

SYLLABUS

GENERAL STUDIES- VI

1. Overview of Economy of UP: Main features of economy and State Budgets, Infrastructure and importance of Physical Resources.
2. Trade, Commerce and industries of UP.
3. UP Government Schemes, Projects and Planned Development for welfare of People, Human Resources and Skill Development.
4. Investment in UP: Issues and Impact.
5. Public Finance and Fiscal Policy, Tax and Economic Reforms, One District One Product Policy of UP Government.
6. Planning and management of renewable and non-renewable energy resources of UP.
7. Demography, Population and Censuses of UP.
8. Commercialization of agriculture and production of agricultural crops in UP.
9. UP New Forest Policy.
10. Agro and Social Forestry in U.P.
11. Agricultural Diversity, Problems of agriculture and their solutions in UP.
12. Developmental Indices of UP in various fields.
13. Geography of UP: Geographical Location, Relief and Structure, Climate, Irrigation, Minerals, Drainage System and Vegetation.
14. National Parks and Wild Life Sanctuaries in UP.
15. Transport Network in UP.
16. Power Resources, Infrastructure and Industrial Development of UP.
17. Pollution and Environmental Issues in UP, Pollution Control Board and its functions.
18. Natural Resources of UP - Soil, Water, Air, Forests, Grasslands, Wetlands.
19. Climate Change and Weather Forecasting issues in UP.
20. Habitat and Ecosystem, structure and function, adjustment, Flora and Fauna with reference to UP.
21. Science and Technology: Its issues, advancements and efforts in UP.
22. Aquaculture, Viticulture, Sericulture, Floriculture, Horticulture, Arboriculture in UP and its impact on development of UP.
23. Evolvement of Public-Private Partnership (PPP) for development of UP.

Topic 1- Overview Of Economy Of UP: Main Features Of Economy And State Budgets, Infrastructure And Importance Of Physical Resources.

OVERVIEW of the ECONOMY of UTTAR PRADESH

Main features of economy and state budgets, infrastructure and importance of physical resources



ECONOMIC FEATURES

- Agricultural base
- Growing industries
- Tourism potential

STATE BUDGETS

- Expenditure on development
- Fiscal management



INFRASTRUCTURE

- Transport networks
- Energy supply
- Urban development

PHYSICAL RESOURCES

- Land and water
- Forests
- Mineral wealth



Topic 1- Overview of Economy of UP: Main features of economy and State Budgets, Infrastructure and importance of Physical Resources.

Introduction:

"A strong economy is not built overnight but on the foundation of robust infrastructure, prudent fiscal management, and optimal resource utilization."

– Amartya Sen

"Budgets are not just financial statements; but blueprints for a state's progress and prosperity."

– Raghuram Rajan

"Infrastructure is the backbone of economic development, and resources are the fuel that drives growth."

– Kautilya

Uttar Pradesh, as **India's economic powerhouse**, thrives on a **diverse economic base, strategic resource utilization, and evolving fiscal policies**. The **state budget** serves as the **financial roadmap**, ensuring **fiscal discipline, social welfare, and developmental priorities**. **Infrastructure development**, encompassing **transport, energy, and digital connectivity**, acts as a **catalyst for industrialization and economic expansion**. Furthermore, the **abundance of physical resources**, including **agricultural, mineral, and water resources**, enhances **economic self-sufficiency and industrial growth**. With **strategic planning and sustainable resource management**, Uttar Pradesh is poised to become a **hub of economic dynamism and investment potential**.

Uttar Pradesh's Economic Landscape: A Comprehensive Overview

Uttar Pradesh (UP), India's most populous state, has been making significant strides in its economic development. The state's economy is characterized by a robust agricultural base, burgeoning industrial sectors, and a rapidly expanding services sector. Recent data and government reports provide a detailed insight into these developments.

Economic Indicators

1. Gross State Domestic Product (GSDP):

- **Current Standing:** In the financial year 2023-24, Uttar Pradesh's GSDP is projected to reach ₹25.48 lakh crore.
- **Growth Trajectory:** The state's economy has demonstrated resilience and growth, with the GSDP increasing from ₹22.58 lakh crore in 2022-23 to ₹24.99 lakh crore in 2023-24, marking a significant upward trend.

2. Contribution to National Economy:

- **National Share:** Uttar Pradesh contributes approximately 8% to India's total GDP, underscoring its substantial influence on the country's economic dynamics.

3. Sectoral Composition:

- **Agriculture:** The state is a leading producer of food grains, accounting for about 18.68% of India's total production in FY 2020-21. Key crops include wheat, rice, sugarcane, and potatoes.
- **Industry:** Uttar Pradesh hosts 359 manufacturing clusters, with cement being a prominent sector among small and medium-sized enterprises (SMEs).
- **Services:** The tertiary sector is a significant contributor, encompassing trade, hospitality, real estate, and financial services.



4. Per Capita Income:

- **Growth:** The per capita income has witnessed substantial growth, rising from ₹52,671 in 2016-17 to ₹93,514 in 2023-24. The Net State Domestic Product (NSDP) per capita rose from ₹84,125.78 in 2023 to ₹93,514.29 in 2024. Despite this increase, UP's per capita income remains below the national average, indicating ongoing challenges in equitable wealth distribution

5. Infrastructure Development:

- **Roadways:** The state boasts an extensive road network, including national and state highways, enhancing connectivity and trade.
- **Railways:** Major railway junctions facilitate passenger and freight movement, bolstering economic activities.
- **Airports:** International airports in cities like Lucknow and Varanasi connect the state globally, promoting tourism and business.
- **Ambitious Budget Allocation:** The UP government unveiled an expansive budget of ₹8.09 lakh crore for 2025-26, focusing on infrastructure, technological advancements, education, urban development, and social welfare initiatives.

6. Physical Resources:

- **Agricultural Land:** The fertile Indo-Gangetic plains support intensive agriculture, contributing significantly to the state's economy.
- **Minerals:** Resources such as limestone and silica aid industries like cement and glass manufacturing.
- **Water Resources:** Rivers like the Ganges provide water for irrigation, drinking, and industrial purposes.

7. State Budget and Fiscal Management (Fiscal Health: Balancing Growth with Prudence)

- **Revenue and Fiscal Deficit:** The state projects a revenue surplus of 3% of GSDP (₹74,147 crore) for 2024-25, with a fiscal deficit targeted at 3.46% of GSDP (₹86,531 crore).
- **Debt Management:** The state's indebtedness is anticipated to reach ₹8,46,095.83 crore by March 31, 2025, highlighting the need for prudent fiscal management to maintain economic stability.
- **Fiscal Discipline:** The state emphasizes prudent fiscal management, focusing on reducing deficits and managing debt effectively.
- **Expenditure Priorities:** Significant allocations are made towards infrastructure, education, healthcare, and social welfare to promote inclusive growth.

With 9.2% share in India's GDP, UP 2nd largest economy: Report

TIMES NEWS NETWORK

Lucknow: In a sure-footed move to reach Chief Minister Yogi Adityanath's target to attain the \$ 1 Trillion-mark by 2027, Uttar Pradesh has emerged as the second-largest economy of the country, according to a report by prominent online blogging platform soic.in.

The platform, which keeps track of investments and the stock market, has revealed that UP has the second largest share in the country's GDP after Maharashtra. The report, which was shared on X, has revealed UP has a 9.2% share in the country's GDP, behind only Maharashtra (15.7%). So far, UP was in third place.

UP, thus has outpaced Tamil Nadu (9.1%), Gujarat (8.2%), and West Bengal (7.5%). States like Karnataka (6.2%), Rajasthan (5.5%),

SURGING AHEAD

- UP is second largest state in the country in GDP share after Maharashtra, according to online blogging platform soic.in
- Maharashtra leads with a GDP share of 15.7%, UP follows closely with 9.2%
- UP has outpaced states like Tamil Nadu (9.1%), Gujarat (8.2%), & West Bengal (7.5%)



Andhra Pradesh (4.9%), and Madhya Pradesh (4.6 %) are also behind UP, says the report.

"Under the leadership of Chief Minister Yogi Adityanath, Uttar Pradesh has progressed rapidly in every field over the past seven years. Organised crime in the state has now reduced to zero, while the industrial sector is making rapid strides in development. UP has also jumped from the 14th to the second position in the 'Ease of Doing Business' rankings," said a government spokesperson.

"Additionally, due to improvements in law and order, connectivity, and infrastructure, the state has received investment proposals of over Rs 40 lakh crore through GIS 2023, which are likely to be implemented on the ground soon. This will create more than one crore employment opportunities in the state," he added.

➤ Race for devpt, P 4

8. Investment Climate:

- **Ease of Doing Business:** Uttar Pradesh ranks among the top states in ease of doing business, attracting domestic and international investors.
- **Industrial Corridors:** Development of industrial corridors aims to boost manufacturing and employment opportunities.

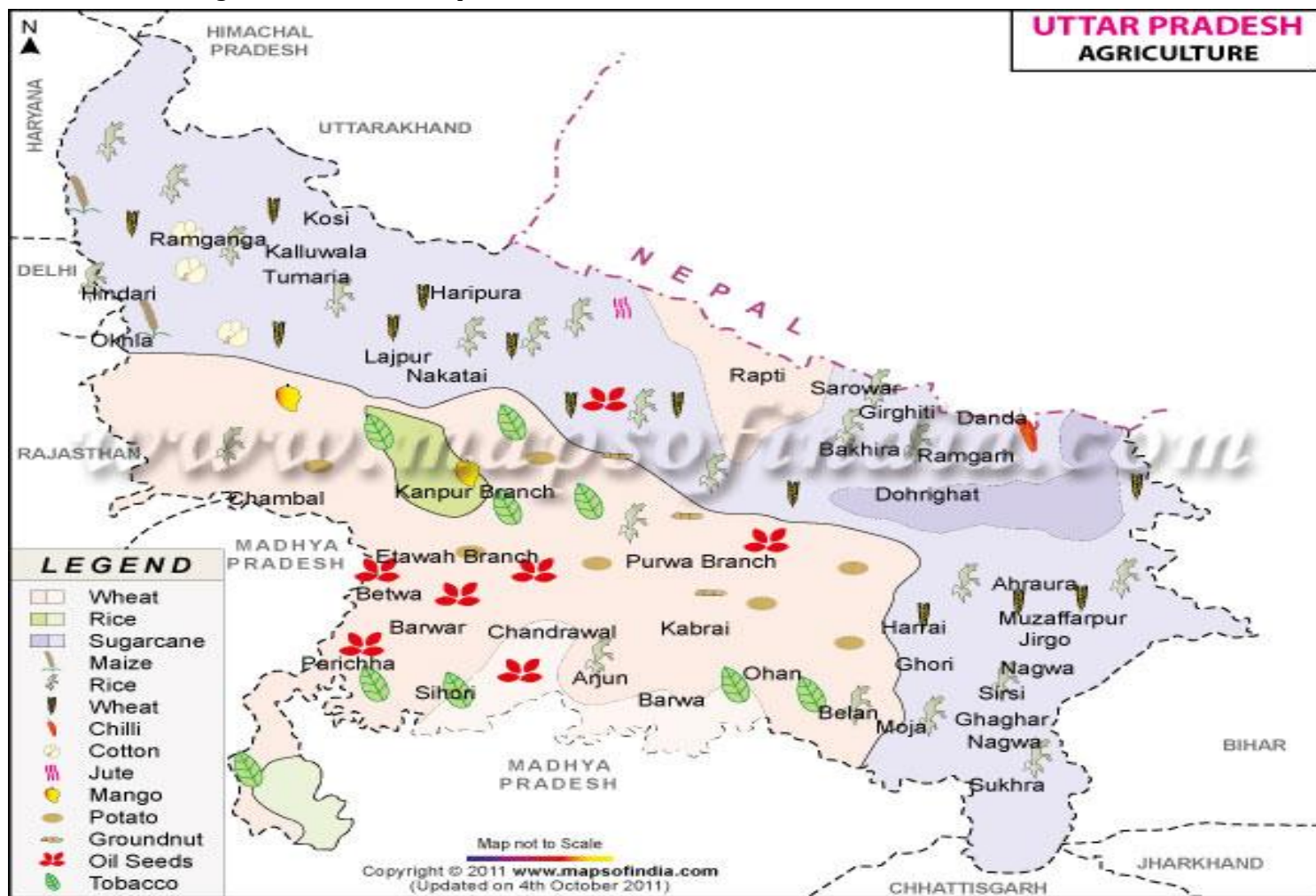
9. Ambition for a Trillion-Dollar Economy

- **Strategic Vision:** The UP government has set an ambitious target to transform the state into a trillion-dollar economy by 2029. Achieving this goal necessitates accelerating the GSDP growth rate to approximately 32.97% per annum, a significant leap from the current projections.
- **PHDCCI's Outlook:** The PHD Chamber of Commerce and Industry (PHDCCI) acknowledges UP's robust trajectory towards this economic milestone, positioning it as a key hub for both domestic and international investors.

UP ECONOMY SECTORAL ANALYSIS:

1- Agriculture: The Backbone of UP's Economy

- **Dominant Sector:** Agriculture remains pivotal, employing a substantial portion of the state's workforce.
- **Record Kharif Production:** The Economic Survey 2024-25 highlighted a record Kharif food grain production estimated at 1,647.05 lakh metric tonnes (LMT), marking a 5.7% increase over the previous year and an 8.2% rise compared to the five-year average. **Challenges in Sugarcane Yield:** Despite overall growth, sugarcane yields have faced setbacks due to adverse weather conditions and diseases like the red rot, leading to a 4.5% decline in production in the 2024-25 season.



2- Industrial Sector: Driving Economic Growth

- **Impressive Growth Rate:** The industrial sector experienced a 6% growth in the first half of FY25, with projections indicating a 6.2% growth for the entire fiscal year.
- **Early Closure of Sugar Mills:** Over three dozen sugar mills in UP and other states ceased operations earlier than usual due to reduced cane supplies, leading to a 10% surge in local sugar prices within a

How Uttar Pradesh Is Powering India

LARGEST CONSUMER MARKET IN INDIA

HIGHEST NUMBER OF MSME UNITS IN THE COUNTRY

SECOND-RANKING STATE IN EoDB

SECOND-LARGEST ECONOMY CONTRIBUTING ABOUT 11% TO NATIONAL GDP

FIFTH-LARGEST EXPORTER OF GOODS AMONG ALL STATES

AMONGST THE TOP-FIVE MANUFACTURING STATES

LARGEST RAILWAY NETWORK

FOCUS ON NEW SECTORS UNDER THE POST-COVID INVESTMENT ENVIRONMENT

SEVERAL INDUSTRIAL PARKS PLANNED ALONG EXPRESSWAYS TO CATALYSE MAKE IN UP

UNIQUE ODOP SCHEME TAKING LOCAL PRODUCTS TO GLOBAL MARKETS

AWARD-WINNING, SINGLE-WINDOW PORTAL FOR INVESTMENT FACILITATION

21 INVESTMENT-FRIENDLY POLICIES

STATE BUDGET AT RS 5.5 LAKH CRORE HAS GROWN AT OVER 10% YEAR-ON-YEAR

INVESTMENTS WORTH RS 57,000 CRORE COMMITTED BY DOMESTIC AND FOREIGN COMPANIES EVEN AMID COVID-19

AMONG TOP-THREE STATES WITH HIGHEST EMPLOYABLE TALENT

START-UPS SEEING EXPONENTIAL RISE WITH OVER 3,400 START-UPS ALREADY REGISTERED

month.

