaishnavee Arora

*India and Its New States: An Analysis of Performance of Divided States - Pre and Post Bifurcation*  
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*Goods and Services Tax: Its adoption and challenges faced*  
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*Are Central Banks creating the next Financial Crisis?*  
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*How Secure is our Data?- An Analysis of Data Privacy and Data Security in this Digital Era*  
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*Healthcare and The Indian Economy*  
Rishabh Bafna and Nipun Bansal

*Inflation Targeting*  
Prashasti Rohatgi & Shreya Gupta

*Agricultural Loan Relinquishment: An Economic Distress?*  
Chirayu Vijaywargiya & Yash Kumar Singhal

# STRIDES

A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE

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# Principal's Message

The mission statement of the College, signifying the existence and its road map to the achievement of its vision, reads as:

*"To achieve and sustain excellence in teaching and research, enrich local, national and international communities through our research, improve skills of alumni, and to publish academic and educational resources"*

To achieve and promote excellence in publications and applied research, the College has taken the initiative to launch a new journal exclusively to publish students' research papers and articles. It will be an add-on to the enriched catalogue of College publications and academic literature.

The journal has provided an opportunity to the students of our college to focus on research. Since the students were not opened to the research methodologies at the undergraduate level, they were mentored by experienced senior faculties of our College. Simultaneously, their articles were also reviewed by the referees and tested for plagiarism before publication. After reporting all the suggestions recommended by the referees, the articles were revised and then finally published. The College had successfully released the foundation issue of the journal **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** on the occasion of 91st Annual Day



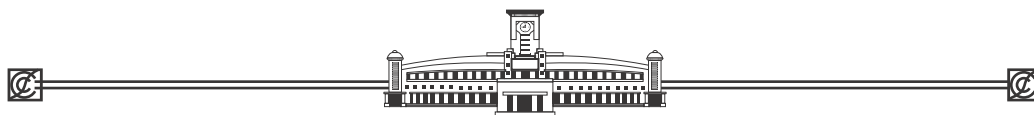
of College held on 13th April 2017. The Journal was released by Shri Prakash Javadekar, Honb'le Minister of Human Resource Development, Government of India.

The college has already applied for seeking International Standard Serial Number (ISSN) for the Journal. The application for ISSN is still under process.

I would like to congratulate the students whose papers are published in this issue of the journal and simultaneously encourage all the students to contribute their research papers and articles for the successive issues of the Journal.

Best wishes for their future endeavors.

Prof. Simrit Kaur  
Principal



## Editor's Message

Shri Ram College of Commerce is well known for its academic excellence and dedicated approach towards dissemination of knowledge in the academic world. The College appreciates the role of research in education and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the College has taken the initiative to launch a new Journal named 'Strides – A Students' Journal of Shri Ram College of Commerce' to encourage students to pursue research under the guidance of the faculty of Shri Ram College of Commerce.

It is a bi-annual journal launched exclusively to publish academic research papers and articles by the students on contemporary topics and issues in the area of commerce, economics, management, governance, policies etc.

In order to maintain high standards of publication, the Committee on Publication Ethics (COPE) has been constituted. The COPE shall be the apex authority to take all decisions related to publication of research papers and articles in Strides. The decision of the COPE shall be final and binding.

To maintain high academic standards, academic ethics and academic integrity, a rigorous process of double blind review of research papers is followed along with screening for plagiarism of each



manuscript received by the college for publication. The research work published in Strides is original and not published or presented at any other public forum.

The foundation issue of the Journal i.e. **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** was successfully released on 91st Annual Day of the College held on 13th April 2017 by Shri Prakash Javadekar, Hon'ble Minister of Human Resource Development, Government of India.

The successive Issues of 'Strides – A Students' Journal of Shri Ram College of Commerce' shall be bi-annually released.

Dr. Santosh Kumari  
Editor



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# STRIDES

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# India and Its New States: An Analysis of Performance of Divided States - Pre and Post Bifurcation

*This paper analyses the reasons behind the creation of new states. It highlights the situations in these states and ensuing achievements followed by doing comparative analysis vis-à-vis respective parent states. Creation of smaller state is not always the answer for achieving effective governance or economic viability. Many aspects have to be considered before dividing the states. The demand for new states have been based on political and economic factors, but every demand cannot be acceded to in order to protect the essence of democracy of the country.*

*The present paper analyses the performance of separated states pre and post bifurcating. It aims to measure the success of the decisions taken by the government to divide the states. Economic success is essential for any state to progress, but for any state to develop overall its citizens should be satisfied and enjoy a decent standard of living which can be achieved by striving towards social success. The analysis of the impact should be studied because it may affect the policies framed by the government with regard to division of states in future.*

