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THE RELATIONSHIP BETWEEN SALARY LEVELS AND ECONOMIC CONVERGENCE IN RAJASTHAN

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Abstract:

The current study examines the proportional contribution of Rajasthan's economy to India's overall economy and provides an overview of recent economic growth patterns in the state of Rajasthan. It examines the patterns of year-by-year growth rate of gross state product, national state product, and national state product per capita for the state of Rajasthan from 2004-2005 to 2012-2013. Indicative of the fact that the economy of Rajasthan has recorded numerous ups and downs in the development trajectory, the fact that the present decade is a time of decent stability and good growth despite the fact that there have been many ups and downs in the growth trajectory. The growth pattern of the various economic sectors reveals that at the current time, about one half of NSDP is coming from the tertiary sector (48.88 percent), and the rest of the half is coming from the primary sector (22.52 percent) and the secondary sector (28.6 percent).

Keywords: *economic growth, primary, secondary, tertiary, Rajasthan.*

INTRODUCTION

Because it is located between the Northern and Western development areas in the nation and because forty percent of the Delhi Mumbai Industrial Corridor (DMIC) goes through it, the Indian state of Rajasthan benefits from an advantageous geographical location. The Indian state of Rajasthan has been quite successful in luring a significant number of local and international businesses to establish their operations inside its borders. Investors have established businesses in a wide variety of industries, including information technology, electronics, textiles, chemicals, agro-processing, granite, cement, and engineering, to name a few. The state now has 322 industrial zones, and plans are in the works to build up three more in the near future. Because it is endowed with limestone, which serves as the foundation for cement manufacturing, and also because the state of Rajasthan provides concessions to the business, Rajasthan has become one of the most popular locations for the cement industry. The state is proud of its enormous biological variety, which can only be found in a few other states. Therefore has the potential to generate a significant amount of economic activity in the sphere of biotechnology and contemporary biotech goods such as recombinant DNA products and bioinformatics. It has been suggested that there should be four technologically advanced biotech parks built.

Up until the early to middle 1980s, Rajasthan had a pattern of sluggish development across practically all economic and social metrics. There was essentially no growth in per capita income despite the fact that the gross state domestic product (GSDP) increased by just three percent annually. Beginning in the 1980s, the state started making strides in improving its social and economic performance. Over the last three decades, the economy of Rajasthan has expanded at a pace that is equivalent to 6.05 percent every single year on average.

The decadal breakdown of the NSDP series reveals that the state increased at the rate of 5.94 percent per year in the decade of the 1980s, 6.53 percent per annum in the decade of the 1990s, and reached the mark of 7.17 percent per annum in the most recent decade. This growth rate was achieved in the most recent decade. According to the growth pattern, the economy has been regularly moving along a higher growth path trajectory during the course of the previous decade. Therefore, the State has a great deal of potential in the industrial sector, which, at constant prices (2004-05), contributed around 32% of the State's GSDP from 2007-08 to 2011-12. Being so close to the National Capital Region gives Rajasthan a significant edge from a strategic standpoint. The Rhode Island Industrial and Investment Competitive Organization (RIICO) has been making efforts to improve the state's industrial and investment platform.

A variety of plans for the industry's development have been put into action by the State Government in recent years. The State's industrial strategy strives to improve the environment for industry and provide entrepreneurs in the State with access to high-quality infrastructure as part of its overall mission. In recent years, the state has seen improvements made to a variety of infrastructures, including but not limited to highways, trains, banking, energy, and urban development. The state government is making good progress on the industrial front, which is encouraging given the significance of this sector from the perspective of employment. The state of Rajasthan comes in at number 10 for agriculture, 11 for infrastructure, 12 for consumer markets, 14 for macro economy, 15 for investment environment, and 17 for elementary education. Because a significant proportion of the state's population is dependent on it, agriculture is an essential component of the state's economy. At prices from 2004-2005, it provides about 21 percent to the GSDP of the state for the period of 2007-2008 to 2011-12. The contribution of the industrial sector to GSDP is 27%, while the contribution of the agricultural sector is 26%. The contribution of the services sector to GSDP is around 47%. During the last decade (FY01-10) the proportion of the GSDP contributed by agriculture has decreased from 27% to 26%, while the share contributed by industry has increased from 45% to 47%, and the share contributed by services has increased from 45% to 47%.