3- Services Sector: The Growth Engine

- **Leading Contributor:** The services sector continues to be a significant contributor to UP's economy, reflecting the state's diversification efforts.
- **Tourism and IT:** Tourism remains a vital component, with cities like Varanasi and Agra attracting millions annually. Additionally, the Information Technology sector, especially in regions like Noida and Lucknow, has seen substantial investments, bolstering employment and economic output.

Conclusion

Uttar Pradesh's economy is on a transformative journey, marked by substantial achievements in agriculture, industry, and services. The state's strategic initiatives, coupled with prudent fiscal policies, aim to foster inclusive growth and elevate its economic stature on both national and global platforms.

Uttar Pradesh Economy: Challenges and Bottlenecks:

Uttar Pradesh (UP), despite robust growth potential and strategic economic policies, faces significant economic challenges hindering its comprehensive development. These issues, if addressed effectively, can significantly enhance the state's trajectory towards becoming a trillion-dollar economy.

Agricultural Distress: The Ground Reality

- **Low Productivity & Yield:** Although agriculture employs about **65% of the population**, productivity remains low due to fragmented landholdings, outdated farming practices, and poor access to technology. UP's average agricultural productivity lags significantly behind Punjab and Haryana.
- **Sugarcane Dependency:** Excessive reliance on sugarcane cultivation, covering nearly **20.52 lakh hectares**, creates market vulnerability. Recent data (2025) showed a **4.5% drop in sugarcane yield** due to red rot disease and climate variations, severely impacting farmers' incomes and mill operations
- **Irrigation & Water Management Crisis:** Despite considerable irrigation coverage (around **68.7%**), disparities in irrigation facilities, groundwater depletion in Western UP, and frequent droughts in Bundelkhand remain critical constraints (NITI Aayog Report).

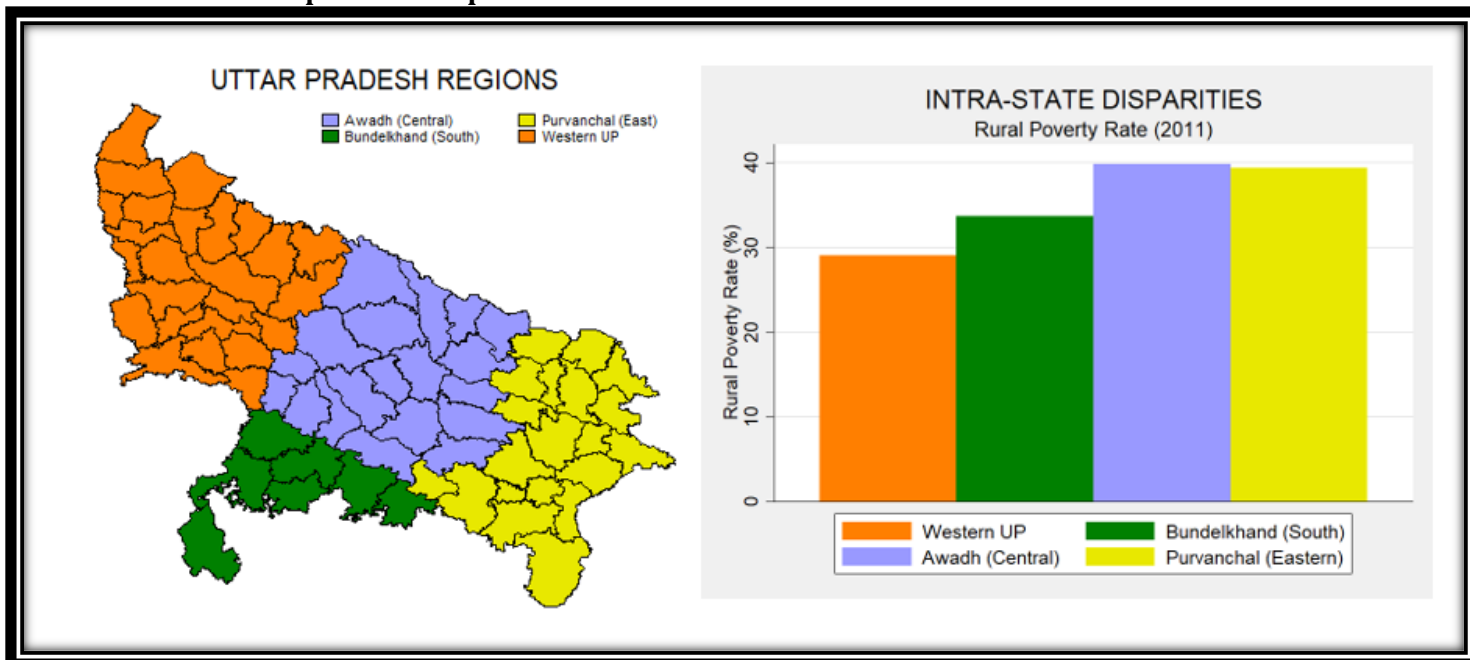
Industrial Sector Challenges: Missing Links

- **Infrastructural Deficiencies:** Industries in cities like Kanpur, Agra, and Moradabad face acute problems related to **poor road connectivity, intermittent electricity**, and inadequate logistics, severely affecting manufacturing growth.
- **MSME Crisis & Credit Access:** Despite UP housing **95 lakh MSMEs**, these enterprises struggle with formal credit accessibility. The MSME sector faces a credit gap of around **₹2.5 lakh crore**, limiting growth potential and employment generation (SIDBI Report).
- **Environmental Concerns & Pollution:** Industrial clusters, particularly Kanpur's leather units and Moradabad's brass industries, face regulatory and global market challenges due to environmental concerns. Pollution control measures remain inadequate, limiting export competitiveness.

Services Sector & Employment Gap: Contrasting Realities

- **Skill Gap & Joblessness:** Despite the services sector accounting for about **46.95% of GSDP**, the state grapples with high unemployment. A CMIE report (2025) estimated UP's unemployment rate at **8.3%**, significantly higher than the national average (CMIE Data).
- **Uneven Growth:** IT and tourism flourish in selective pockets like Noida, Lucknow, Agra, and Varanasi. However, the economic disparity with eastern and Bundelkhand regions continues to widen, triggering internal migration and socio-economic issues.

Infrastructure: Developmental Disparities & Deficits



- **Regional Imbalance:** While expressways like Yamuna, Purvanchal, and Bundelkhand boost connectivity, vast regions of UP lack basic road infrastructure, especially rural and semi-urban areas.

- **Urban Infrastructure Stress:** Cities such as Lucknow, Kanpur, Ghaziabad, and Varanasi face severe urban stress, inadequate sanitation facilities, traffic congestion, and poor waste management despite ongoing initiatives like the Smart City Mission (MoHUA Report).
- **Power Sector Woes:** Despite substantial investment, UP continues facing power sector inefficiencies with high transmission losses of around **18-22%** and intermittent power supply, adversely affecting industries and agriculture (UPERC Data).

Fiscal Challenges: Balancing Growth & Sustainability

- **Debt Management Concerns:** As per UP's Budget 2025-26, the state's total debt is projected at a staggering **₹8,46,095.83 crore**, raising sustainability concerns (Hindustan Times).
- **Fiscal Deficit:** The state targets reducing fiscal deficit below **3% of GSDP**, yet high borrowings for ambitious infrastructure projects continue, creating potential fiscal stress in the future.

Socio-Economic Barriers & Human Development Issues

- **High Poverty & Unemployment:** Despite impressive economic figures, **around 29.43% of UP's population** still lives below the poverty line, substantially higher than the national average.
- **Low Human Capital Investment:** UP struggles with low healthcare spending (only **6% of the recent budget**) and inadequate educational outcomes, reflecting poorly in human capital development indicators such as literacy rates, education quality, and healthcare accessibility.
- **Gender Disparity:** Despite initiatives like Mission Shakti, gender disparity remains significant with lower workforce participation among women (around **9.4%** against the national average of **19.2%**), limiting inclusive economic growth.

Recent Initiatives & Way Forward

- The UP government has initiated measures like **One District One Product (ODOP)**, **New Electronics Manufacturing Policy**, and ongoing **Global Investors Summit** to address these economic imbalances and attract investment.
- Strengthening agricultural marketing systems through schemes like **e-NAM**, boosting credit access for MSMEs via financial reforms, and targeted investment in rural infrastructure remain critical to overcoming these economic bottlenecks.

Conclusion

Uttar Pradesh's economy, while showcasing significant potential, confronts multiple challenges spanning agriculture inefficiencies, infrastructural gaps, regional disparities, and fiscal vulnerabilities. Effective policy interventions, strategic reforms, and targeted socio-economic policies are essential to unlock sustainable and inclusive growth for UP's trillion-dollar economic vision by 2029.

Economic Reforms in Uttar Pradesh: Driving Transformative Growth:

Uttar Pradesh is aggressively leveraging policy-driven economic reforms to catalyze inclusive and sustained development, improve **Ease of Doing Business (EoDB)**, and bolster investor confidence. Recent government initiatives emphasize structural reforms, strategic industrial policies, and enhancing the business climate, significantly boosting UP's attractiveness to domestic and international investors.

Ease of Doing Business (EoDB): Transforming the Investment Climate

Uttar Pradesh has remarkably improved its **Ease of Doing Business ranking**, rising to **2nd position nationally (2022)**. Key measures include:

- **Single Window Clearance System (Nivesh Mitra):** Ranked among India's top single-window portals, reducing compliance burden with 24x7 digital clearance mechanism. More than **380 services** from 32 departments are integrated, significantly reducing procedural delays. (Invest UP)
- **Digitization & Transparency:** Extensive digitalization of property registration, electricity connections, construction permits, and environmental clearances have enhanced transparency and reduced corruption.

- **Investment Promotion:** The successful hosting of the **Uttar Pradesh Global Investors Summit 2023** attracted investment proposals worth nearly **₹35 lakh crore**, affirming investor confidence (UP GIS Report).

MSME Sector Reforms: Empowering Small Enterprises

- **One District One Product (ODOP) Scheme:** A flagship scheme promoting indigenous industries, fostering entrepreneurship, and creating employment. Over **95 lakh MSMEs** benefit, contributing approximately **60%** of industrial output in UP.
- **UP MSME and Export Promotion Policy 2022:** Offers incentives such as capital subsidy (up to 25%), credit facilitation, marketing support, technology upgradation, and export promotion. (MSME UP Policy)
- **Mukhyamantri Yuva Swarozgar Yojana:** Provides financial support to unemployed youth with loans up to **₹25 lakh** for self-employment, stimulating youth-led entrepreneurship.



UP's Ease of Doing Business Act (EoDB): Simplifying Regulations

- **Reform in Regulatory Framework:** Implementation of the **Uttar Pradesh Janhit Guarantee Act, 2020** ensures accountability of government officials for timely delivery of services, significantly reducing bureaucratic hurdles.
- **Reforms in Labour Laws:** Comprehensive simplification of labour compliance, including the reduction of mandatory registers, introduction of self-certification, and digitization of inspections, helping UP improve its EoDB ranking from **14th (2015)** to **2nd (2022)** nationally. (EoDB Rankings 2022)

New Electronics Manufacturing Policy (2020): Boosting Tech Investment

- The **New Electronics Manufacturing Policy, 2020** targets making UP an electronics manufacturing hub with incentives such as **capital subsidy (up to 15%)**, **interest reimbursement**, and **stamp duty exemption**.
- Recent investments from global giants like **Samsung and Oppo** in Noida and Greater Noida have generated substantial employment opportunities, enhancing manufacturing ecosystem and supply chain capabilities.

One District One Product (ODOP): Promoting Local Industries

- The ambitious **One District One Product (ODOP)** initiative has significantly revitalized traditional industries by promoting district-specific products, enhancing their export potential, and generating substantial employment.
- As of 2024, ODOP contributed to a **38% growth in exports**, reaching over **₹1.5 lakh crore** in value (ODOP Official Report).



Uttar Pradesh MSME Export Policy, 2021: Unlocking Export Potential

- UP introduced the **MSME Export Policy, 2021**, providing incentives like marketing assistance, quality certification reimbursement, and export infrastructure development.

- The state aims to double MSME exports to ₹3 lakh crore by 2026, leveraging its traditional strengths in sectors such as leather, textiles, handicrafts, and food processing (UP MSME Export Policy).

Infrastructure & Industrial Corridors: Strengthening Connectivity

- The development of the **Uttar Pradesh Defence Industrial Corridor** connecting Agra, Aligarh, Lucknow, Kanpur, Jhansi, Chitrakoot, and Aligarh has attracted over ₹20,000 crore investments, fostering defence manufacturing and reducing import dependency (Invest India).
- **Expressways (Purvanchal, Bundelkhand, Ganga, Yamuna)** significantly boost connectivity, logistics, and ease of transportation, enhancing industrial and agricultural market linkages.

Investment and Facilitation Cells: Promoting Transparent Governance

- **Invest UP Cell:** Acts as a bridge between investors and the state government, proactively resolving investor queries, providing personalized assistance, and ensuring transparent governance mechanisms.
- **Digitization of Land Records (Bhulekh Portal):** Facilitating hassle-free land acquisition, dispute-free property transfers, and minimizing corruption through transparency and accountability. (Invest UP)

Challenges and Way Forward

Despite significant policy reforms, Uttar Pradesh still grapples with challenges like fragmented agriculture, regional imbalances, inadequate infrastructure, unemployment, and environmental concerns. Effective implementation of policies, enhanced governance, strategic investments, and capacity building are critical for overcoming these hurdles. Continuous improvement in the **Ease of Doing Business**, stronger MSME ecosystem, and targeted infrastructural enhancements will be pivotal to achieving the ambitious goal of a **trillion-dollar economy by 2029**.

Conclusion

Economic reforms in Uttar Pradesh have catalyzed transformative changes across sectors. With a strategic focus on agriculture, MSMEs, infrastructure, EoDB, and investment facilitation, the state is positioning itself as a leading contributor to India's broader economic vision. The sustainability of this momentum hinges upon consistent policy implementation, addressing existing bottlenecks, and fostering inclusive development.

Decoding State Budgets: Structure, Components, and Uttar Pradesh's 2025-26 Allocations:

Understanding the intricacies of state budgets is crucial for comprehending governmental priorities and fiscal health. This overview delves into the meaning, types, components of state budgets—focusing on revenue and capital accounts, various deficits, the budget presentation procedure, associated issues, the role of State Goods and Services Tax (SGST), and special allocations by the Uttar Pradesh (UP) government for children, women, and other sectors as highlighted in the **2025-26 UP Budget**.

Understanding State Budgets

A **state budget** is a comprehensive financial statement presenting the government's proposed revenues and expenditures for a specific fiscal year. It reflects the state's economic policies, priorities, and plans for development.

Types of Budgets

1. **Balanced Budget:** Revenues equal expenditures.
2. **Surplus Budget:** Revenues exceed expenditures.