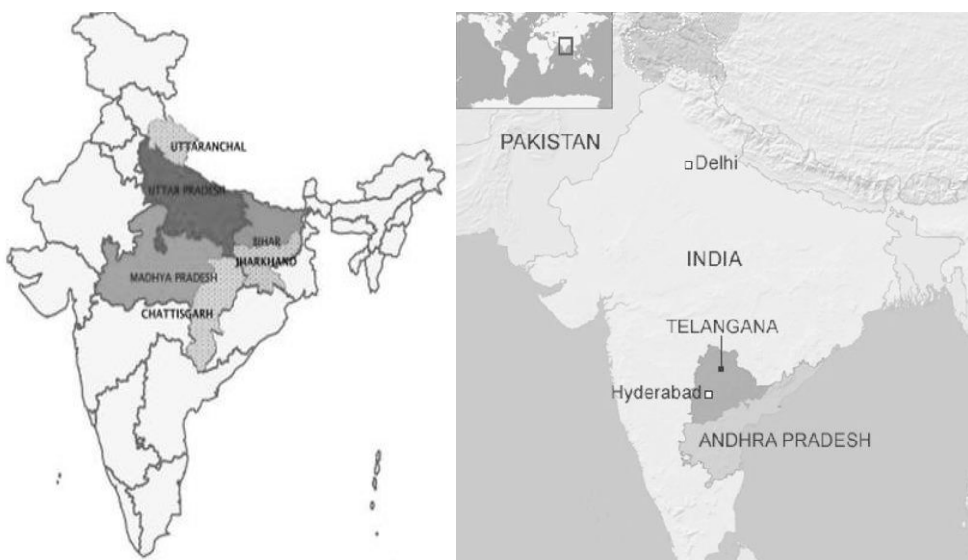
## INTRODUCTION

Madhya Pradesh, Uttar Pradesh and Bihar were divided and reconstituted to create three new states Chhattisgarh, Uttarakhand, and Jharkhand respectively, after the Indian Government passed the bill of creation of new states in 2000 thereby changing the federal map of the country. With the creation of new states the number of Indian states increased from 25 to 28 and with the recent creation of Telangana after bifurcating Andhra Pradesh in 2014 the count increased to 29.

Reconstituting an already existing state to create a new state is a mammoth task. States Reorganization Committee before taking the final decision of dividing and creating a state has to consider many economic, social, cultural, natural, etc. factors. Such factors play a very important role in the viability of division and effective governance of the new states and mother states, along with the wellbeing of the citizens.

### Story After Separation

Since their formation, the new states have experienced dramatic improvement in economic growth measured in terms of per capita income, gross domestic product, and industrial and agricultural sector performance. Moreover these new states performed exceptionally well in terms of various social parameters. All the new states have witnessed an improvement in the lives of their civilians measured in terms of various social conditions like literacy, infant mortality, poverty reduction rate and various other macroeconomic indicators.



**Formation of Uttaranchal/ Uttarakhand**

Uttaranchal was formed after dividing and reconstituting Uttar Pradesh. Civilians of the Kumoan and Garhwal hills were the first to raise the demand for Uttaranchal. This formation of Uttaranchal fulfils the demands of these people which was based on economic, social and cultural factors. The civilians of the districts who became the part of Uttaranchal in 2000, felt left out by the government of Uttar Pradesh pre bifurcation. The Sikhs in some of the districts of Uttar Pradesh and the Akali Dal, the Sikh political party vehemently opposed the idea of creation of new and separate Uttaranchal. The reason behind their grievances was the agricultural land which they held in the regions were getting divided and they were unsure of the process by which ownership of the land was to be divided.

The income divide between the people of Uttarakhand and Uttar Pradesh created inequality which caused a violent demand for new state. The British people merged Uttar Pradesh with Uttarakhand for ease in governance. But with changes in patterns related to culture, income, etc. a rift was created between the citizens of the erstwhile Uttarakhand and Uttar Pradesh. There were no common grounds between the two groups. The differences eventually led to tussle with the government, who rejected the proposal of creation of separate Uttarakhand multiple times.

But with increase in violence, and the displeasure of people with the government, the latter forcefully passed the resolution of creating a new state and Uttarakhand was created in 2000.

**Formation of Jharkhand**

Jharkhand comprising 18 districts of Southern Bihar was formed after taking in 35% of Bihar's population. It draws 65% of state's revenue from its coal mines and steel mills. The formation of Jharkhand was supported by Rashtriya Janata, the state's ruling party for political reasons.

The creation of Jharkhand was possible after a long period struggle by the tribal state. The Jharkhand movement was based on economic and social demands. The mal treatment of the civilians of the tribal states, the grant of reservation rights by constitution only to some communities, the growing number of industrial projects undertaken by the government, etc triggered the Jharkhand movement. The civilians of the tribal state suffered mal treatment for a long period of time. The desire to break through the chains of deprivation and injustice, led to the creation of movement which concluded by the formation of new state, Jharkhand.

The Jharkhand movement depicted the pent- up anger of the tribal people against the injustice suffered by them. The wrong doings against the tribal people led to the creation

of new state for them. The fifty year long movement and efforts, which was initiated soon after independence of the country, by the tribals did not go in vain, and a new state was finally created in 2000.