OBJECTIVES

1. The study there is no specific view about the growth path and changes in structural patterns due to economic growth in Rajasthan.

2. The study attempt to discuss various aspects of economic growth and structural changes occurred during.

RESEARCH METHODOLOGY

Gross State Domestic Product: The Gross State Domestic Product (GSDP) is the entire monetary worth of all the final products and services generated by an economy within a certain period of time (usually a year), accounted for without duplication. This number is sometimes referred to as the "national income." The economy of Rajasthan has been exhibiting signs of robust expansion over the course of the last several years. From Rs 127746 crore in 2004-05 to Rs 239913 crore in 2012-132, the GSDP has almost doubled (1.89), going from Rs 127746 crore to Rs 239913 crore. The year-by-year estimates of Gross State Domestic Product (at constant prices), growth rates, and Rajasthan's share of the Indian economy can be found in table 1, along with Rajasthan's contribution to the Indian economy. According to the advance estimates, the Gross State Domestic Product (GSDP) at constant (2004-05 prices) in the year 2012-13 is likely to attain a level of 2, 39,913 crore,

as opposed to the estimates of GSDP for the year 2011-12 (quick estimates) of 2, 27,824 crore, registering an increase of 5.31 per cent over the preceding year. This is in comparison to the estimates of GSDP for the year 2011-12 (quick estimates) of 2, 27,824 crore. The proportion of the national total that is contributed by the state of Rajasthan has seen a large growth over the last decade, rising from 4.3% in 2004-2005 to 4.36% in 2012-2013. This represents a substantial gain. During the period 2004-2013, the percentage growth rate of GSDP displays a lot of ups and downs; the greatest growth rate, 15.28%, was recorded in 2010-11, while the lowest growth rate, 5.14%, was registered in the financial year 2007-08.

Net State Domestic Product & Per Capita Net State Domestic Product

Table 2 shows the trend of increase in Rajasthan's NSDP (Net State Domestic Product) for the period of 2004-05 to 2012-13. The growth rate on a year-by-year basis is an indication of the fact that the economy has had numerous ups and downs in the development trajectory; nevertheless, the present decade is a time of decent stability and good growth. While the overall net national product at constant prices in India has climbed from 2651573 crore in 2004-05 to 4823087 crore in 2012-13, the net domestic product at constant prices for individual states has increased from 112636 crore to 207980 crore over the same time period. The percentage increase of NSDP was greater than the national average in the years 2006-07, 2008-09, 2010-11, and 2012-13; nevertheless, the growth rate was lower than the national average in every other year. It is fairly evident that the economy of Rajasthan is still dependent on agriculture and, ultimately, the kindness of nature; if the rain is pretty excellent, growth rate is also satisfactory, or vice versa. This was made abundantly clear by the fact that it. According to the computed percentage increase of the previous year, India is experiencing a downward trend; nevertheless, there is no discernible pattern of a rising growth rate over the course of the preceding decade in the state of Rajasthan. According to the advance estimates, the Net State Domestic Product at constant (2004-05) prices in the year 2012-13 has been anticipated to be at 2,07,980 crore as opposed to 1,97,537 crore in the year 2011-12 (rapid estimates), indicating an increase of 5.29 per cent over the previous year. This is in comparison to the year 2011-12, when it was expected to be at 1,97,537 crore. In the year 2012-13, the per capita income is projected to be 29,917 at constant (2004-05) prices, which represents an increase of 3.7 percent in comparison to the previous year's figure of 28,851 at same prices. This figure is compared to the per capita income in the year 2011-12, which was 28,851.