EYE ON \$1 TRN ECONOMY

(A snapshot of UP Budget 2025-26)

₹8.08 trn Budget size is **9.8%** jump over FY25

■ Fiscal deficit estimated at **2.97%** of gross state domestic product

■ Capex exceeds **20%** of Budget

■ Major infra push with **22%** allocation

■ Education gets over **₹1 trn,**

or **13%** of Budget

■ Agri and allied sectors get **11%**

■ Total receipts exceed **₹7.79 trn**

■ Provision of **₹28,478 cr** for new projects

■ Tax revenue estimated at **₹5.5 trn**

3. **Deficit Budget:** Expenditures surpass revenues.

Components of a State Budget

State budgets are primarily divided into two accounts:

1. Revenue Account

- **Revenue Receipts:** Include the state's own tax revenues (like SGST, excise duty, stamp duty) and non-tax revenues (fees, fines). For instance, UP's budget targets an **excise duty collection of ₹63,000 crore** and **stamp & registration revenue of ₹38,150 crore**.
- **Revenue Expenditure:** Covers operational expenses such as salaries, subsidies, and interest payments. In UP's 2025-26 budget, **22%** is allocated for development and **13%** for education.

2. Capital Account

- **Capital Receipts:** Comprise loans, recoveries of loans, and other capital inflows.
- **Capital Expenditure:** Investments in infrastructure, machinery, and other long-term assets. UP's budget emphasizes infrastructure with allocations for **four new expressways** and the development of an **Artificial Intelligence City**.

Understanding Deficits

Deficits indicate the gap between the government's expenditures and its receipts.

- **Budget Deficit:** Total expenditure surpasses total receipts.
- **Revenue Deficit:** Revenue expenditure exceeds revenue receipts.
- **Fiscal Deficit:** Total expenditure (excluding borrowings) exceeds total receipts (excluding borrowings). It's a key indicator of the state's borrowing requirements.

Budget Presentation and Procedure

The budget process typically involves:

1. **Preparation:** Departments draft their financial needs.
2. **Approval:** The Finance Ministry consolidates and reviews proposals.
3. **Presentation:** The Finance Minister presents the budget in the legislative assembly.
4. **Debate:** Legislators discuss and suggest modifications.
5. **Approval:** The budget is approved, often with amendments.
6. **Implementation:** Funds are allocated as per the approved budget.

Uttar Pradesh Special: Issues in State Budgets (2024-2025)

1. Persistent Low Per Capita Income

One of the critical financial concerns is the **low per capita Gross State Domestic Product (GSDP)**. As per the latest budget (2024-25), Uttar Pradesh has a per capita GSDP of approximately **₹96,193**, significantly lower compared to national averages. Despite annual growth rates averaging about **8% since 2017-18**, per capita income remains substantially behind states like Maharashtra, Gujarat, and Tamil Nadu.

2. Dependence on Agriculture and Related Financial Instability

Approximately **65% of UP's population depends on agriculture**, and about **68.7%** of the land is used for farming. The heavy reliance on agriculture introduces significant financial vulnerabilities due to factors like crop failure, market fluctuations, monsoon variability, and inadequate modern infrastructure for storage and marketing. Limited financial allocations for agricultural innovation, crop insurance, and diversification into horticulture and allied sectors remain constraints in achieving fiscal stability.

2.1. Limited Capital Formation

The rate of **capital formation**—crucial for long-term sustainable economic growth—has seen **slow improvement**. Persistent budget constraints restrict adequate investments in infrastructure projects, modernization of agriculture, industries, and social sectors, negatively affecting overall economic growth.

2.3 Heavy Population Pressure & Demographic Challenges

Uttar Pradesh, with a population exceeding **24 crores (2025)**, faces intense demographic pressure, reflected in increased demand for social services like healthcare, education, sanitation, housing, and employment. The state government budgetary allocations often prove insufficient to cater comprehensively to these escalating demands, resulting in inadequate provision of essential services, thus impacting Human Development Indices adversely.

3. Unemployment and Insufficient Industrial Expansion

Despite a declining unemployment rate—from **55 per thousand** in rural areas (2017-18) to **32 per thousand (2020)**—high unemployment remains a significant economic challenge. This is linked to inadequate industrial development and the slow growth of the secondary and tertiary sectors. Although efforts like the ODOP scheme have created employment, financial allocations towards skill development, capacity building, and entrepreneurship promotion remain insufficient.

4. Inadequate Infrastructure Development and Budget Constraints

Infrastructure inadequacy remains a critical concern despite various developmental initiatives. Even with considerable expansion in expressways, airports, and railways, **budgetary constraints** have caused delays and incomplete projects. Around **350 infrastructure projects** have faced delays primarily due to land acquisition issues and bureaucratic bottlenecks associated with the Land Acquisition Act, 2013.

5. Insufficient Allocation to Social Sector

Uttar Pradesh's budgetary allocation towards education and health, despite recent improvements, is still below the national average.

- **Education Sector:** Enrollment and attendance rates increased to **1.91 crore (2022-23)**, yet UP remains behind other states. Despite substantial investments, challenges like infrastructure gaps, quality of education, dropout rates, and shortage of qualified teachers persist.
- **Health Infrastructure:** UP ranks poorly (21st position among large states, NITI Aayog Health Index 2024), indicating severe underinvestment in public health infrastructure. Although the Maternal Mortality Rate (MMR) decreased from **285 per lakh in 2014 to 167 per lakh (2022)** and Infant Mortality Rate (IMR) from **48 to 38 per thousand**, these indicators remain high, reflecting ongoing budget inadequacies in healthcare.

6. Public Debt and Fiscal Deficit Concerns

As per the recent state budget (2024-2025), UP experiences significant **fiscal deficits**—a gap between total revenue and expenditure (excluding borrowings), requiring substantial borrowing. Continuous borrowing leads to increased fiscal deficit and growing public debt, pressuring future financial stability due to interest payments and debt servicing obligations.

7. Weaknesses in Fiscal Policy Implementation

Uttar Pradesh's fiscal policy aims at resource reallocation, reducing economic inequality, ensuring economic stability, and fostering balanced regional development. Yet, significant issues remain due to:

- Inadequate tax collection mechanisms, low compliance rates.
- Heavy reliance on Central government's share in taxes and grants, limiting fiscal autonomy.
- Revenue generation from State's own taxes (like stamp duty, state excise duty, and VAT) and non-tax sources (like leasing natural resources, user charges) remain below potential, constraining fiscal space.

7. Administrative & Governance Issues

Budgetary implementation is hindered by administrative inefficiencies, including cumbersome bureaucratic procedures, slow fund release, and inadequate transparency in financial administration. Despite initiatives like the **Nivesh Mitra portal** for business facilitation, procedural delays in approvals and fund disbursement impact investor confidence and overall economic dynamism.

8. External Factors: Inflation and Global Economic Volatility

External factors like inflation and global economic volatility pose risks to state finances. Price instability affects agricultural incomes, investment returns, and overall economic predictability, posing challenges for budget forecasting and financial management.

Recent Efforts by UP Government (2024-25):

- The state launched the **Uttar Pradesh MSME Policy-2022**, aiming at employment generation and industrial growth. Under this policy, women entrepreneurs from Bundelkhand and Purvanchal receive **100% stamp duty exemption** on land purchase.
- Strengthening infrastructure with projects like the upcoming **Ganga Expressway, Bundelkhand Expressway, and Defence Industrial Corridor** (Rs. 20,000 crores investment).
- **Solar Energy Policy-2022** targets **22,000 MW** renewable energy production by 2027, highlighting UP’s commitment to green growth.



Current Developments & Recommendations

- Recent efforts towards **Digital UP 2024** promote digital infrastructure development, but continued efforts are needed to improve digital literacy, ensuring rural areas aren't excluded.
- Encouraging PPP models for better efficiency and increased private investment in critical sectors, mitigating fiscal constraints.
- Strengthening decentralized decision-making for efficient budget allocation at the grassroots (e.g., Panchayat-level budget allocations).
- Improvement in fiscal transparency and governance by rigorous implementation of **E-governance and Right to Information Act (RTI)** provisions.

Conclusion: Strategic Fiscal Management as the Way Forward

Resolving budgetary challenges in Uttar Pradesh necessitates strategic fiscal management, administrative reforms, infrastructure prioritization, balanced regional investments, and technological advancement. By addressing these issues, Uttar Pradesh can harness its enormous potential, achieving sustainable economic growth and enhancing socio-economic conditions for its citizens.

Role of SGST

State Goods and Services Tax (SGST) is a vital component of a state's revenue, levied on intra-state supplies of goods and services. It has replaced various state taxes, simplifying the tax structure and increasing compliance. In UP, SGST significantly contributes to the state's own tax revenue, enhancing fiscal autonomy.

Special Allocations in UP's 2025-26 Budget

The UP government has earmarked funds for various sectors:

- **Children and Women:**
 - **Chief Minister Kanya Sumangala Scheme:** ₹700 crore allocated to support girl children.
 - **Destitute Women Pension Scheme:** ₹2,980 crore for financial assistance to eligible beneficiaries.



- **Disabled Maintenance Grant Scheme:** ₹1,424 crore allocated.
- **Chief Minister's Mass Marriage Scheme:** ₹550 crore to provide grants for the marriage of daughters across all categories.
- **Education and Skill Development:**
 - **Smart Classrooms and Laboratories:** Modernization initiatives in schools and polytechnics.
 - **Scholarship Schemes:** ₹900 crore for pre-10th and post-10th scholarships for the general category.
- **Infrastructure and Urban Development:**
 - **Smart Cities:** Plans to transform **58 municipalities into smart cities**.
 - **AI and Cybersecurity:** Development of an **Artificial Intelligence City** and a **Technology Research Park** focused on cybersecurity.
- **Social Welfare:**
 - **Ujjwala Scheme:** Provision of **two free LPG cylinders** per year for beneficiaries.

These allocations underscore UP's commitment to inclusive development, technological advancement, and social welfare.

Conclusion

State budgets are pivotal in shaping a state's economic and social landscape. A clear understanding of their components, deficits, and allocation strategies provides insight into governmental priorities and fiscal health. Uttar Pradesh's 2025-26 budget exemplifies a balanced approach, focusing on infrastructure, education, technological innovation, and social welfare, aiming for holistic development.

Infrastructure In Uttar Pradesh

Energy Infrastructure: UP's Power Backbone

- Uttar Pradesh is the third-largest consumer of electricity in India, with power demand expected to reach over **32,000 MW by 2026-27**.
- State's current installed power generation capacity stands at around **32,234 MW**, primarily from conventional thermal sources (coal-fired plants), hydroelectricity, nuclear, and rapidly growing renewable sources, including solar and biomass (UPPCL Data).
- To bridge energy gaps, UP has significantly boosted infrastructure investment, announcing ₹32,721 crore for power sector enhancements in the **2025-26 state budget**.
- **Uttar Pradesh's Power Sector: Energizing Growth through Conventional & Renewable Sources**
- Uttar Pradesh (UP), being India's most populous state, faces unique challenges and opportunities in the energy sector. Reliable energy supply is essential for sustaining economic growth, industrialization, and improving quality of life. UP has adopted a mixed energy strategy, integrating conventional and non-conventional sources to meet growing demand, reflected clearly in the recent state budget (2025-26).

Conventional Energy: Backbone but with Sustainability Concerns

- **Thermal Power Dominance:** Coal-based plants dominate, contributing around **24,000 MW**. Key thermal plants include Obra, Anpara, Panki, Harduaganj, and Rosa.
- **Transmission & Distribution (T&D) Losses:** UP suffers high T&D losses (**18-22%**), far above the national average (**15%**), creating severe economic inefficiencies.
- **Environmental & Pollution Concerns:** Coal-based thermal plants in UP emit high CO₂ and particulate matter, severely impacting air quality in regions like Singrauli, Sonbhadra, and Kanpur.

Recent Initiatives & Challenges in Conventional Energy Sector

- **Privatization and PPP:** UP adopted private-public partnerships (PPP) and attracted private investments like Tata Power in distribution in urban areas like Lucknow and Kanpur.
- **Financial Strains:** Despite reforms, the state power sector remains burdened by debt, exceeding **₹1 lakh crore**. Subsidies and inefficient cost recovery further strain fiscal health (CAG Report).

Non-Conventional Energy: Driving Sustainability & Growth

Solar Energy: Powering Sustainable Growth

- UP targets achieving **22,000 MW of solar power by 2026**, under the **UP Solar Energy Policy 2022**, aiming at substantial self-reliance in power production.
- The state has successfully commissioned solar parks in Jhansi (Bundelkhand), Mirzapur, and upcoming solar parks in Prayagraj and Jalaun, adding approximately **3,000 MW capacity by 2025** (UPNEDA).
- **Rooftop Solar Schemes:** UP introduced net-metering and rooftop solar projects, significantly scaling up solar installations in urban regions.

Non-Conventional Sources: UP's Strategic Push

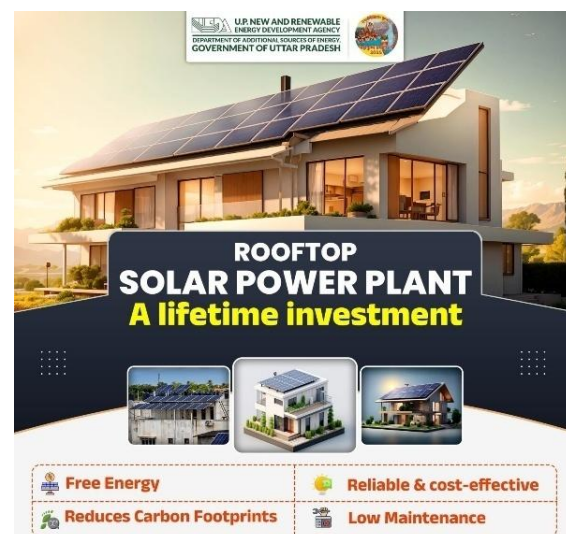
- **Wind Energy:** Limited potential due to geographical constraints; yet small-scale wind projects are encouraged.
- **Biomass and Waste-to-Energy:** UP has immense biomass potential (**approx. 2,800 MW**) from agriculture residues like sugarcane bagasse and rice husks. Prominent projects include biomass plants in Bareilly, Gorakhpur, and Rampur.
- **Biofuel Initiatives:** The state government actively promotes ethanol blending, leveraging sugarcane production. It ranks first nationally in ethanol production capacity, with over **1,346 crore litres produced annually** (Biofuel India Report).

Key Challenges in Energy Sector

- **Dependence on Coal Imports:** UP heavily depends on coal from other states, causing logistical and cost issues.
- **Financial Health of DISCOMs:** Persistent losses, subsidies, power theft, and insufficient tariff revisions severely impact distribution companies like **UPPCL** and **Dakshinanchal Vidyut Vitran Nigam Ltd.**
- **Environmental Concerns:** Coal dependency exacerbates pollution, notably in the Indo-Gangetic Plain, raising ecological and health risks.
- **Low Renewable Integration:** Despite high solar potential, current solar energy contribution is below 10% of the total installed capacity.
- **Policy Implementation Delays:** Ground implementation of ambitious renewable energy policies remains slow, hindered by regulatory bottlenecks, bureaucratic delays, and funding gaps.

UP Government's Recent Budgetary Initiatives (2025-26)

- Allocations of over **₹54,000 crore** dedicated specifically to the power sector.
- Special focus on strengthening renewable energy infrastructure and reducing T&D losses through **smart grid systems**.
- Setting up the **Artificial Intelligence City** to include energy-efficiency research and advanced energy management technologies (Economic Times).