### **Formation of Chhattisgarh**

Chhattisgarh was formed after dividing and reconstituting Madhya Pradesh. The creation of the new state was based on various social and cultural factors with the movement and demand for creation of separate state being governed by Brahmins and Kurmis of upper class. Seven districts of Madhya Pradesh went into the formation of Chhattisgarh.

The Brahmins and Kurmis of upper class first raised the demand for a new state in 1920s. But from 1920s till 1980s the demand for new state was raised multiple times, but never accepted and acceded to. With the formation of state wide forum in 1990s the demand for separate Chhattisgarh got a boost and saw the light of creation. The new government in power, National Democratic Alliance (NDA), again sent the Separate Chhattisgarh Bill to the Lok Sabha in the 1990s where it was finally approved and passed by the members.

### **Formation of Telangana**

Telangana was formed after dividing and reconstituting Andhra Pradesh. The demand for a separate Andhra was raised for the first time in 1955. The Telangana movement was initiated when the people of Telangana raised the voice against the leaders and people of Andhra for taking away their jobs and land, and not promoting development and infrastructure in the Telangana region. Telangana along with Andhra formed Andhra Pradesh, when they were merged and combined on November 1, 1956, to create one state for the population who spoke and conversed in Telugu.

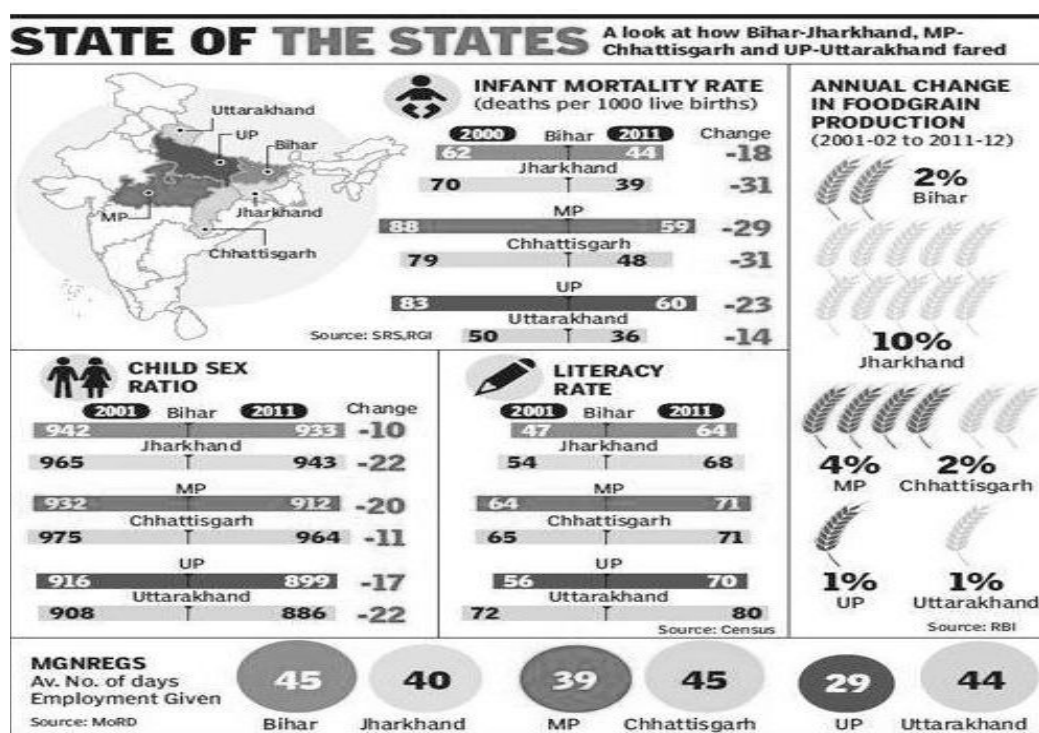
In 1969, Andhra Pradesh faced a violent movement for a divided Andhra, for creating Telangana. Thereafter, the violent movement in Telangana earned political interests. Following the political switch to fulfill the demand for a new state a panel was established on February 3, 2010 which was chaired by Justice (Retd.) B.N. Srikrishna. The purpose of the panel was to create a separate state without any further protests by the people by holding interactions with various organizations and implementing the efficient division and finding the solution for the new statehood.

The A.P. Reorganization Bill was approved by the cabinet at the center in December, 2013. The bill had the process of bifurcating the state and each issue was broadly considered by the committee before passing the bill. The Bill was finally passed in 2014, and the dream of separate Telangana never saw the end since then.

## Story After Separation

Since their formation, the three new states which have been created in 2000 i.e. Jharkhand, Uttarakhand and Chhattisgarh have experienced dramatic improvement in economic growth measured in terms of per capita income, gross domestic product. Moreover these new states performed exceptionally well in terms of various social and citizens well-being parameters.

All the new states have witnessed an improvement in the lives of their civilians measured in terms of per capita income, economic growth and various other macroeconomic indicators. Since their creation, among all the states in India, the new states have performed better than any other states in the country.