DATA ANALYSIS

The pattern of expansion seen by various economic subsectors is the most reliable predictor of structural shifts occurring within an economy. Figure 1 presents a sector-by-sector breakdown of Rajasthan's net state domestic product at factor cost for the years 2004-2005 through 2011-2012. It is evident from this that at the current time, approximately half of the NSDP is derived from the tertiary sector (48.88 percent), while the remaining half is derived from the primary sector (22.52 percent) and the secondary sector (28.6 percent). The trend is upward for the service sector, whereas the industrial sector seems to have remained relatively unchanged over this time and the agricultural sector has shown very modest growth during this era.

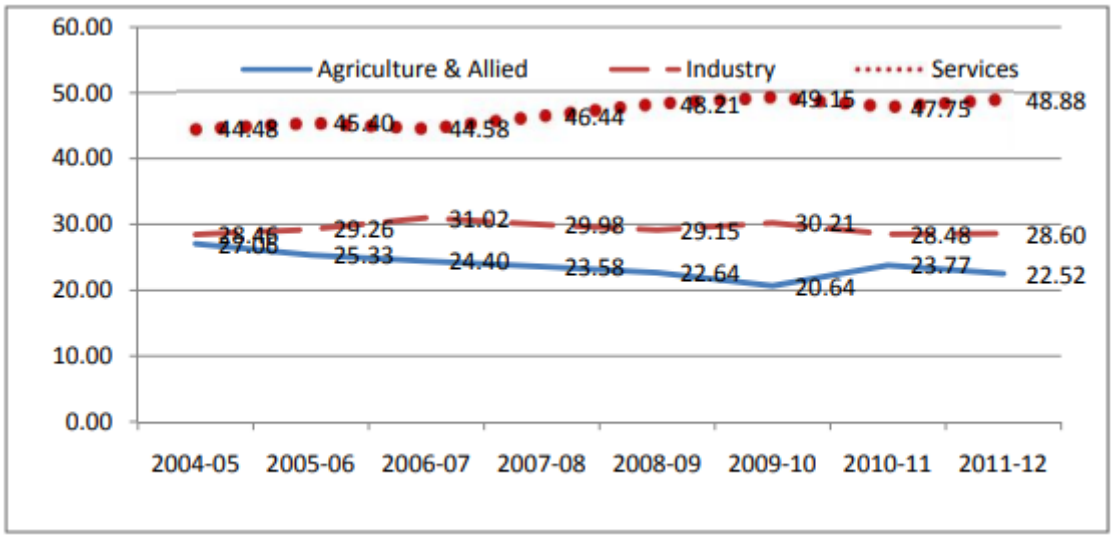

Figure 1: Sectoral Composition Of NSDP Of Rajasthan For 2004-5 To 2011-12.