Future Vision & Roadmap

UP's vision includes comprehensive development, energy security, and sustainability through:

- **Reducing T&D losses below 15%** by digitizing power distribution, smart grids, and pre-paid metering systems.
- **Decentralized Renewable Energy (DRE):** Expanding rooftop solar, rural microgrids, and community solar projects.
- **Electric Mobility:** Encouraging electric vehicles (EVs) infrastructure, promoting EV manufacturing units, particularly in industrial hubs like Noida and Lucknow.
- **Green Energy Corridor:** Development of dedicated transmission infrastructure to efficiently evacuate renewable power and connect to national grids.

Strategic Goals & Future Roadmap

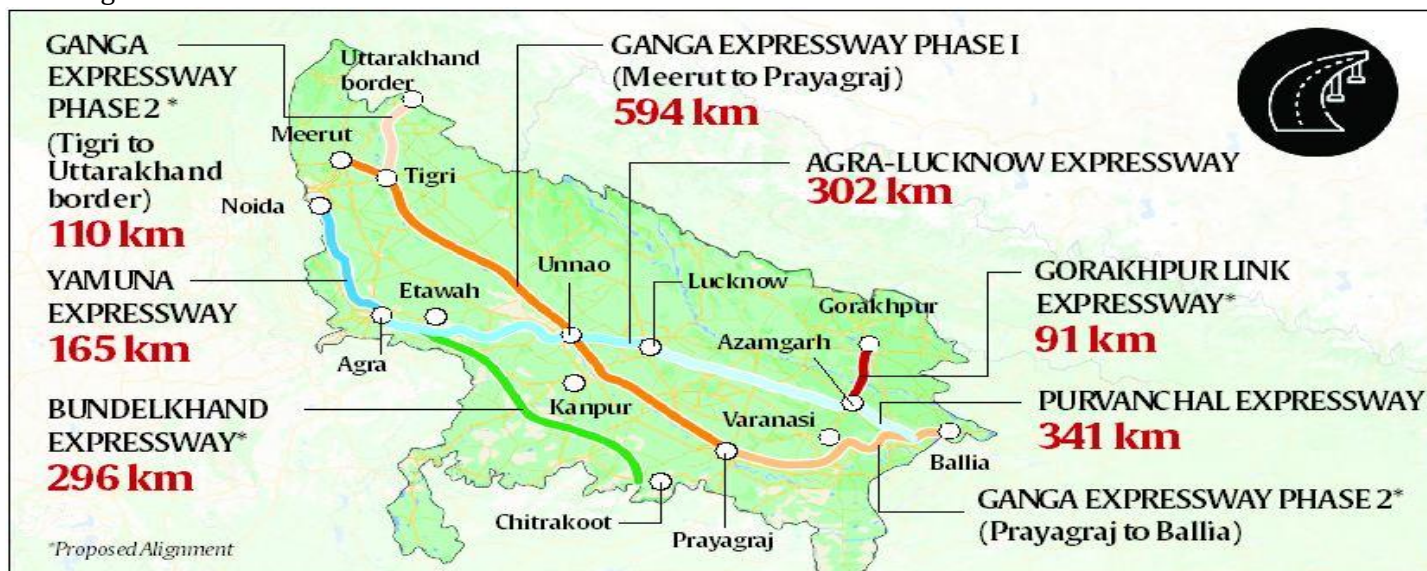
- **2030 Renewable Target:** Increasing renewable energy capacity to **10,700 MW** by 2030, aligning with national clean energy goals.
- **Atmanirbhar Bharat & Energy Security:** Reducing external dependency by strengthening local renewable production and energy-efficient technologies.

Conclusion

Uttar Pradesh's energy sector is at a crucial juncture, balancing conventional energy reliability with renewable energy aspirations. By effectively addressing financial health, infrastructure gaps, policy execution, and leveraging renewable opportunities, UP can secure sustainable energy development, fueling broader economic transformation and achieving energy independence aligned with national goals.

Uttar Pradesh Road Infrastructure: Accelerating Connectivity & Economic Prosperity:

Robust road infrastructure is the cornerstone of economic growth, directly influencing agricultural productivity, industrial expansion, and overall socio-economic development in Uttar Pradesh (UP). Recognizing its pivotal role, the UP government has been aggressively expanding its road infrastructure network, prioritizing expressways, rural connectivity, and public-private partnerships, while addressing longstanding challenges through innovative financing models and reforms.



Strategic Road Infrastructure: Transforming Connectivity

- UP boasts India's most extensive road network, comprising approximately **4.5 lakh kilometers**, including National Highways (NH), State Highways (SH), district roads, and rural roads (UPPWD).

- Prominent expressways like **Yamuna Expressway (165 km)**, **Agra-Lucknow Expressway (302 km)**, **Purvanchal Expressway (341 km)**, **Bundelkhand Expressway (296 km)**, and upcoming **Ganga Expressway (594 km)** significantly boost regional connectivity, enhance logistics efficiency, and attract investments.

Importance of Road Infrastructure in UP's Economy

- Agriculture & Rural Connectivity:** Roads facilitate market access for agricultural products, significantly reducing transportation costs and wastage, thereby boosting farmers' incomes.
- Industrial Growth & Connectivity:** Industrial hubs in Kanpur, Lucknow, Noida, Ghaziabad, and Agra benefit immensely from improved connectivity, enabling efficient movement of raw materials, finished goods, and facilitating industrial investments.
- Tourism Development:** Enhanced road networks bolster tourism in heritage cities like Varanasi, Agra, Prayagraj, Ayodhya, and Mathura, directly increasing revenue and employment.

Challenges & Issues in UP's Road Sector

- Regional Imbalance:** Despite high-quality expressways in western and central UP, eastern UP (Purvanchal) and Bundelkhand suffer inadequate road connectivity and poor maintenance.
- Maintenance & Funding Gaps:** About **60%** of roads, especially rural and district roads, suffer due to inadequate maintenance budgets and fund allocations.
- Land Acquisition & Project Delays:** Land acquisition and regulatory delays remain persistent bottlenecks, significantly slowing down road projects.
- Traffic Congestion & Urban Stress:** Major cities like Lucknow, Kanpur, Ghaziabad, and Varanasi grapple with severe congestion due to rising vehicular traffic without proportionate road expansion.
- High Accident Rate:** UP continues to record one of the highest road accident figures nationally, with over **22,500 fatalities annually**, primarily due to poor road design, lack of signage, and inadequate enforcement of traffic laws (MoRTH Report).

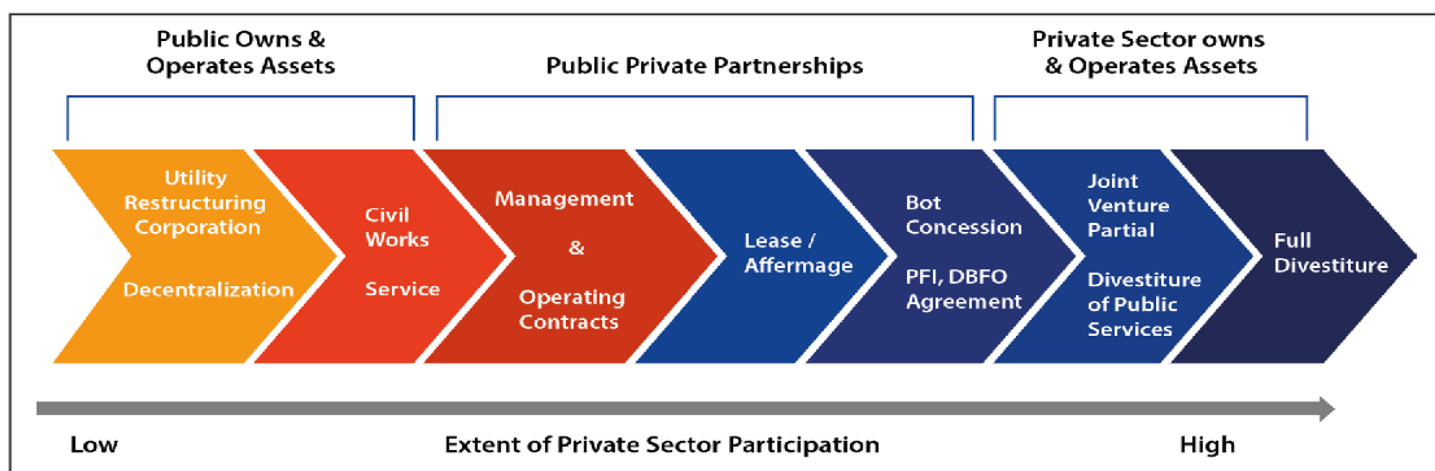
Recent Budgetary Initiatives & Road Infrastructure (UP Budget 2025-26)

- UP allocated approximately **₹54,472 crore** towards road infrastructure, including new expressways like **Ganga Expressway (594 km)** and proposed linking projects (Economic Times).
- Emphasis on developing roads connecting rural areas under **Pradhan Mantri Gram Sadak Yojana (PMGSY)** and **Pradhan Mantri Gram Sadak Yojana-III**, enhancing access to remote regions.

Powering Infrastructure Through Innovative Financing Models

UP has proactively leveraged various financing methods to enhance road infrastructure development:

Public-Private Partnership (PPP) Models:



- **Build-Operate-Transfer (BOT):** Involves private players financing, building, and operating infrastructure, recovering costs through tolls before transferring ownership back to the government. For example, Yamuna Expressway was developed via the BOT model.
- **Engineering, Procurement, Construction (EPC):** State finances the project, while private entities undertake construction and handover upon completion, typically used for expressways like the **Bundelkhand Expressway**.
- **Hybrid Annuity Model (HAM):** Here, government contributes 40% project cost initially, and the remainder paid over time, balancing risk between government and private firms.
- **Toll-Operate-Transfer (TOT):** Involves monetizing existing infrastructure by transferring operational rights to private companies for a fixed concession period. Successful implementation seen in parts of national highways in UP, improving efficiency and revenue generation.
- **Swiss Challenge Method:** An innovative process where a public authority publishes an unsolicited project proposal, inviting counter-proposals from other bidders to ensure transparency and competitiveness. UP adopted this model effectively in urban and infrastructure projects.

Government Initiatives for Road Safety & Maintenance

To tackle the high accident rate, UP initiated:

- **UP Road Safety Fund:** ₹400 crore allocation (Budget 2025-26) dedicated exclusively to enhancing road safety infrastructure, enforcement, and public awareness (Economic Times).
- **Black Spot Removal Program:** Identification and rectification of accident-prone zones; UP government targets to eliminate **300 black spots annually**.
- **Traffic Enforcement Digitization:** Installation of AI-based cameras in cities like Lucknow and Noida to enhance compliance and reduce violations.

Special Budgetary Allocations (2025-26): Inclusive Infrastructure

- **Women & Children-Friendly Initiatives:** ₹700 crore allocated to women empowerment programs under schemes like **Kanya Sumangala Yojana** and the Chief Minister's Child Welfare schemes.
- **Disabled-Friendly Infrastructure:** ₹1,424 crore for disability-friendly infrastructure including roads, footpaths, and public buildings.
- **Smart City Development:** Allocation of ₹1,000 crore towards developing advanced urban infrastructure, significantly enhancing urban mobility and road management.

Swiss Challenge Method: Encouraging Competitive Innovation

- **Transparency & Efficiency:** UP government adopted the Swiss Challenge method, allowing innovative proposals from private players and inviting competitive counter-offers. Successful use cases include urban renewal and IT-city projects in Lucknow and Noida.

Conclusion

Uttar Pradesh's infrastructure development, particularly road infrastructure, is pivotal for unlocking economic potential, reducing regional disparities, and improving quality of life. However, the state must strategically address financial constraints, road safety, infrastructural imbalances, and maintenance challenges. Leveraging innovative financing methods (HAM, TOT, BOT), coupled with strategic budgetary interventions, will substantially transform UP's socio-economic landscape, fostering equitable growth and regional balance while ensuring sustainability and safety.

Aviation Sector in Uttar Pradesh: Catalyst for Economic Growth and Regional Connectivity:

The aviation sector serves as a significant catalyst, fuelling economic growth, enhancing regional connectivity, and boosting tourism. For Uttar Pradesh (UP), aviation plays a crucial role, given its geographical size, diverse cultural heritage, and rising industrial investment. Recognizing its transformative potential, the state government has placed strong emphasis on airport infrastructure development, aligned with ambitious schemes such as the **Regional Connectivity Scheme – UDAN**.

Strategic Importance of Aviation Sector in UP

- **Economic Multiplier Effect:**
Aviation significantly contributes to economic growth, supporting tourism, exports, investment inflows, and job creation. According to the **International Air Transport Association (IATA)**, every 100 aviation jobs support around 610 indirect jobs, amplifying local economies.
- **Enhanced Regional Connectivity:**
Efficient aviation infrastructure helps bridge connectivity gaps, linking remote and economically backward areas to mainstream markets, promoting balanced regional development.
- **Tourism and Cultural Integration:**
Iconic tourist circuits—Agra (Taj Mahal), Varanasi (Spiritual Tourism), Prayagraj (Kumbh Mela), and Ayodhya (Religious Circuit)—benefit immensely from improved air connectivity, boosting international and domestic tourist inflow.

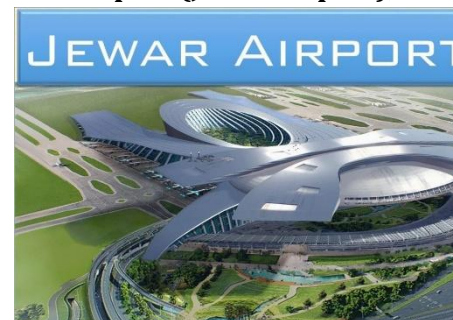
Issues & Bottlenecks in UP's Aviation Sector

- **Limited Operational Airports:**
Despite being the most populous state, UP currently operates fewer international airports compared to its vast geographical size. Major cities like Lucknow, Varanasi, and newly inaugurated Kushinagar International Airport have international operations, yet the potential of tier-2 and tier-3 cities remains untapped.
- **Inadequate Infrastructure & Congestion:**
Airports such as Chaudhary Charan Singh International Airport (Lucknow) face severe congestion, limited runways, terminal capacity constraints, and infrastructural inadequacies impacting service quality and passenger experience.
- **Financial Viability & Sustainability:**
Smaller airports face economic viability challenges due to lower passenger traffic, necessitating continued government subsidies and incentives for operational sustainability.
- **Connectivity & Affordability Gap:**
High ticket prices, limited regional flights, and poor connectivity between smaller towns and major cities restrict aviation sector growth in remote and underserved regions of UP.

Airport Development Models in UP

Uttar Pradesh is actively using diverse **airport development models** to boost aviation:

- **Public-Private Partnership (PPP) Model:**
Successfully used for the development of the upcoming **Noida International Airport (Jewar Airport)**, built by Swiss-based Zurich Airport International AG, demonstrating significant foreign investment and world-class infrastructure.
- **Greenfield Airport Development:**
Jewar Airport, India's largest proposed airport with a projected investment of over **₹29,560 crore**, is expected to handle nearly 70 million passengers annually upon completion by 2025-26 (Noida Airport Authority).
- **Brownfield Model:**
Upgrade of existing airports such as the international airports in Lucknow, Varanasi, and Kushinagar, including modernization of terminals and runway expansions.