## Parameters related to Economic Growth

### 1. Comparison in terms of Gross State Domestic Product (GSDP)

The comparison of growth rates by taking Gross State Domestic Product (GSDP) as the economic parameter of the new and mother states pre and post division, is presented in Table 1.



**GSDP AT CURRENT PRICES (PERCENT GROWTH) AFTER DIVISION**  
**TABLE 1**

<b>Aayog, Niti, 2015</b>						
<b>States</b>	<b>Jharkhand</b>	<b>Bihar</b>	<b>Uttarakhand</b>	<b>Uttar Pradesh</b>	<b>Chhattisgarh</b>	<b>Madhya Pradesh</b>
2005-06	1.91	6.05	20.91	12.39	11.53	10.05
2006-07	9.91	22.12	22.78	14.72	25.28	16.34
2007-08	25.42	12.85	24.63	13.89	20.01	11.69
2008-09	4.58	25.16	22.18	16.1	20.83	22.17
2009-10	14.61	14.51	26.25	17.7	2.47	15.35
2010-11	26.50	24.94	18.72	14.69	20.18	15.75
2011-12	6.55	19.51	16.54	14.19	20.90	15.86
2012-13	11.83	20.7	10.62	13.84	14.72	18.39
2013-14	13.9	17.05	13.53	10.55	12.10	20.33
2014-15	14.32	17.06	12.88	13.16	13.2	16.86
<b>Average Growth</b>	14.18	17.9	18.9	14.1	16.1	16.2

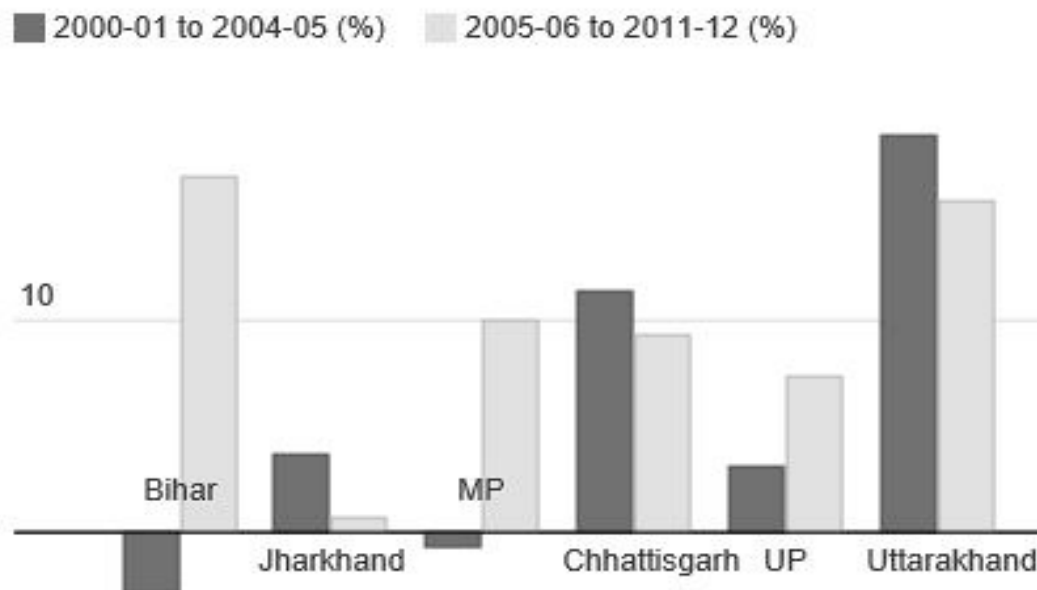
(Figures are in %)

Table 1 reveals the percent growth rates at current prices of all the states bifurcation which help us conclude that the new states performed as well as their mother states. After division the growth rates of the three new sates have increased and they performed as well as their respective parent states. Analysing the Uttarakhand- Uttar Pradesh pair, the former state witnessed an average growth rate of 18.9% over the period 2005-06 to 2014-15 while Uttar Pradesh progressed with the percent growth rate of 14.1%. Except for the Jharkhand- Bihar pair, the other two pairs exhibited that the newly created states performed better vis-à-vis the performance of their respective mother states.

Jharkhand grew at 3.6% before separation but the growth rate jumped to 6.6% post separation. Correspondingly, Uttarakhand grew at 4.6% before creation. After separation the growth rate for Uttarakhand increased by a greater margin of 10.4%. Chhattisgarh witnessed a growth rate of 3.1% pre separation but after creating a separate state, it also started growing at 8.4%. Similarly, all the mother states witnessed a surge in their growth rate post bifurcation.

### **Chart 1**

(Ministry Of Statistics, Government of India, 2015)



## 2 Comparison in terms of Per- Capita Income

Table 2 indicates the economic well-being of the citizens of the six states pre and post separation as measured by per capita income as economic indicator.

