



Summary Report for the State of Haryana



1. Demography

As per Census population projections for 2022-23, Haryana has a population of 30.2 million and represents 2.2 percent of India's total population. The State's projected population growth rate, at 1.2 percent, is higher than the national average of 0.9 percent, as of 2022-23. The State's population density, at 667 per sq. km., is higher than the national average of 415 person per sq. km., and the dependency ratio, at 53.3 percent, is close to the national average (55.7 percent, 2021). According to 2023 projections, about 42.1 percent of its population resides in urban areas.¹ The sex ratio (female births per 1000 male births) in the State, at 893, is lower than the national average of 929, as per the National Family Health Survey (NFHS V).

The annual unemployment rate in the State has declined over the years, but at 6.1 percent in 2022-23, it is noticeably above the national average of 3.2 percent. The Female Labour Force Participation Rate, at 20.7 percent, is also much below the national average of 37 percent. The working population in the State is predominantly concentrated in the Services (40.4 percent); Agriculture, Forestry, and Fishing (29.8 percent); Manufacturing (16.1 percent); and, Construction (12.8 percent) sectors.²

2. Economic Structure (Growth and Sectoral Composition)

Haryana's real GSDP grew at an average rate of 6.8 percent during the period 2012-13 to 2021-22, which is higher than the national average growth of 5.6 percent.³ Both the State's share in the country's overall GDP and its nominal per capita income as a ratio to the country's per capita income have increased since 1990-91. Its nominal per capita income is 70 percent higher than the national per capita income, as of 2021-22.

Among various sectors, the Services sector is the largest contributor to the State's GSVA, with a share of 49.8 percent, followed by the Industry (30.7 percent) and Agriculture (19.5 percent) sectors, respectively, in that order. During the period 2013-14 to 2022-23, the Manufacturing and Services sectors grew by 7.2 percent and 6.9 percent per annum, respectively. The Agriculture sector witnessed a growth of only 3.3 percent per annum during this period.⁴

3. Socio-economic Indicators

Haryana's literacy rate, at 75.6 percent, is higher than the national average of 73 percent, as of 2011.⁵ As of 2016-17, the State recorded lower school drop-out rates (12.2 percent for Classes VIII to X and 20.7 percent for Class X), but its pass percentages for both Classes X (77.5 percent) and XII (85.5 percent) were lower as compared to the respective national averages. The State's Gross Enrolment Ratios at both the Higher Secondary level (59.6 percent 2015-16) and

¹ Projected data on population growth rate, dependency ratio, population density, and urban population is sourced from "Population Projections for Indian States 2011-2036" by the Technical Group on Population Projections, National Commission on Population, Ministry of Health and Family Welfare, Government of India.

² Data on unemployment, female labour force participation, and workforce distribution is from the Periodic Labour Force Survey, 2017-18 to 2023-24.

³ Data on Economic Structure is sourced from Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023.

⁴ Data used is sourced from MoSPI, as of March 2024.

⁵ Literacy data is sourced from Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, 2011.

the Higher Education level (31.1 percent 2021), are above the respective national averages.⁶ For people aged 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) is above the national average.⁷

As of 2020, life expectancy (69.9 years), Infant Mortality Rate (28 deaths per 1000 live births in 2020), and Total Fertility Rate (1.9 children per woman) are close to the respective national averages. The ratio of fully immunised children, at 76.9 percent (2019-21), is also close to the national average. The State has shown improvement on the “quality of life” indicators over the decades. The households’ access to drinking water at 98.6 percent; electricity at 99.5 percent; and sanitation facilities at 83.1 percent, are all above the respective national averages, as of 2019-21.