Central and State Government Initiatives for Aviation Growth

- **Regional Connectivity Scheme (UDAN - Ude Desh Ka Aam Nagrik):**
Under the Centre's flagship UDAN scheme, new regional airports at Aligarh, Bareilly, Hindon, Azamgarh, and Moradabad have started operations, enhancing connectivity in underserved regions. UP government actively promotes the scheme through viability gap funding (VGF), concessional charges, and land support (Ministry of Civil Aviation).

- **State Aviation Policy 2022:**

Aims to develop aviation infrastructure, establish air cargo hubs, heliports, air taxi services, and encourage private sector participation through attractive fiscal incentives.

UDAN Scheme in Uttar Pradesh: Enhancing Regional Connectivity

- **Objective:**

The **Ude Desh Ka Aam Naagrik (UDAN)** scheme, launched by the central government, aims to make air travel affordable and widespread, especially targeting Tier-II and Tier-III cities.

- **Impact in UP:**

With new regional airports, air connectivity has significantly improved between metropolitan centres like Lucknow and smaller cities, reducing travel time and encouraging economic activities. UP currently operates the highest number of UDAN routes in India, connecting major cities with remote locations such as Gorakhpur, Prayagraj, and Kushinagar (Airports Authority of India).

- **Future Expansion Plans:**

Plans are underway to include additional towns under the UDAN scheme, further enhancing economic linkages and boosting regional tourism and trade.

Recent Initiatives & Special Allocations in UP Budget 2025-26

In the recent UP State Budget (2025-26), the government placed significant emphasis on aviation:

- **Allocation of ₹4,796 crore** towards expansion, upgrade, and establishment of airports, focusing particularly on Jewar International Airport and regional connectivity under UDAN (Economic Times).
- Special emphasis on developing civil aviation infrastructure around religious cities to foster spiritual and cultural tourism.

Innovative Model: Swiss Challenge in Aviation

- Uttar Pradesh has explored the **Swiss Challenge Method** effectively in airport development projects. Under this, the government accepts unsolicited innovative proposals from private developers, openly inviting competitive bids for better proposals. Successful examples include innovative urban and transport infrastructure projects in Lucknow, Noida, and other regions.

Recommendations & Way Forward

- **Comprehensive Infrastructure Upgradation:**
Accelerated investments in runway expansions, terminal modernization, and digitized operations management to accommodate growing passenger volumes.
- **Public-Private Collaboration:**
Encouraging private participation through streamlined PPP agreements, attracting global expertise, and ensuring sustainability and financial viability.
- **Promotion of Regional Connectivity:**
Expanding UDAN routes, aggressively focusing on regional connectivity, and developing aviation hubs in strategic locations such as Gorakhpur, Prayagraj, Agra, and Ayodhya.
- **Enhanced Safety & Regulation:**
Strengthening regulatory oversight, air safety infrastructure, and robust training programs for aviation professionals.
- **Eco-friendly Aviation & Sustainability:**
Encouraging sustainable aviation fuel, solar-powered airport terminals, and environment-friendly airport development practices to align with national sustainability goals.

Conclusion

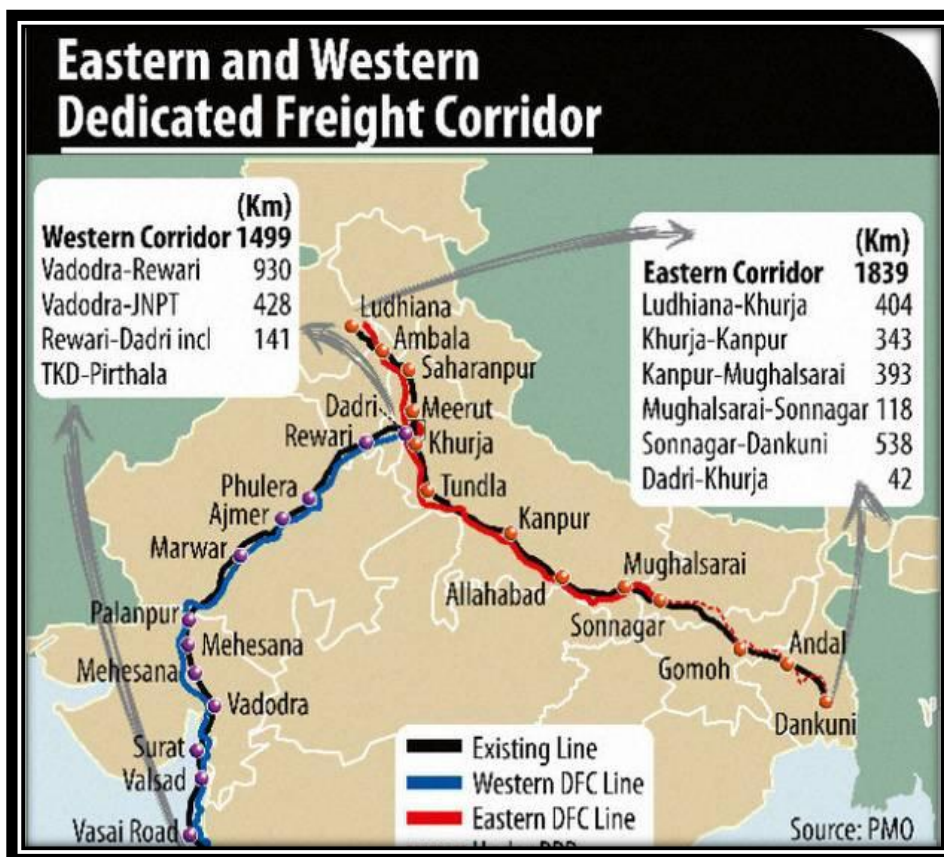
The aviation sector remains indispensable to Uttar Pradesh’s economic prosperity, regional development, and global connectivity. Strategic government initiatives like the UDAN scheme, innovative development models, and proactive public-private partnerships will be critical in overcoming existing challenges. With substantial budgetary allocations, UP is set to soar higher, fostering socio-economic transformation through robust, inclusive, and sustainable aviation infrastructure.

Railways in Uttar Pradesh: Lifeline of Connectivity & Economic Integration:

The extensive rail network in Uttar Pradesh (UP) acts as a crucial lifeline, significantly influencing the state's socio-economic landscape. With strategic location, diverse rail infrastructure, and the highest rail network density in India, UP's railways serve as the backbone of regional and national connectivity.

Strategic Importance of Railways in Uttar Pradesh

- Economic Integration:** Railways significantly contribute to UP’s economic prosperity, facilitating seamless freight transportation of agricultural produce, industrial goods, and raw materials, thus enhancing economic productivity and reducing logistics costs.
- Passenger Movement:** UP railways handle massive passenger volume, with stations like **Lucknow, Kanpur, Varanasi, Prayagraj,** and **Ghaziabad** forming critical junctions. Prayagraj Junction alone manages a footfall of approximately **15 lakh passengers daily during peak religious events** like Kumbh Mela.
- Employment Generation:** Indian Railways is one of UP’s largest employers, directly employing thousands and indirectly generating employment through ancillary industries and services.



Key Issues and Challenges Faced by Railways in UP

- Congestion & Overburdened Infrastructure:** Major routes such as Kanpur-Delhi, Lucknow-Varanasi, and Gorakhpur-Varanasi remain highly congested, causing frequent delays, safety concerns, and increased logistics costs.
- Infrastructure Deficiencies:** Old infrastructure, limited electrification (though improving), and outdated signaling and safety systems remain a serious bottleneck. UP recorded over **2,500 rail accidents** between 2018-2023 (Ministry of Railways Report).
- Safety Concerns:** Despite improved safety measures, railway safety remains a persistent concern, especially at level crossings and overcrowded routes, risking passenger safety and operational efficiency.

Various Issues in Rail Sector

- **Safety & Maintenance:** Frequent derailments, collisions, and safety lapses due to outdated infrastructure. Inadequate track maintenance and congested networks exacerbate these risks.
- **Congestion at Key Junctions:** Junctions like Lucknow, Kanpur Central, Varanasi, and Prayagraj experience severe congestion, causing operational inefficiencies and delays in passenger and freight movement.
- **Poor Passenger Amenities:** Stations, especially smaller ones, lack basic amenities such as sanitation, safe drinking water, waiting rooms, and passenger convenience facilities, affecting travel experience.
- **Limited Regional Connectivity:** Remote regions, especially in Bundelkhand and parts of Purvanchal, lack adequate rail connectivity, hindering balanced regional growth.

Recommendations by Key Committees on Railway Reforms

Several key committees proposed significant reforms for enhancing railway performance, efficiency, safety, and sustainability:

Bibek Debroy Committee (2015)

- Suggested extensive structural reforms, including decentralization, separation of rail track infrastructure from operations, establishment of an independent Railway Regulatory Authority, and privatization of non-core activities.
- Recommended the introduction of private sector participation, modernization, rationalization of railway fares, and strengthening railway financial management.

Anil Kakodkar Committee (2012)

- Emphasized safety upgrades, recommending the complete elimination of level crossings, modernization of signaling systems, fire safety in coaches, and implementation of advanced safety technologies such as Automatic Train Protection (ATP).

Sam Pitroda Committee (2012)

- Advocated for modernization of rail infrastructure, introduction of high-speed rail corridors, ICT integration, and proposed special funding via PPP models, calling for the establishment of dedicated freight corridors to enhance logistics efficiency.

UP's Recent Initiatives in Rail Sector

- **Railway Electrification:** UP has prioritized electrification under Indian Railways' **Mission 100% Electrification by 2024**. Recently, over **85% of routes** within UP have been electrified, significantly reducing fuel dependency and emissions (Indian Railways Data).
- **Dedicated Freight Corridors (DFC):** UP houses significant stretches of the Eastern Dedicated Freight Corridor (EDFC), boosting cargo handling efficiency and significantly reducing logistical costs.
- **High-Speed Rail (Bullet Train Project):** Proposal for Delhi-Varanasi High-Speed Rail corridor, connecting key cities like Lucknow, Prayagraj, and Varanasi, cutting travel time drastically and boosting regional tourism and commerce (DFCCIL).

Railway Privatization & PPP Models in UP

- Government adopted various PPP models for railway station redevelopment, freight terminals, and logistic parks. Stations like Lucknow, Kanpur, Ghaziabad, and Prayagraj are undergoing modernization via PPP routes.
- **Private Train Operations:** Privately operated trains, under the 'Bharat Gaurav' scheme, introduced between prominent tourist circuits, including Lucknow-Delhi, Varanasi-Delhi routes, improving service quality and passenger satisfaction.

Rail Accidents: Issues & Government Initiatives

- **Critical Concerns:** Poor signaling, aging tracks, manual errors, and unmanned crossings contribute to high accident rates. Recent CAG report highlighted safety concerns, especially in heavily congested areas such as Kanpur-Prayagraj corridor (CAG Report).
- **Government Response:** UP government coordinated with the Ministry of Railways, initiating programs like '**Rashtriya Rail Sanraksha Kosh (RRSK)**' and rapid modernization of signaling systems, ensuring safer rail travel.
- **Elimination of Unmanned Level Crossings:** Successfully eliminated nearly **95% of unmanned crossings in UP** to curb accidents (Ministry of Railways).

Recent Railway Budget Initiatives (2025-26): UP Special Allocations

- UP has received significant allocations exceeding **₹17,507 crore** under the national railway budget 2025-26 for upgrading railway infrastructure, safety modernization, station redevelopment, and construction of freight corridors and terminal hubs (Rail Budget Highlights).

Future Roadmap for Railways in UP

- **Capacity Expansion:** Enhance track capacity, establish freight corridors, and develop new railway lines, especially in underserved regions such as Bundelkhand and Purvanchal.
- **Advanced Safety Implementation:** Accelerated rollout of safety technologies like ATP, European Train Control System (ETCS), and sensor-based track monitoring systems.
- **Modern Station Redevelopment:** Utilizing PPP models for world-class facilities, commercial hubs around major stations—Varanasi, Lucknow, Kanpur, and Prayagraj.
- **Green Initiatives:** Promote sustainable railways through electrification, solar energy projects, and adoption of biofuels in diesel locomotives; reducing emissions and ensuring environmental sustainability.

Conclusion

Uttar Pradesh's railway sector is critical for its economic vibrancy and balanced regional growth. Though substantial progress has been made through infrastructure enhancement, electrification, and PPP initiatives, addressing safety, congestion, and modernization remains vital. Effective implementation of committee recommendations, strong safety measures, PPP innovations, and dedicated budgetary allocations will further strengthen railway infrastructure, positioning UP as a crucial growth hub in India's national rail network.

Uttar Pradesh : Importance of Physical Resources

Introduction: A Strategic Foundation for Growth

Physical resources form the backbone of any state's socio-economic development. For Uttar Pradesh, India's most populous state comprising approximately **24 crores population as of 2024**, these resources are not just vital; they are the cornerstone for sustainable economic prosperity, infrastructure advancement, industrial expansion, and employment generation.

Agricultural Significance: Sustaining Livelihood and Food Security

Agriculture remains the primary sector in Uttar Pradesh, employing around **65% of the state's total population**. The state possesses fertile alluvial soils enriched by the perennial rivers Ganga, Yamuna, Ghaghara, and Gomti. These rivers not only facilitate irrigation but also sustain agriculture, making Uttar Pradesh India's largest producer of wheat, rice, pulses, potatoes, and notably, sugarcane—a crucial cash crop fueling the state's economy. Recent efforts have augmented the productivity, with the completion of the **Saryu Canal Project in December 2021**, benefiting approximately 14 lakh hectares across 9 districts, significantly elevating agricultural output and improving livelihoods.

Mineral Wealth: Fueling Industrial Momentum

Uttar Pradesh boasts significant mineral resources such as **limestone, dolomite, glass-sand, marble, bauxite, uranium, and fireclay**. Prominent districts rich in these minerals include Sonbhadra, Mirzapur, and Banda. Limestone, notably abundant in Sonbhadra's Kajarhat, supports the thriving cement industry—comprising 16 major cement factories that contribute significantly to the state's economy and employment.

The discovery of uranium in Lalitpur district further elevates the strategic importance, opening possibilities for energy production and national defense applications.

Energy Resources: Powering Sustainable Development

Energy resources are vital physical assets in UP, significantly improving with both traditional and renewable energy initiatives:

- **Thermal Power:** Major thermal stations such as the **Obra-Rihand complex** and newly developed plants in Sonbhadra (Dopaha) and Etah (Jawaharpur) underscore the state's capacity of **21,417.26 MW** as of 2024.
- **Renewable Energy:** UP has set ambitious renewable energy goals under the **Uttar Pradesh Solar Energy Policy-2022**, targeting **22,000 MW solar energy production by 2027**. The development of a **4,000 MW solar park in Bundelkhand** under the Green Energy Corridor-2 project reinforces this commitment.