(MapsofIndia.com)	Per-Capita Income 2011-12 (Rs.)	Per-Capita Income 2012-13 (Rs.)	Per-Capita Income 2013-14 (Rs.)	Per-Capita Income 2014-15 (Rs.)	Average (From 2010-2015)
Bihar	13149	14356	15506	16801	14,689
Jharkhand	25265	27010	28882	30950	26,768
Madhya Pradesh	23272	24867	26853	29218	25,318
Chhattisgarh	27163	28087	28373	29047	27,965
Uttar Pradesh	18014	18635	19233	20057	18,658
Uttarakhand	48525	52606	55375	59161	52,078

Comparing the per capita income of the civilians in the new and mother states, the people of the new states are enjoying better economic conditions. The gap between the Uttar Pradesh- Uttarakhand pair is the highest with the latter's per capita income around three times the former. There is not a significant difference between Madhya Pradesh and Chhattisgarh, but the latter is ahead with 27965 as average per capita income. As far as Bihar- Jharkhand pair is concerned, Jharkhand is ahead with 26768 average per capita income while Bihar has only 14689 average per capita income.

Comparing the average per capita income of the mother and new states, the new states have shown a better performance. There is a wide difference in per capita income between Bihar and Jharkhand, Uttar Pradesh and Uttarakhand

### 3 Comparison in terms of growth in Agriculture

**Table 3**

(Niti Aayog)	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	Average
Bihar	-7.47	18.90	-13.6	16.70	12.51	8.23	-6.18	4.40	4.18
Chhattisgarh	9.32	-9.95	8.50	21.48	2.96	12.52	1.38	2.67	6.11
Jharkhand	5.61	16.57	-6.21	4.46	26.23	6.15	8.30	NA	8.73
Madhya Pradesh	-1.49	8.85	8.92	0.24	13.38	18.17	20.40	18.85	10.92
Uttar Pradesh	3.51	3.80	-0.40	4.71	5.59	4.65	1.18	4.20	3.41
Uttarakhand	2.09	-3.66	9.63	4.38	4.01	8.85	-2.51	5.12	3.49

Table 3 reveals that Bihar witnessed a negative growth rate in agriculture in some of the years. There has not been a steady growth in the agriculture sector but it managed to gain an average growth rate of 4.2%. Correspondingly, Jharkhand experienced a steady increase in growth in the agriculture sector (except a small dip in 2009-10). The average growth rate of the new state is 8.73% which is almost double vis-à-vis its mother state, Bihar.

In the agriculture sector, the growth rate experienced by Chhattisgarh is 6.11% while Madhya Pradesh grew at a higher rate of 11%. Uttar Pradesh- Uttarakhand pair had a similar growth rate in the agriculture sector, with a minor difference between their growth rates. The minor difference was majorly attributed to the difference in the progress of the industry.

Thus, barring Chhattisgarh- Jharkhand pair, the newly formed states showed a better performance vis-à-vis their respective mother states. Despite Bihar that had a better overall growth index, it is around 4%, behind Jharkhand in the growth. There is not much variation between Uttar Pradesh and Uttarakhand pair.

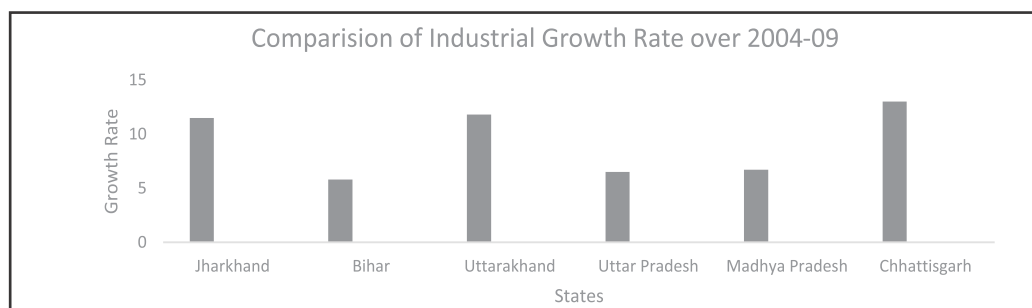
### 4 Comparison in terms of Industrial Growth

Chart 2 reveals the growth rates of the new and the mother states of the industrial sector. Observing the same we can find that the performance of new states is as good as the parent states over the period of 2004 to 2009.

Table 4 exhibits industrial performance of the six states over the period 2007-08 to 2014-15. Bihar witnessed the highest average growth at 12.86% in the industrial sector

among the six states. Jharkhand over the same period saw a lower average industrial growth rate of 7.9%. Uttarakhand surpassed Uttar Pradesh by a greater margin of around 11%, growing at a rate of 14.4% while Uttar Pradesh experienced only 3.81% growth rate. Over the same period, Madhya Pradesh and Chhattisgarh grew at almost similar rate (6.66% and 5.83% respectively).