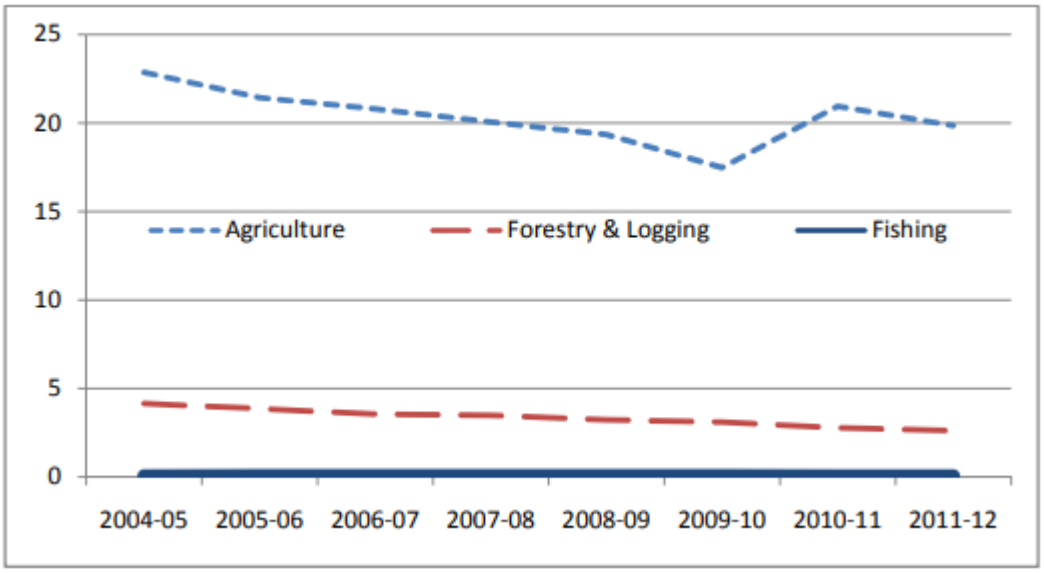

Figure 2: Trends Of The Components Of Agriculture And Allied Sector Of Rajasthan During 2004-12

Figure 2 demonstrates that agriculture's portion in the agricultural and allied sector has decreased, whilst the share of the fishing industry has stayed unchanged and a steady reduction has been documented by the forestry and logging sector over this time period.

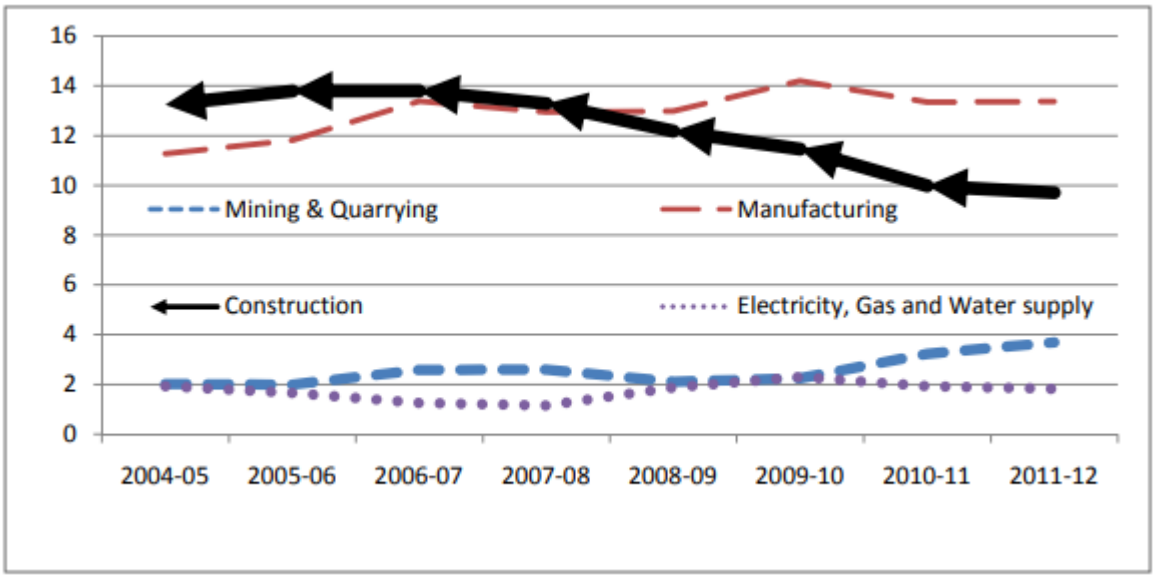

Figure 3: Trends Of The Components Of Industry Sector Of Rajasthan During 2004-12

Figure 3 illustrates an upward tendency in the manufacturing, mining, and quarrying sectors, while the contribution of the construction industry has been decreasing since 2005–2006. On the other hand, the supply of electricity, gas, and water has been consistent over this time period. In the fiscal year 2009-2010, the contribution of the manufacturing sector was reported at its highest level, 14.19%.