Transport and Connectivity: Accelerating Progress

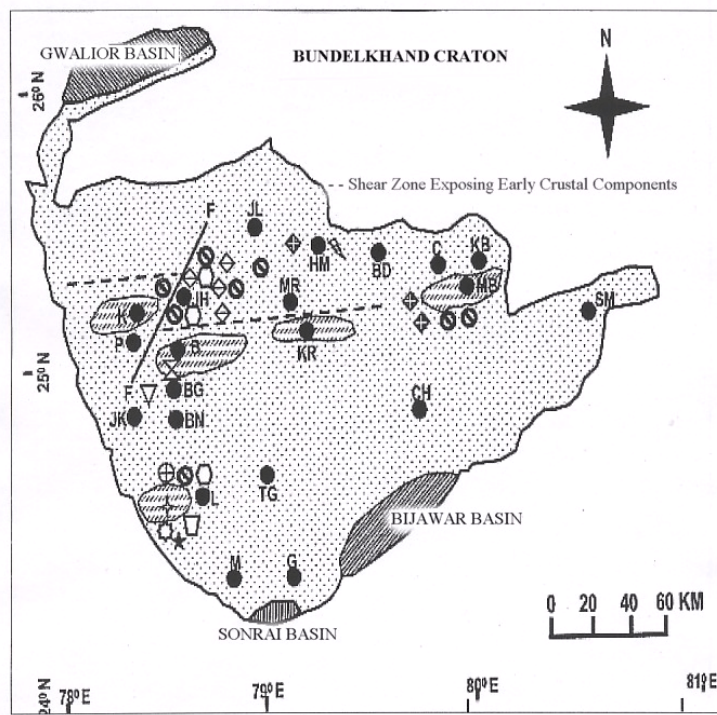
Uttar Pradesh is strategically enhancing its physical infrastructure, particularly transport, with significant expansions in airways, roadways, railways, and waterways:

- **Airports:** The state has significantly upgraded its aviation sector from just **6 airports in 2014 to 10 in 2023**, including Maharishi Valmiki International Airport in Ayodhya, with a projected total of **21 airports by March 2024**. UP will become India's first state to have five international airports, strengthening global connectivity and fostering economic activities.
- **Expressways and Highways:** The state has developed several major expressways, such as the **Yamuna Expressway, Agra-Lucknow Expressway, Purvanchal Expressway**, and upcoming **Ganga Expressway**. As of 2024, UP has about **8.5% of India's national highways**, extensively boosting intra-state and inter-state connectivity.
- **Railways:** With India's largest railway network (approximately **9,077.45 km**, double the national average density), UP plays a crucial role in national logistics. The ongoing **Eastern Dedicated Freight Corridor** project, with 57% traversing through UP, will significantly boost trade and industrial transport efficiency.
- **Waterways:** The Inland Waterways along the Ganga, Yamuna, and Ghaghara Rivers provide eco-friendly and efficient cargo transport, reinforcing the state's logistics infrastructure.

Industrial and Economic Infrastructure: Catalysts of Prosperity

UP's industrial development significantly benefits from its robust physical resources:

- **Manufacturing and MSMEs:** Uttar Pradesh is home to traditional industries such as **textiles, leather goods, glassware, cement, vegetable oils**, and the vibrant **handloom and carpet industries** concentrated in Varanasi, Bhadohi, Mirzapur, and Kanpur. The state government's **One District One Product (ODOP)** scheme (since 2018) promotes specialized local industries, enhancing product quality and employment, thereby reducing migration.
- **Industrial Corridors and SEZs:** The establishment of the **Uttar Pradesh Defence Industrial Corridor** with an investment of Rs. 20,000 crore is poised to significantly develop the defence manufacturing base in economically backward regions. Integrated Industrial Growth Centres and the development of SEZs further boost industrial growth.



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	Gypsum		Lead Ore
	Granite Mining Centres		Moram
	Pyrophyllite and Diaspore		Gnesis
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	Stone Crusher Plant		Copper Ore
	Rhyolite		Iron Ore
	Uranium Ore		Granite Masiff

Challenges and Government Measures

Despite rich resources, Uttar Pradesh faces challenges like inefficient utilization, regional imbalances, inadequate technology, and infrastructural gaps. As of 2025, per capita electricity consumption remains low at around **650 units**, substantially below the national average (1181 units). Infrastructure projects often face delays due to bureaucratic processes and budget constraints.

The government has proactively initiated several measures:

- **Land Pooling Policy (2019)**: Accelerating land acquisition, now requiring only **60% consent from landowners**.
- **Public-Private Partnership (PPP)**: To overcome budget constraints, projects like the Defence Industrial Corridor with a ₹20,000 crore investment are being pursued.
- **MSME Policy 2022** offers incentives, credit support, and exemption from inspections for **1000 days**.
- The establishment of **Uttar Pradesh Expressways Industrial Development Authority (UPEIDA)** significantly accelerates infrastructure growth.

Current Affairs Linkage : Strengthening the Future

Recent developments have positioned Uttar Pradesh as a pivotal investment hub. In the recent **UP Global Investors Summit 2024**, MOUs worth ₹35 lakh crore were signed, underscoring investor confidence in leveraging state's rich physical resources. The state government also secured significant funding from the World Bank and the central government for infrastructural and industrial projects, emphasizing UP's emergence as an attractive investment destination.

Conclusion: Resources as Catalysts for Prosperity

Physical resources in Uttar Pradesh—land, water, minerals, and energy—are critical for sustainable economic development, poverty alleviation, employment generation, industrial expansion, and improved standards of living. Ongoing government initiatives and policy interventions aim to effectively harness these resources, unlocking their true potential and ensuring sustained growth, thereby positioning Uttar Pradesh as an economic powerhouse within India. Effective utilization and continuous investment in infrastructure, coupled with modern technology and management practices, are key to realizing this vision and ensuring balanced regional development and socio-economic prosperity in Uttar Pradesh.

Keywords for Answer Writing

GSDP Surge – State income growth, **Per Capita Paradox** – Growth without equity, **Agro-Backbone** – Rural economy support, **Kharif Boom** – Foodgrain record rise, **Sugarcane Syndrome** – Crop vulnerability risk, **MSME Engine** – Small-scale growth driver, **ODOP Revolution** – District-level industrial boost, **EoDB Transformation** – Business climate reform, **Digital Governance** – Tech-enabled transparency, **Export Quantum Leap** – Trade value escalation, **Trillion-Dollar Vision** – UP's economic ambition, **Fiscal Balancing Act** – Managing debt-deficit tradeoff, **Service Sector Dynamo** – Tourism and IT growth, **Bundelkhand Push** – Backward region focus, **Inclusive Infrastructure** – Growth with reach

LETS LEARN THROUGH A PYQ - QUESTION: ANSWER WRITING

What are the key features of the Uttar Pradesh Defence Industrial Corridor (UPDIC)? (2023)

Step 1: Introduction (2-3 lines)

Begin with a brief introduction:

"The Uttar Pradesh Defence Industrial Corridor (UPDIC) is an ambitious project launched in 2018 to promote domestic defence manufacturing and strengthen India's self-reliance in defence production. It is part of the Make in India and Aatmanirbhar Bharat initiatives."

Step 2: Main Body – Key Features

Highlight the key features in a structured manner:

1. **Strategic Location:** The corridor covers six key nodes – Aligarh, Agra, Jhansi, Chitrakoot, Kanpur, and Lucknow.
 2. **Boost to Defence Manufacturing:** Aims to make India a global hub for defence production.
 3. **Investment & Incentives:** Offers subsidized land, tax exemptions, and financial benefits, attracting private and foreign investment.
 4. **Employment Generation:** Expected to create over 5 lakh direct and indirect jobs.
 5. **Infrastructure Development:** Establishing MSME units, R&D centers, and testing facilities for defence production.
 6. **Strategic Importance:** Strengthens domestic defence supply chain and reduces reliance on imports.
-

Step 3: Conclusion (2-3 lines)

Summarize the significance:

"The UPDIC is a crucial initiative for India's defence self-sufficiency, economic growth, and strategic strength. It will enhance the nation's capability to produce advanced defence equipment and boost employment."

Tips for Writing a Strong UPPCS Mains Answer:

- ✓ **Use Keywords:** Mention *Make in India, Aatmanirbhar Bharat, investment incentives, MSMEs, and strategic importance.*
- ✓ **Clarity & Conciseness:** Stick to the word limit (150-200 words) and avoid unnecessary details.
- ✓ **Structured Format:** Use introduction, bullet points, and a conclusion for better readability.
- ✓ **Analytical Approach:** Instead of just listing facts, discuss their impact on *economic growth, employment, and India's defence capabilities.*

TOPIC-2.Trade and Commerce of Uttar Pradesh

TRADE AND COMMERCE OF UTTAR PRADESH



"Trade and commerce are the twin engines that can transform India into a global powerhouse."

-Narendra Modi (Hon'ble PM of India)

Introduction

Trade and commerce are crucial drivers of Uttar Pradesh's (UP) economy, contributing significantly to **employment generation, industrial development, and export growth**. Trade refers to the **exchange of goods and services**, while commerce encompasses **banking, transport, warehousing, and financial systems that support trade activities**. With UP contributing around 8% to India's GDP, and a projected **Gross State Domestic Product (GSDP) of ₹27.51 lakh crore by 2025-26**, the state is emerging as a major **trade and industrial hub**. UP's **strategic location and pro-business policies**, such as **One District One Product (ODOP), Ease of Doing Business (EoDB), and infrastructure expansion**, are helping boost trade both within and beyond India.

Meaning of Trade and Commerce in Uttar Pradesh

- **Internal Trade:** Trade conducted within UP, such as **agriculture produce, textiles, and handicrafts** sold in **Lucknow, Kanpur, Varanasi, Agra, and Meerut**.
- **Interstate Trade:** UP supplies **sugar, dairy, textiles, brassware, carpets, and sports goods** to other states, facilitated by **expressways and freight corridors**.
- **International Trade:** UP exports **Bhadohi carpets, Moradabad brassware, Kanpur leather goods, Varanasi silk, and Kannauj perfumes** globally, with exports reaching **\$21 billion in FY 2022-23**.

Key Issues in Trade and Commerce in Uttar Pradesh

1. Infrastructure Bottlenecks

- **Limited Road and Rail Connectivity in Remote Areas:** While UP has a **world-class expressway network**, interior rural regions still **lack proper roads and logistics facilities**.
 - **Example:** **Bundelkhand and Eastern UP** face slow industrial growth due to poor connectivity compared to Western UP (Noida-Ghaziabad).
- **Inadequate Warehousing and Cold Storage:**
 - **Example:** Farmers in **Lakhimpur Kheri and Bareilly (dairy producers)** struggle with post-harvest losses due to **lack of proper cold chain infrastructure**.
- **Absence of a Sea Port:**
 - **Example:** Exports from UP rely on ports in **Mumbai and Kolkata**, increasing transportation costs for industries in **Kanpur, Varanasi, and Moradabad**.

2. Regulatory and Bureaucratic Challenges

- **Lengthy Licensing and Documentation Process:**
 - **Example:** MSMEs in **Lucknow and Kanpur leather industries** face delays in obtaining environmental and export licenses.
- **Tax Compliance Challenges:**
 - **Example:** Despite **GST implementation**, **small traders in Agra's footwear industry** report difficulties in filing **GST returns and claiming input tax credit**.

3. Skill and Workforce Deficiencies

- **Shortage of Skilled Workers for High-Tech Industries:**
 - **Example:** **IT and Electronics companies in Noida and Greater Noida**, such as **Samsung and Lava**, face a shortage of AI and cybersecurity professionals.
- **Unorganized Retail and Small Traders Lack Digital Skills:**
 - **Example:** Handicraft exporters from **Varanasi and Moradabad** struggle with **e-commerce adaptation**, limiting their global market reach.

4. Financial and Digital Trade Barriers

- **Limited Access to Credit for MSMEs and Traders:**
 - **Example:** Many small traders in **Meerut's sports goods industry** struggle to obtain **low-interest business loans**, affecting production capacity.
- **Slow Digital Transformation in Traditional Trade Sectors:**
 - **Example:** **Brass exporters in Moradabad** find it difficult to shift from traditional markets to **e-commerce platforms** due to lack of digital training.

5. Agricultural Trade Challenges

- **Fluctuating Crop Prices and Lack of Direct Market Access:**
 - **Example:** Farmers in **Fatehpur and Sitapur (wheat-producing regions)** depend on middlemen due to the **absence of direct farm-to-market supply chains**.
- **Inadequate Storage and Transportation for Perishable Goods:**
 - **Example:** **Mango farmers in Malihabad** suffer losses due to **poor cold storage and packaging facilities**, limiting mango exports.

6. Environmental and Sustainability Concerns

- **Industrial Pollution Affecting Business Growth:**
 - **Example:** **Kanpur's tannery industry** faces restrictions due to **pollution control norms**, impacting exports.
- **Traffic Congestion and Market Inefficiencies in Urban Centers:**
 - **Example:** **Chowk market in Lucknow** and **Sadar Bazar in Agra** experience severe congestion, **slowing trade and logistics operations**.

7. International Trade and Export Challenges

- **Limited Global Market Reach for Many Products:**
 - **Example:** While **Bhadohi carpets dominate exports**, other UP products like **woodwork from Saharanpur** still struggle to find global buyers.
- **Trade Barriers and Compliance Issues:**
 - **Example:** **Handicraft exporters in Lucknow** face difficulty meeting **EU quality certification standards**, affecting sales in **European markets**.

8. Dependence on Traditional Sectors

- **Slow Growth in High-Tech and Advanced Trade Sectors:**
 - **Example:** **Electronics and semiconductor industries in Noida** need more investment and policy support to compete with global markets.
- **Traditional Methods in Small-Scale Industries Limit Growth:**
 - **Example:** **Banarasi saree weavers** in Varanasi still use **manual processes**, making it difficult to scale production for large orders.

Recent Government Efforts to Improve Trade and Commerce in UP

- **Ease of Doing Business (EoDB) Reforms:** **Nivesh Mitra Portal** provides **362+ online services** for trade-related approvals.
- **Infrastructure Investments:** The **Ganga Expressway (₹36,000 crore)** and **Jewar International Airport (₹34,000 crore)** aim to boost **industrial exports and trade connectivity**.
- **UP Export Promotion Policy 2022:** Focuses on **reducing trade barriers, increasing global outreach, and diversifying export products**.
- **MSME and ODOP Support:** Provides **subsidized loans, digital training, and market linkage assistance** under **ODOP and Startup Policies**.

Suggestions for Trade and Commerce Growth

1. Infrastructure Expansion and Regional Trade Hubs

- **NITI Aayog Report (2019)** recommends setting up **logistics parks in Varanasi, Kanpur, and Agra** to support trade growth.
- **Ashok Dalwai Committee (2016)** on agriculture suggests **expanding food processing zones** to increase UP's agro-exports.

2. MSME Support and Digitalization

- **U.K. Sinha Committee (2019)** on MSMEs advises:
 - **Easier loan approvals and tax rebates** for small businesses.
 - **Online business training programs** for traders and manufacturers.

3. Employment and Skill Development for Trade

- **Sharda Prasad Committee (2016)** on Skill Development suggests:
 - **Expanding e-commerce training** for small exporters in Moradabad and Bhadohi.
 - **Digital payment adoption programs** for rural traders in UP's retail markets.

4. Environmental and Sustainable Trade Growth

- **Kasturirangan Committee (2013)** on Environment recommends:
 - **Stricter pollution controls for Kanpur's tannery industry** while ensuring trade sustainability.