**Chart 2**



**Table 4**

(Niti Aayog)	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	Average
Bihar	19.47	15.89	14.07	28.44	3.12	0.95	11.87	9.07	12.86
Chhattisgarh	7.38	14.19	-2.79	2.36	9.97	5.59	5.19	4.72	5.83
Uttar Pradesh	8.60	1.37	7.31	6.84	0.36	2.14	1.95	1.93	3.81
Uttarakhand	23.08	12.39	19.67	13.76	12.04	9.29	12.65	12.33	14.4
Madhya Pradesh	5.93	18.98	6.86	6.86	5.26	2.40	2.55	4.45	6.66
Jharkhand	34.01	-15.56	6.73	21.31	-0.58	3.56	6.02	NA	7.93

Table 4 shows a huge gap in the performance of the mother states vis-à-vis their respective new states in terms of growth in the industrial sector. Only in case of Uttar Pradesh-Uttarakhand the latter has surpassed its parent state by around 11%. For other pairs, Bihar is ahead of Jharkhand by 5% and Madhya Pradesh is ahead of Chhattisgarh by 1%.

## Parameters related to social conditions

### 1 Comparison in terms of Poverty Reduction

Table 5 reveals that except the Madhya Pradesh- Chhattisgarh pair, all the other new states have been more successful in reducing the poverty vis-à-vis their respective parent states over the period of 2004 to 2010. Considering the Madhya Pradesh- Chhattisgarh pair, the former was able to decrease the poverty by 11.9% while the latter was successful in reducing it by only 0.7%. Uttarakhand was successful in reducing it by 14.7% which is more than the 3.2% reduction in poverty experienced by Uttar Pradesh.

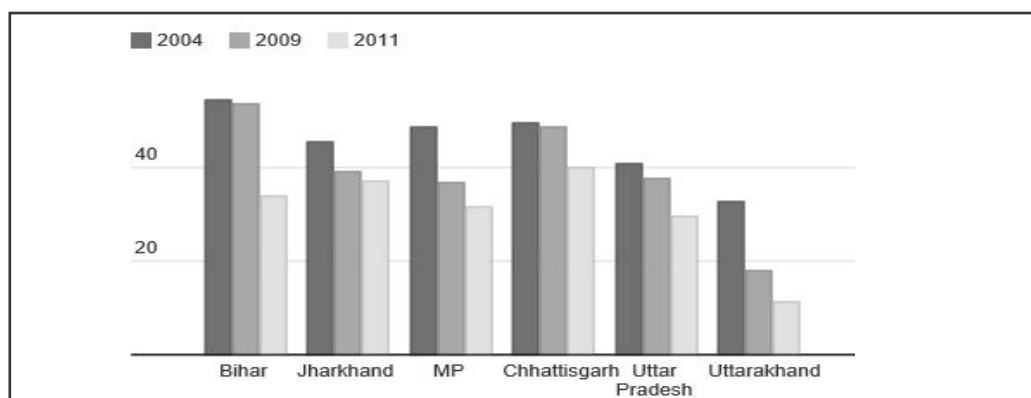
Jharkhand was able to reduce poverty by 6.2%. Correspondingly, Bihar experienced only 0.9% reduction in poverty rate.

(Niti Aayog)	2004-05 (%)	2009-10 (%)	Reduction in poverty over the two periods
1. Bihar	54.4	53.5	0.9
2. Jharkhand	45.3	9.4	35.9
3. Madhya Pradesh	48.6	12	36.6
4. Chhattisgarh	49.4	48.7	0.7
5. Uttar Pradesh	40.9	17.1	23.8
6. Uttarakhand	32.7	17.4	15.3

(Poverty Rate- % of population below poverty line)

**Chart 3**

(Figures are in percentages)



**Table 6**

(Niti Aayog)						
	Bihar	Jharkhand	Madhya Pradesh	Chhattisgarh	Uttar Pradesh	Uttarakhand
2011-12	33.7	10.3	7.1	39.9	14	29.4

With Uttar Pradesh being a home to 73 million people, the highest number for any Indian state, all the 6 states (new and mother states) together gave shelter to 180 million poor people of India.

Table 6 exhibits the poverty rate of the states for the period 2011-12. Considering the number of poverty rate over the years from 2004 to 2011 in the 6 states, we can observe

that Uttarakhand had the lowest percentage of poor people while Chhattisgarh had the highest. Uttarakhand and Bihar were able to decrease the percentage of poor people in the population by a similar margin, and the highest percentage among all the 6 states.

## 2 Comparison in terms of Literacy Rate

**Table 7**

(Niti Aayog)						
	Bihar	Jharkhand	Madhya Pradesh	Chhattisgarh	Uttar Pradesh	Uttarakhand
2001	47.0	53.56	63.74	64.66	56.27	71.62
2011	63.8	67.6	70.63	71.04	69.72	79.6

*(Figures are in percentages. Figures are of the last Census in 2011)*

Table 7 reveals that in all the three pairs the new states had a higher literacy rate compared to their respective parent states in the year 2001 as well as in 2011. Comparing the Madhya Pradesh- Chhattisgarh pair, the latter trailed in this parameter but there was only a difference of 0.4% between the literacy rates of the two states for the year 2011. There is a difference of 3.6% between the literacy rate of Jharkhand and Bihar with the former leading the race in 2011. As far as Uttar Pradesh- Uttarakhand pair is concerned, there is a difference of around 10% with the rates being 69.7% and 79.6% respectively for 2011.