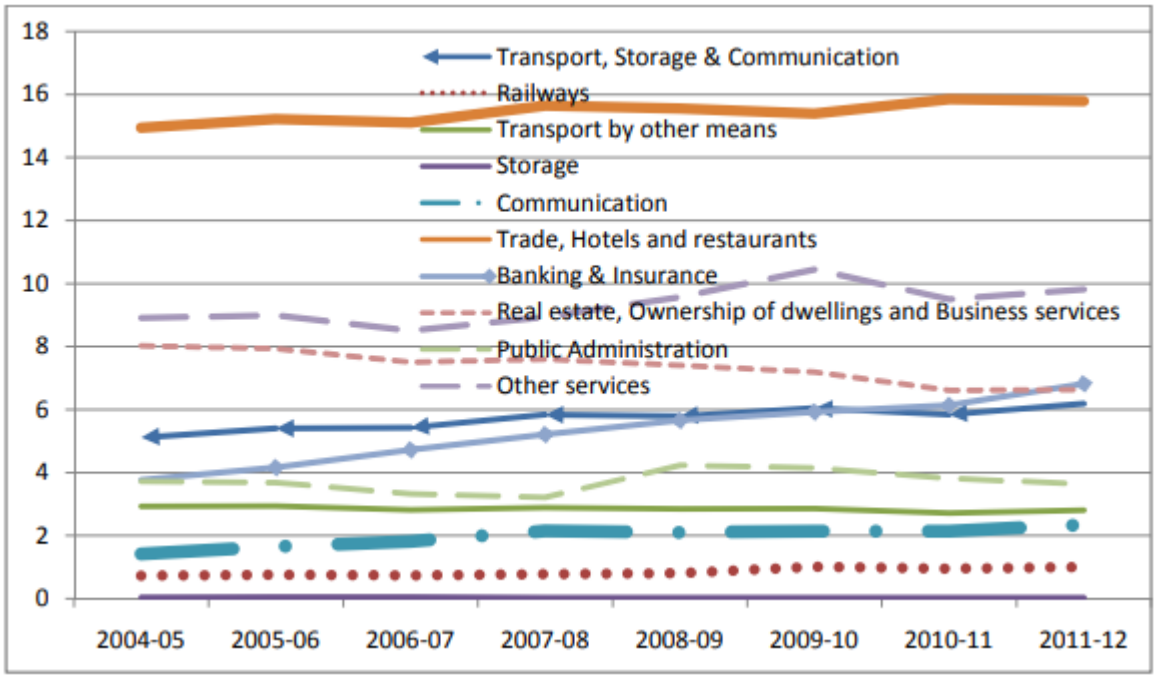

Figure 4: Trends Of The Components Of Service Sector Of Rajasthan During 2004-12

The Trade, Hotels and Restaurants Sector is an Outlier Within the Service Sector. This is Followed by Other Service Sectors, Real Estate and Ownership, Banking and Insurance, Transport, Storage, and Communication, and Railways. During the period of 2004–12, the only subsector that is consistently displaying a dropping

tendency is real estate and ownership. All of the other sectors showed some kind of a growing trend during this time period.

CONCLUSION

The proportion of Rajasthan's total industrial investment that constitutes the state's part of India's total industrial investment has remained relatively unchanged since 2006, when it was at 1.26% and has since climbed to 1.71%. The growth pattern of the various economic sectors reveals that at the current time, roughly one half of NSDP is coming from the tertiary sector (48.88 percent), with the remaining half coming from the primary sector (22.52 percent) and the secondary sector (28.6 percent). It reveals an upward tendency in the service sector, but the industrial sector seems to have remained relatively unchanged over this period and the agricultural sector has shown very limited growth during this time. During this time period, agriculture's proportion of the overall agricultural and allied sector has shrunk, but fisheries has maintained its previous level, and the forestry and logging sector has seen only a gradual decrease. While the contribution of the construction sector has been decreasing since 2005-2006, the contribution of the electricity, gas, and water supply sectors has stayed consistent over this time. The industry sector is showing an upward trend in the manufacturing, mining, and quarrying sectors. In the fiscal year 2009-2010, the contribution of the manufacturing sector was reported at its highest level, 14.19%. The Trade, Hotels and Restaurants Sector is an Outlier Within the Service Sector. This is Followed by Other Service Sectors, Real Estate and Ownership, Banking and Insurance, Transport, Storage, and Communication, and Railways. During the period of 2004–12, the only subsector that is consistently displaying a dropping tendency is real estate and ownership. All of the other sectors showed some kind of a growing trend during this time period.

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