Encouraging green logistics and energy-efficient transportation for trade routes.

Conclusion

Uttar Pradesh holds **immense trade potential** due to its **agricultural strength, industrial diversity, and export-oriented policies**. However, **infrastructural gaps, bureaucratic challenges, skill shortages, and digital trade limitations** need urgent attention. **Balanced regional trade development, increased export diversification, financial inclusion for small traders, and enhanced logistics support** are essential to position UP as **India's top trade hub** and achieve its **\$1 trillion economy target by 2030**.

Need for Industrial Policy, New Industrial Policy 1991: Achievements, Failures and Suggestions (Uttar Pradesh Context)

Introduction

Industrial policy represents strategic governmental measures designed to regulate and stimulate industrial growth, achieve economic objectives, ensure regional equity, generate employment, promote technological advancements, and enhance global competitiveness. Effective industrial policy becomes crucial for states like **Uttar Pradesh (UP)**, India's most populous state, which faces unique challenges including regional disparity, infrastructural deficiencies, employment shortfalls, and uneven resource allocation.

Need for Industrial Policy

- **Addressing Regional Disparities:**
Industrial activities often cluster in economically advanced areas, exacerbating disparities. In UP, industrial growth historically favoured **western regions** (Noida, Ghaziabad, Meerut), while **Eastern UP** and **Bundelkhand** remain industrially backward.
- **Employment Generation:**
Robust industrial policies foster labour-intensive sectors crucial for job creation. Despite hosting **95 lakh MSMEs**, Uttar Pradesh still records more than **32 lakh unemployed youths** (State Employment Exchange, 2023).
- **Technological Innovation:**
Policies encourage modern technologies, increasing productivity and global competitiveness, critical for UP's MSMEs and large industries.

- **Infrastructural Development:**
Industrial policy guides infrastructure enhancement, vital for growth. Recent UP projects like **Purvanchal Expressway, Ganga Expressway, and Jewar International Airport** underscore policy-driven infrastructure development.
- **Environmental Sustainability:**
Sustainable industrial policies are essential to address pollution challenges. Industrial areas like **Kanpur, Ghaziabad, and Noida** witness severe pollution issues, necessitating stringent regulatory policies.

New Industrial Policy of 1991: Objectives and Features

The Indian Government introduced the **New Industrial Policy (1991)** following recommendations by committees such as the **Narasimham Committee (1991), Rangarajan Committee, and Abid Hussain Committee**. Key objectives included liberalisation, privatisation, and globalisation.

Major Features:

- Abolition of industrial licensing (License Raj) except in strategic sectors.
- Allowance for automatic approval of **Foreign Direct Investment (FDI)** up to **51%**, later increased substantially.
- Dismantling **Monopolies and Restrictive Trade Practices (MRTP) Act** to encourage fair competition.
- Simplification of trade procedures and liberalisation of import-export policies.
- Privatisation and disinvestment in **Public Sector Undertakings (PSUs)**.

Achievements of New Industrial Policy 1991

- **Significant Increase in FDI:**
India's cumulative FDI rose from ₹2,632 crore in 1991 to approximately ₹7 lakh crore by 2023. Uttar Pradesh alone secured investment pledges worth **₹36 lakh crore** during the **Global Investors Summit (2024)**.
- **Boosted Private Sector:**
Rapid growth in sectors like telecom, automobiles, pharmaceuticals, IT, and consumer goods. Cities like **Noida, Greater Noida, and Lucknow** attracted major companies like **Samsung, HCL, Oppo, and Tata Motors**.
- **Enhanced Export Competitiveness:**
Merchandise exports surged from around **\$18 billion (1990-91)** to over **\$447 billion (2022-23)**. Uttar Pradesh's **One District One Product (ODOP)** scheme significantly elevated the global presence of district-specific products (Moradabad brassware, Bhadohi carpets, Varanasi silk sarees, Kannauj perfumes), reaching exports of about **\$21 billion (FY 2022-23)**.
- **Technological Advancement:**
Technology transfers accelerated industrial productivity. Uttar Pradesh's recent launch of the **Artificial Intelligence City in Lucknow** exemplifies policy-driven technological progress.
- **Infrastructure Development:**
Substantial investments improved regional connectivity and logistics, demonstrated by **Purvanchal Expressway, Bundelkhand Expressway, and international airports (Jewar and Ayodhya)**.

Failures and Limitations of New Industrial Policy 1991

- **Regional Imbalances:**
Economic liberalisation disproportionately benefited urban-industrial centres, intensifying rural-urban

New Industrial Policy of 1991	
Main features	
<ul style="list-style-type: none"> • Contraction of Public sector • Delicensing • Abolition • Foreign capital • Technical experts • Facilities to labourers 	<ul style="list-style-type: none"> • Setting up foreign promotion board • Location of industries • Encouragement to industries • Freedom from monopolies act • Facilities of import

divides. While Western UP thrived, regions such as **Bundelkhand** and **Eastern UP** remained significantly underdeveloped due to lack of focused policies.

- **Inadequate Employment Creation:**

Policy preference for capital-intensive industries limited job creation. Despite industrial growth, unemployment remains high, as evident by the registration of **32 lakh unemployed youths** in UP's employment exchanges (2023).

- **Environmental Degradation:**

Rapid industrial expansion without stringent environmental regulation led to severe pollution, affecting industrial cities like **Kanpur, Noida, and Ghaziabad**.

- **MSME Constraints:**

Persistent challenges such as limited credit access, technological obsolescence, complicated regulations, and insufficient market linkages continue despite policies aimed at MSME upliftment.

- **Weak Integration with Agriculture:**

Limited agro-processing infrastructure impeded agricultural integration with industry, restricting value addition and rural income growth. Recommendations by committees like **Ashok Dalwai Committee on Doubling Farmers' Income** highlight the need for stronger agro-industrial linkages.

Recent Initiatives by the Uttar Pradesh Government

Recognising these gaps, the UP government introduced strategic policies and initiatives:

- **Uttar Pradesh Industrial Investment & Employment Promotion Policy (2022):**

Targeted to transform UP into a **\$1 trillion economy by 2030** through industrial clusters, investment incentives, and employment-centric growth.

- **One District One Product (ODOP) Scheme:**

Provides marketing support, financial assistance, and skill training for district-specific industries, significantly boosting exports and employment.

- **Ease of Doing Business Initiatives:**

Enhanced single-window clearances via the **Nivesh Mitra Portal**, improving UP's business ranking and attracting investments.

- **Massive Infrastructure Projects:**

Initiatives like **Ganga Expressway, Purvanchal Expressway, Bundelkhand Expressway**, and airports at **Jewar and Ayodhya**, crucial for industrial connectivity.

COMMITTEE RECOMMENDATIONS-

Employment-Oriented Industrialisation:

- According to the **National Manufacturing Policy (2011)**, promoting labour-intensive sectors such as textiles, leather, handicrafts, and agro-processing can enhance employment. Vocational and skill-training programmes like those recommended by the **Sharda Prasad Committee (2016)** on skill development should be prioritised.

Robust MSME Support:

- The **U.K. Sinha Committee (2019)** on MSMEs suggests enhancing credit access through innovative financing solutions, simplifying regulatory compliance, and establishing dedicated technology upgradation funds to bolster MSME growth.

Environmental Sustainability:

- Recommendations from the **Kasturirangan Committee Report (2013)** on environmental governance stress stringent environmental regulations, mandatory adoption of cleaner technologies, and regular environmental audits to ensure sustainable industrialisation.

Agriculture-Industry Integration:

- The **Ashok Dalwai Committee (2016)** advocates robust agro-processing infrastructure, enhanced farm-to-market linkages, and increased investments in food processing industries, crucial for rural

economic prosperity and farmer income growth.

Conclusion

The **New Industrial Policy (1991)** dramatically reshaped India's economic landscape, achieving significant successes in foreign investments, private-sector participation, technological advancement, and export growth. However, critical limitations such as regional disparities, employment inadequacies, environmental degradation, MSME sector constraints, and weak agriculture-industry integration require urgent attention. For Uttar Pradesh to reach its ambitious economic goals, future industrial policies must integrate these committee-backed suggestions, prioritise inclusive growth, balanced regional development, labour-intensive industrialisation, robust MSME support, environmental sustainability, and effective agriculture-industry linkages, ensuring comprehensive socio-economic prosperity.

Types of Industries in Uttar Pradesh (UP)

Introduction

Uttar Pradesh (UP), India's most populous state, is one of the leading industrial hubs of the country. It contributes **about 8% of India's total GDP** and has a highly diversified industrial base ranging from **agriculture-based industries, manufacturing, heavy industries, textiles, and emerging IT & electronics sectors**. With strategic location advantages, abundant raw materials, a skilled workforce, and supportive government policies, the state is a major contributor to India's **industrial output and exports**.

Major Types of Industries in Uttar Pradesh

1. Agriculture-Based Industries

Agriculture is the backbone of UP's economy, contributing around **25% to the state's Gross State Value Added (GSVA)**. The state is the largest producer of **wheat, sugarcane, potatoes, pulses, and milk**, making agro-processing industries crucial.

- **Sugar Industry:**
 - UP is the largest sugarcane producer in India, with more than **120 sugar mills** operating in the state.
 - The **Escrow Account Mechanism** introduced in 2017 has ensured timely payments of ₹2.73 lakh crore to **46 lakh sugarcane farmers**.
 - Key sugar-producing districts: **Saharanpur, Meerut, Bijnor, Muzaffarnagar, Lakhimpur Kheri**.
- **Dairy Industry:**
 - UP ranks first in India's milk production (over **329 lakh metric tonnes in 2022-23**).
 - Major dairy cooperatives like **Parag Dairy** and private players like **Amul** and **Mother Dairy** have set up processing units.
- **Food Processing Industry:**

Pashchimanchal	
Zone	No. of Industrial Areas
Agra	15
Aligarh	7
Moradabad	5
Meerut	29
Saharanpur	2
Bareilly	7
Total	65

Bundelkhand	
Zone	No. of Industrial Areas
Chitrakoot	3
Jhansi	6
Total	9



Madhyanchal	
Zone	No. of Industrial Areas
Kanpur	18
Lucknow	27
Total	45

Purvanchal	
Zone	No. of Industrial Areas
Ayodhya	18
Gorakhpur	2
Prayagraj	4
Mirzapur	1
Devipatan	0
Varanasi	4
Basti	4
Azamgarh	2
Total	35



- Agro-processing clusters in **Lucknow, Kanpur, Varanasi, and Gorakhpur**.
- The **UP Food Processing Policy 2017** aims to establish food parks and cold storage facilities to support perishable goods.

2. Handloom and Handicraft Industry

UP is known for its **rich handicraft and textile heritage**, providing employment to over **25 lakh artisans**.

- **Chikankari and Zari-Zardozi (Lucknow, Bareilly, Varanasi)**
- **Brassware (Moradabad – “Peetal Nagri” contributes 40% of India’s brassware exports)**
- **Carpet Industry (Bhadohi - India's largest handmade carpet industry with 75% of total exports)**
- **Leather Goods (Kanpur, Agra – India’s largest leather cluster, accounting for 30% of exports)**

3. Heavy Industries and Manufacturing

Heavy industries form the backbone of industrialization in UP, with strong government support and industrial corridors.

- **Automobile and Engineering Goods:**
 - **Noida, Greater Noida, Lucknow, and Kanpur** are major hubs for automotive component manufacturing.
 - Companies like **Tata Motors, Honda, Yamaha, and Mahindra** have set up operations in UP.
- **Cement Industry:**
 - UP has **large limestone reserves**, supporting **major cement plants** in **Sonbhadra, Mirzapur, and Chandauli**.
 - **Major companies:** Ultratech, ACC, Jaypee Cement.
- **Steel and Metal Industry:**
 - Foundries and steel plants operate in **Ghaziabad, Kanpur, and Raebareli**.

4. Textile and Apparel Industry

- **UP ranks among India’s top textile producers** with key hubs in **Kanpur, Lucknow, Varanasi, Bhadohi, and Meerut**.
- The **Textile and Garmenting Policy 2022** provides incentives for textile parks and skill training.
- **One District One Product (ODOP) Initiative** has significantly boosted **Banarasi Silk, LucknowiChikankari, and Meerut’s sportswear industry**.

5. IT, Electronics, and Digital Industry

The **IT and electronics sector** in UP is emerging rapidly, particularly in **Noida and Greater Noida**, which are among **India’s largest electronics manufacturing hubs**.

- **Electronics Manufacturing:**
 - **Noida-Greater Noida ranks among the top smartphone manufacturing hubs in the world**.
 - Major investments from **Samsung, Oppo, Vivo, and Lava**.
- **IT and ITES:**
 - **HCL Technologies, Wipro, TCS, Infosys** have offices in **Noida, Lucknow, and Kanpur**.
 - The **UP Startup Policy 2020** promotes IT parks and incubation centers.
- **Artificial Intelligence and Cybersecurity:**
 - UP is developing **India’s first AI City in Lucknow** and a **Cyber Security Research Park** to support IT innovation.

6. Defense and Aerospace Industry

UP is emerging as a **major defense and aerospace hub** with **two defense industrial corridors (Aligarh-Jhansi and Kanpur-Lucknow)**.

- **Bharat Electronics Limited (BEL)** and **Ordnance Factories** in **Kanpur, Amethi, and Firozabad** contribute to defense production.

- **HAL (Hindustan Aeronautics Limited)** and **Tata Advanced Systems** are investing in defense manufacturing in Lucknow.

7. Service Industry (Tertiary Sector)

The **services sector contributes 47% to UP's GSDP**, driven by IT, real estate, banking, and tourism.

- **Tourism Industry:**
 - UP attracts **over 317 million domestic tourists** annually, ranking first in India.
 - **Major attractions:** Taj Mahal (Agra), Kashi Vishwanath (Varanasi), Ayodhya, Prayagraj (Maha Kumbh).
 - The **Maha Kumbh 2025** is expected to generate **₹3.50 lakh crore in revenue**.
- **Real Estate and Infrastructure:**
 - Noida and Lucknow have become **major real estate hubs** due to rapid urbanization and IT expansion.
- **Banking and Financial Services:**
 - **UP has the largest microfinance sector in India**, with active financial inclusion programs for MSMEs and startups.

Uttar Pradesh has a **highly diversified industrial base**, making it a key contributor to India's economic growth. While government initiatives are boosting industrial expansion, challenges like **regional imbalances, MSME growth constraints, environmental sustainability, and skill development** must be addressed. By **implementing expert committee recommendations**, strengthening **industrial infrastructure**, and ensuring **equitable development**, UP can solidify its position as **India's top industrial state** and achieve its **\$1 trillion economy goal by 2030**.

Efforts of Uttar Pradesh Government to Promote Industries and Suggestions for Improvement

Introduction

Uttar Pradesh (UP), India's most populous state, has been proactively implementing policies and initiatives to transform itself into a major industrial hub. With a Gross State Domestic Product (GSDP) projected to reach **₹27.51 lakh crore** by March 31, 2025, the state aims to accelerate its economic growth and achieve the ambitious target of becoming a **\$1 trillion economy**. The **UP Budget 2025-26**, amounting to **₹8,08,736 crore**, reflects the government's commitment to industrial development, infrastructure enhancement, and socio-economic welfare. This document outlines the key efforts undertaken by the UP government to promote industries and provides suggestions for further improvement.