As far as percentage figures of the six states are analysed, the new states achieved better literacy rate during the year of 2011 compared to the literacy rate achieved by the parent states. Even one year after bifurcation of the states, the new states had better literacy rates vis-à-vis their respective parent states.

## 3 Comparison in terms of Infant Mortality Rates (IMR)

As a health indicator Infant Mortality Rates is used.

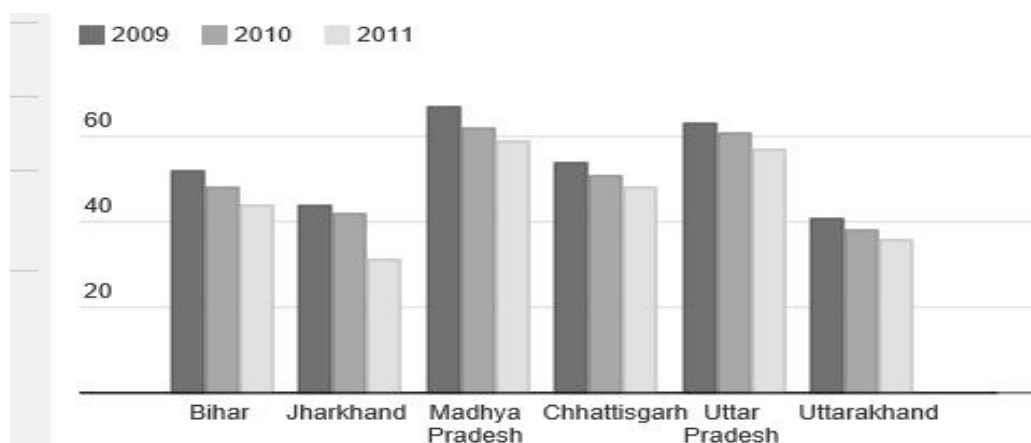
**Table 8**

(Niti Aayog)	IMR, 2011	IMR, 2012	IMR, 2013	IMR, 2014
Bihar	44	43	42	42
Jharkhand	39	38	37	34
Madhya Pradesh	59	56	54	52
Chhattisgarh	48	47	46	43
Uttar Pradesh	57	53	50	48
Uttarakhand	35	33	32	33



Table 8 reveals that the pattern of IMR increasing and decreasing is not similar among the six states. During the period of 2011 and 2014, Bihar was able to decrease IMR by 2 units to 42 while Jharkhand decreased IMR by 5 units to 34. Madhya Pradesh decreased IMR by 7 units to 52 while Chhattisgarh decreased the same by only 5 units to 43. Uttarakhand reduced it by 2 units to 33, but Uttar Pradesh was able to decrease by a greater margin of 9 units to 48.

**Chart 4**



Source: Sample Registration Systems, Registrar General of India

After analysing only the IMR rates, Uttar Pradesh was the worse off states. But as far as improvement in terms of reduction in IMR is concerned, Uttar Pradesh was able to decrease the same by the highest margin over the period of 2011- 2014. Observing the IMR rates, the new states showed a better condition than the mother states, who have a high IMR.

### **Telangana and Andhra Pradesh**

#### **Comparison in terms of Economic Growth**

The comparison of growth rates by taking Gross State Domestic Product (GSDP) as the economic parameter of Telangana and Andhra Pradesh pre and post division, is presented in Table 9.

Telangana's economic growth in terms of GSDP grew at 10.1%, at constant prices, in 2016-17 to Rs. 5.11 lakh crore, thus clocking a rate of growth higher than the national average for the third consecutive fiscal.

Andhra Pradesh, which is on the top of list of GSDP of the Indian states grew by 11.61 per cent as per revised estimates of 2016-17.

**Table 9**

State	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	Aver- age
Andhra Pradesh	5.35	10.85	13.12	2.14	7.24	6.81	6.25	4.05	7.16	7.21	7.02
Telangana	15.88	11.62	10.55	13.44	1.15	18.03	8.66	4.11	4.76	5.33	9.35

*Estimates relate to bifurcated Andhra Pradesh, separate area of Andhra Pradesh and Telangana*

The above table shows the comparison in terms of GDSP for the area now divided between Telangana and Andhra Pradesh separately. Before bifurcation, Andhra Pradesh experienced one of the highest growth rate among all the states in India. During the period of 2005- 2015, Andhra Pradesh witnessed an average gross domestic growth rate of 7.02% while Telangana experienced growth rate of 9.35%. Just after separation, Andhra Pradesh's GSDP grew at more than 7% rate after a relatively sluggish period before separation.