4. State of Public Finances and Tax Devolutions

Haryana’s debt-to-GSDP ratio, at 30.7 percent in 2022-23,⁸ is at par with a median State.⁹ Its contingent liabilities (2.8 percent of GSDP) are higher than those of a median State as of 2021-22. The State’s fiscal deficit, at 3.3 percent of GSDP, and primary deficit, at 1.2 percent of GSDP, are lower than the respective levels of a median State, as of 2022-23. The State has a revenue deficit of 1.8 percent of GSDP in 2022-23 while a median State runs a deficit of 0.4 percent. In 2022-23, the State’s total revenue receipts (own tax, own non-tax, and shared by the Centre) were lower than what a median State collected (15.3 percent of GSDP). The State’s expenditure-to-GSDP ratio, at 13.3 percent of its GSDP, is much lower than that of a median State.

Haryana’s Debt Sustainability projections are not very optimistic. Under the baseline scenario (where Debt level, primary deficit, real GDP growth, and real effective interest rate remain constant at their decadal average from 2012-13 to 2021-22), it is projected to increase by 4 percentage points in the next five years, starting from 2021-22. The State’s debt-to-GSDP ratio projected to decline only with a combination of higher growth and lower primary deficit.

The State’s share in taxes from the Centre, as per the recommendations of the Finance Commission (FC), has remained consistent at 1.1 percent under both the 14th and 15th FCs. The State’s share in the total grants-in-aid has increased marginally by 0.3 percentage points under the 15th FC, as compared to the 14th FC.

5. Fiscal Rules

As per the recommendations of the 12th FC, the Haryana State Government enacted the Haryana Fiscal Responsibility and Budget Management (HFRBM), Act in 2005. The HFRBM

⁶ Data on dropout rates, pass percentage of students and Gross Enrolment Ratio at Higher Secondary Level is taken from the Unified District Information System for Education, 2015-16.

⁷ Gross Enrolment Ratio at Higher Education Level, Data on Gender Parity Index and College Density are taken from the All-India Survey on Higher Education, 2020-21.

⁸ Data on fiscal variables is sourced from Reserve Bank of India, State Finances Report, as of December 2023.

⁹ For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North-eastern States, except Assam). The Macro and Fiscal Landscape State brief includes this benchmark in the States’ Median (Large States), Column 6, Table 4A.

Act sets targets relating to the revenue deficit, fiscal deficit, and outstanding liabilities.¹⁰

Revenue Deficit: The original Act required the State to reduce its revenue deficit to zero by 2008-09. This target was relaxed for 2008-09 and 2009-10. Based on the 13th FC and the Ministry of Finance guidelines, the State was to achieve zero revenue deficit from 2011-12 to 2014-15. The 14th FC reiterated this target. In 2021, the Act was amended to align fiscal targets with the recommendations of the 15th FC, as approved by the Government of India.

Fiscal Deficit: The 2005 Act set a fiscal deficit limit of 3 percent of GSDP, which was relaxed to 3.5 percent for 2008-09 and to 4 percent for 2009-10, as per the Ministry of Finance guidelines. The 13th FC and Ministry of Finance set a 3 percent target for 2011-12 to 2014-15, which the 14th FC re-affirmed. In 2021, the Act was amended to align with the 15th FC's recommendations approved by the Government of India.

Outstanding Liabilities: The initial Act in 2005 required the State to limit its total outstanding debt to 28 percent of the estimated GSDP from 2005-06 to 2009-10. The 13th FC and Ministry of Finance mandated that the debt-to-GSDP ratio be reduced to 22.9 percent by 2014-15. The 14th FC revised the target to 25 percent of GSDP for the State's total debt liabilities. In 2021, the Act was amended to align with the 15th FC's recommendations, as approved by the Government of India.

Fiscal Discipline: As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period 2017-18 to 2021-22, the State achieved a revenue surplus in only two years (2017-18 and 2021-22); and maintained a fiscal deficit target in 2020-21 and 2021-22; but was not able to achieve its total outstanding debt target during this period of five years.

¹⁰ Data is sourced from the State Audit Report of the CAG for the respective years and the State Government Gazette.