### Comparison in terms of Per Capita Income.

**Table 10, Per Capita Income at current prices**

(Niti Aayog)	2010-11	2011-12	2012-13	2013-14	2014-15	Average
Andhra Pradesh	58733	64773	72301	81397	90517	77247
Telangana	66951	75124	85169	95361	103889	85299

*Estimates relate to bifurcated Andhra Pradesh, separate area of Andhra Pradesh and Telangana*

Table 10 shows the average per capita income experience by Andhra Pradesh and Telangana during the period 2010- 2015 was 77247 and 85299 at current prices. After separation, the per capita income was higher for Telangana at 103889 than experienced by Andhra Pradesh at 90517. However, both Andhra Pradesh and Telangana managed to increase the income post separation.

### Comparison in terms of Agriculture & Allied Activities

**Table 11 Annual Growth rate of Agriculture & allied activities at constant (2004-05) prices**

(Niti Aayog)	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	Aver age
Andhra Pradesh	17.92	-1.78	6.84	-1.14	3.21	7.46	7.94	5.90	5.79
Telangana	16.28	6.01	-12.47	19.36	-0.36	11.49	8.39	NA	6.96

*Estimates relate to bifurcated Andhra Pradesh, separate area of Andhra Pradesh and Telangana, Figures are in percentages*

Andhra Pradesh's agriculture share in the gross domestic product (GDP) is growing unlike the decline India as a whole was witnessing. The average growth rate of agriculture and allied activities during the period of 2007- 2015 for Andhra Pradesh and Telangana was 5.79% and 6.96% respectively. There is not a steady pattern in the growth rate of the agriculture sector for Telangana which experienced a negative rate and a growth rate of 19.36% pre- bifurcation. Telangana constitutes Hyderabad, one of the main economic growth driver for the erstwhile Andhra Pradesh. This might play a major role in bringing an increased growth rate for the newly created state.

### Comparison in terms of Industrial Growth

**Table 12**

(Niti Aayog)	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	Aver age
Andhra Pradesh	14.96	-0.39	3.80	3.24	12.94	-4.36	1.02	5.25	4.56
Telangana	6.44	15.98	2.28	16.84	5.75	-4.13	0.13		6.18

*Estimates relate to bifurcated Andhra Pradesh, separate area of Andhra Pradesh and Telangana, Figures are in percentages*

In India, Andhra Pradesh and Telangana are some of the top states in India where business can be done with ease in comparison to other states. The undivided Andhra Pradesh formulated many policies for growth related to various sectors in the states. From growth in the industrial sector by developing biotech parks, industrial clusters, etc. to growth in the textile, tourism and leather, the government is trying to build infrastructure for the overall development of the economy.

### Conclusion

With changes in the structure of federal map of the country by the recent increase in the number of division of states and demand for the same, the impact of such bifurcation on the well-being of the civilians and the economic development of the separated states and country as a whole becomes an important area of study. The analysis of the impact should be studied because it may affect the policies framed by the government with regard to division of states. The present paper, therefore attempts to analyse the parameters that measures such divisions and the performance of these states pre and post bifurcation. To conclude whether the division of sates was favourable or unfavourable many factors need to be considered.

After bifurcation of Bihar, Madhya Pradesh and Uttar Pradesh creating Jharkhand, Chhattisgarh and Uttarakhand respectively in 2000, and the separation of Andhra

Pradesh creating Telangana in 2014, many opinions about the performance of new states in comparison to the mother states were raised. After analysis, we find that on average the new states have performed better than their parent states. Economic indicators such as poverty, infant mortality rate, GDP, etc. were observed pre and post bifurcation and we found that these newly formed states have shown tremendous improvement as compared to their mother states.

Through this report, the analysis showed how the new states performed better than their respective parent states in terms of various economic and social indicators. After division in 2000, the Gross State Domestic Product, per capita income, industrial growth rate and agricultural growth rate of the new states were comparatively higher than that of the mother states. The per capita economic indicator showed the better economic conditions and standard of living enjoyed by the citizens of the new states. The growth rates experienced by the states in the industrial and agricultural sectors depends a lot on the kind of land and infrastructure acquired by a state after the bifurcation.

The increased efficiency in governance can be figured after analyzing the social parameters. The new states were successful in decreasing poverty, infant mortality rate and increasing literacy. The poverty rate and IMR being lowest and literacy rate highest for Uttarakhand, this new state has surpassed all other Indian states on many social parameters. The demand for a separate state by the people does not always lead to efficient governance and better social and economic indicators. Therefore, it is not always the right answer. The performance of state post bifurcation depends a lot on the process of division and participation of citizens in the same.

Reconstituting an already existing state to create a new state is a mammoth task. States Reorganization Committee before taking the final decision of dividing and creating a state has to consider many economic, social, cultural, natural, etc. factors. Such factors play a very important role in the viability of division and effective governance of the new state and mother state, along with the wellbeing of the citizens. In case of Jharkhand and Telangana, the government had not much choice but to give in to the pressure of the people. The government should carefully observe the progress and growth of each state. Every growth indicator has a negative effect of creating inequality. The regional inequality creates different demands, and the feeling of inferiority. This can eventually lead to the demand for the new state. Hence, the government should be more vigilant when it comes to inequality and other social factors in a state, because they are one of the major reasons for violent protests in the history of country.

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