Efforts of Uttar Pradesh Government to Promote Industries

1. Industrial Investment & Employment Promotion Policy (IIEPP) 2022

- **Objective:** Transform UP into a **\$1 trillion economy** by 2030.
- **Incentives:** Offers **capital subsidies, tax exemptions, and financial assistance** to new and expanding industries.
- **Regional Focus:** Emphasizes **balanced regional development** by attracting investments to underdeveloped regions such as **Bundelkhand** and **Purvanchal**.
- **Sustainability:** Encourages the establishment of **green industries** and **renewable energy-based manufacturing units**.

2. One District One Product (ODOP) Scheme

- **Launch:** Aimed at promoting **local industries** by identifying **unique products from each district** and enhancing their **global competitiveness**.
- **Support:** Provides **subsidized loans, marketing assistance, product branding, and skill development programs**.

- **Impact:** Significantly boosted **exports from UP**, particularly in products like **Moradabad brassware, Bhadohi carpets, Varanasi silk sarees, and Kannauj perfumes.**

3. Ease of Doing Business (EoDB) Reforms

- **Ranking:** UP has been ranked among the "Achievers" in **Ease of Doing Business** as per **DPIIT rankings.**
- **Nivesh Mitra Portal:** A **single-window clearance system** providing **362+ online services** for business approvals.
- **Regulatory Simplification:** Over **3,000 redundant regulations** have been simplified to enhance industrial operations.
- **Land Allotment:** Implemented an **automatic land allotment process** through the **Uttar Pradesh State Industrial Development Authority (UPSIDA)** to streamline industrial land acquisitions.

4. Major Infrastructure Development for Industrial Growth

- **Expressways and Industrial Corridors:**
 - **Ganga Expressway (Meerut to Prayagraj):** An investment of **₹36,000 crore** to enhance connectivity.
 - **Other Expressways:** Development of **Purvanchal Expressway, Bundelkhand Expressway, and Gorakhpur Link Expressway** to connect major industrial clusters.
 - **Defense Industrial Corridor:** Attracting investments from companies like **HAL, BEL, and Tata Advanced Systems** for defense equipment manufacturing.
- **Logistics and Transport Hubs:**
 - Establishment of **Multi-Modal Logistics Parks** in **Varanasi, Agra, and Kanpur.**
 - Enhancement of **air cargo terminals** in **Lucknow, Noida (Jewar), and Ayodhya** to support exports.
- **Energy and Power Infrastructure:**
 - Focus on **renewable energy projects** with a target of **22,000 MW solar energy by 2027.**
 - Strengthening **power distribution networks** to ensure uninterrupted electricity supply to industrial units.

5. MSME and Startup Promotion Initiatives

- **MSME Dominance:** UP has the highest number of **Micro, Small, and Medium Enterprises (MSMEs)** in India, totaling **95 lakh units**, contributing **45%** of the state's total exports.
- **Financial Support:** Implementation of the **MSME Loan Guarantee Scheme** to provide easy credit and financial incentives.
- **Technological Assistance:** Launch of the **Technology Assistance Program** to help small businesses adopt modern tools for manufacturing.
- **Startup Policy:** The **UP Startup Policy 2020** supports **innovation, research, and entrepreneurship**, aiming to create **10,000 startups by 2027.**

6. IT and Electronics Industry Growth

- **Electronics Manufacturing:** **Noida and Greater Noida** have emerged as major hubs, attracting investments from companies like **Samsung, Oppo, Vivo, and Lava.**
- **AI and Cybersecurity:** Development of **India's first AI City in Lucknow** and a **Cyber Security Research Park** to promote technological innovation.
- **Policy Support:** The **Electronics Manufacturing Policy 2024** aims to position UP as a global hub for **semiconductor production and IT services.**

7. Textile and Leather Industry Development

- **Policy Initiatives:** The **Textile and Garmenting Policy 2022** offers financial incentives, training, and market access to textile industries.

- **Leather Clusters:** Kanpur and Agra are leading leather production hubs, contributing 30% of national leather exports.
- **Cluster Expansion:** Expansion of the **Mega Leather Cluster in Kanpur-Unnao** to boost exports and employment.

8. Defense and Aerospace Industry Promotion

- **Defense Corridor:** The **UP Defense Industrial Corridor**, with an investment of ₹20,000 crore, is attracting major defense manufacturers.
- **Industry Participation:** Companies like **Bharat Electronics Limited (BEL)**, **Tata Advanced Systems**, and **Hindustan Aeronautics Limited (HAL)** are investing in defense manufacturing in **Lucknow** and **Kanpur**.

9. Budgetary Allocations and Economic Indicators

- **Budget Size:** The **UP Budget 2025-26** is ₹8,08,736 crore, a 9.8% increase from the previous year.
- **Sectoral Allocations:**
 - 22% for **development projects**.
 - 13% for **education**.
 - 11% for **agriculture**.
 - 6% for **healthcare**.
- **GSDP Growth:** The state's GSDP is projected to grow at **11.85%** for 2025-26, aiming to reach ₹27.51 lakh crore by March 31, 2025.

10. Social Welfare and Industrial Workforce Development

- **Employment Generation:**
 - The **Mukhyamantri Yuva Udyami Vikas Abhiyan (₹1,000 crore)** aims to assist **educated and trained youth** in establishing micro-industries, linking them with self-employment opportunities.
 - **Skill development training centers** are being established in **Lucknow, Kanpur, Varanasi, and Agra** to cater to the industrial workforce demand.
- **Women Empowerment in Industries:**
 - The **Rani Laxmibai Scooty Yojana (₹400 crore)** provides scooters to **meritorious girl students pursuing higher education**, promoting greater participation of women in industries and business.
- **Entrepreneurship and Startup Support:**
 - The **UP Start-up Fund (₹500 crore)** provides seed funding and mentorship to **entrepreneurs in MSMEs, IT, and service sectors**.
 - More than **1,500 startups** have been supported under this initiative, with a focus on **artificial intelligence, fintech, and renewable energy**.

Committee & Report-Based Suggestions for Industrial Growth

Balanced Regional Development

- **NITI Aayog Report (2019)** recommends developing **industrial corridors in Bundelkhand and Eastern UP** to reduce regional disparities and attract investments in underdeveloped areas.
- **Uttar Pradesh State Planning Commission** suggests **setting up Special Economic Zones (SEZs) in backward districts** to drive industrialization.

Strengthening MSMEs and Ease of Doing Business

- **U.K. Sinha Committee (2019) on MSMEs** recommends:
 - **Simplifying digital loan approvals** to provide faster credit access to MSMEs.
 - **Lowering GST compliance burdens** for small-scale industries to encourage ease of doing business.
 - **Technology Assistance Programs** to support MSMEs in upgrading to automation and modern tools.

Employment Generation and Skill Development

- **Sharda Prasad Committee (2016) on Skill Development** emphasizes:
 - **Industry-specific vocational training** tailored for IT, manufacturing, and construction industries.
 - **Integration of apprenticeship programs** with **public and private sector industries**.
 - **PPP model (Public-Private Partnership) for setting up skill centers** in major industrial cities.

Environmental Sustainability in Industrial Growth

- **Kasturirangan Committee Report (2013) on Environmental Governance** recommends:
 - **Implementation of green energy solutions** and making **solar energy mandatory** in industrial estates.
 - **Strict industrial pollution control measures** in cities like Kanpur, Noida, and Ghaziabad.
 - **Adoption of cleaner technologies and carbon-neutral initiatives** in industries.

Boosting Agricultural & Agro-Based Industries

- **Ashok Dalwai Committee (2016) on Doubling Farmers' Income** suggests:
 - **Strengthening agro-processing clusters** in UP's **food parks** to promote agri-based industries.
 - **Cold storage chains and logistic hubs** for perishable agricultural goods.
 - **Encouraging organic farming and processed food exports** to create **higher value addition in agriculture**.

Promoting High-Tech Industries & R&D

- **National Manufacturing Policy (2011)** recommends:
 - **Setting up high-tech industrial zones** focused on **semiconductors, artificial intelligence, and renewable energy manufacturing**.
 - **Encouraging Foreign Direct Investment (FDI) in advanced manufacturing** to enhance UP's global competitiveness.

Conclusion

Uttar Pradesh has successfully positioned itself as **one of India's fastest-growing industrial states**, with policies focused on **MSMEs, infrastructure, IT & electronics, defense manufacturing, and logistics**. Major projects such as the **Ganga Expressway, Jewar International Airport, Defense Industrial Corridor, and AI City in Lucknow** are shaping UP's transformation into an **industrial powerhouse**. However, **regional disparities, environmental concerns, skill mismatches, and bureaucratic hurdles** need continued policy intervention.

By implementing **committee-backed recommendations**, strengthening **industrial infrastructure**, enhancing **MSME competitiveness**, and ensuring **sustainable industrial growth**, Uttar Pradesh can **achieve its \$1 trillion economy target by 2030** and emerge as **India's leading industrial hub**.

Keywords for Answer Writing

Trade-Tech Divide – Digital skills gap **Expressway Economy** – Highway-led growth **Portless Export State** – No sea access **Artisan to Amazon** – Crafts go digital **Skill Gap Syndrome** – Workforce mismatch **Cold Chain Crisis** – Storage infrastructure lag **Bundelkhand Backlog** – Industrial neglect **MSME Credit Crunch** – Finance accessibility issue **Agro-Industry Disconnect** – Weak farm linkages. **Industrial Regionalism** – Uneven growth spread **Startup Stimulus** – Innovation push **Tourism Trade Multiplier** – Tourism-driven trade **FDI Magnet Districts** – Global investment hubs **Mandi-to-Market Reform** – Direct market access **Carbon-Intensive Cluster** – Pollution hotspots

Question: How does the Uttar Pradesh Agriculture Export Policy – 2019 strengthen agricultural export activities?

Step 1: Read the Directive Carefully

The question asks “How does it strengthen...”

This means the answer must explain **positive impacts, supporting mechanisms, and export-related improvements**—not just list features.

Step 2: Introduction (1–2 lines)

Start with a **definition of the policy** and its purpose.

Connect it to a larger goal like **Doubling Farmers’ Income** or **Atmanirbhar Krishi**.

Example:

The UP Agriculture Export Policy – 2019 aims to promote agri-export growth, ensure higher farmer incomes, and position Uttar Pradesh as a global agri-export hub.

Step 3: Main Body (4–5 points)

Each point should include:

- A **specific feature of the policy**
- An explanation of **how it helps agricultural exports**

You can structure like this:

1. *Cluster-based export zones like Malihabad (mangoes) and Kannauj (aromatic crops) enhance product specialization and branding for global markets.*
2. *Investments in cold chains, logistics, and APEDA-approved infrastructure reduce spoilage and meet international quality norms.*
3. *The policy supports contract farming and promotes FPOs to create direct farm-to-export supply chains.*
4. *Focus on organic farming and zero-residue cultivation ensures global compliance, especially in EU and Gulf markets.*
5. *It aligns with ODOP and food processing policies to increase value addition and global competitiveness.*

Use keywords like:

Farm-to-Foreign, Agri-Export Ecosystem, Global Value Chains, Cluster-Based Approach, Zero Residue Farming

Step 4: Conclusion (1–2 lines)

End with a **vision statement** showing the policy’s long-term impact.

Example:

The policy creates a strong agri-export ecosystem, transforming UP into a global agricultural export powerhouse while empowering its farmers.

Step 5: Enrichment Tips (optional but powerful)

- Quote a relevant **committee** (e.g., *Ashok Dalwai Committee on doubling farmer income*)
- Use real-life **examples** (e.g., *Malihabad mangoes exported to Dubai*)
- Add brief **data** if known (e.g., *UP agri-exports crossed \$3.5 billion in FY 2022-23*)

TOPIC-3-UP Government Schemes, Projects And Planned Development For Welfare Of People, Human Resources And Skill Development.

UP GOVERNMENT SCHEMES

**PROJECTS AND PLANNED DEVELOPMENT
FOR WELFARE OF PEOPLE, HUMAN
RESOURCES AND SKILL DEVELOPMENT**



"The progress of a nation is measured not by the wealth of its elites, but by the dignity with which it treats its weakest." - Dr. B.R. Ambedkar

Introduction and Importance of State-led Welfare and Human Capital Development in Uttar Pradesh

"From the soil of struggle to the skyline of progress, Uttar Pradesh is scripting a welfare revolution."

In recent years, **Uttar Pradesh has transitioned from a policy laggard to a proactive welfare state**, driven by visionary schemes and planned development. Be it empowering youth through **Mission Rozgar**, uplifting women via **Kanya Sumangala Yojana**, or skilling the next generation with **toolkits and tech-training**, UP is investing where it matters most—**its people**. Massive infrastructure push through **expressways, smart cities, and rural housing** is being matched by inclusive schemes that **bridge inequality, fuel entrepreneurship**, and build a **self-reliant, skilled Uttar Pradesh**. Today, the state stands at the cusp of a transformation where **development meets dignity, and progress becomes participatory**.

Why Human Resource Development is Crucial for UP

Development is Crucial for UP



UP has the largest working-age population in India with nearly 56% of its population under 30 years of age (Source: Ministry of Statistics, 2024).



The labour force participation rate (LFPR), especially among women—remains below national average – highlighting the need for gender-inclusive skill development.



According to the Periodic Labour Force Survey (PLFS) 2023, rural unemployment is declining, but underemployment and informal employment dominate the landscape.

- Enhancing **Skill and Employability**
- Providing **Universal Basic Services (UBS)** – health, education, housing, nutrition
- Reducing **regional and demographic inequalities**
- **Empowering youth, women, SC/ST, and differently-abled persons**
- Creating a **self-reliant and industry-ready workforce**

Why Welfare Schemes Are Integral in Uttar Pradesh

- As per **NITI Aayog Multidimensional Poverty Index (MPI) 2024**, **22% of UP's population** lives in multidimensional poverty.

- **SCs (21%), STs (1.1%), women-headed households, transgenders, migrants, and divyang individuals** often face **structural barriers** to access healthcare, education, and employment.

- **Climate vulnerabilities** (floods in eastern UP, drought in Bundelkhand) further exacerbate poverty risks.

Key Goals of UP's Welfare and Human Development Framework

- Achieving **Social Equity and Upliftment of Marginalised Groups**

Major Government Schemes and Projects for Welfare and Empowerment of Vulnerable Sections in Uttar Pradesh

Uttar Pradesh has undertaken a comprehensive, multi-sectoral welfare approach to uplift its most vulnerable communities—including **children, women, elderly, SC/STs, divyangs, migrants, tribals, transgender persons, and refugees or displaced populations**. The state's approach merges **constitutional mandates**, targeted welfare programs, and budget-backed delivery mechanisms to ensure **equity, dignity, and access to basic services**. As

per the **UP Budget 2025–26**, over ₹34,000 crore has been allocated towards welfare schemes, marking a 12.5% rise from 2024–25, with a special focus on convergence with skill, health, and housing schemes.

Welfare of Children

- **Bal Seva Yojana (Post-COVID Orphan Scheme):** ₹1,000/month assistance and free education for children orphaned during COVID-19. 17,863 children benefited till 2024.
- **Mukhyamantri Bal Shramik Vidya Yojana:** Financial aid of ₹1,000/month (boys) and ₹1,200/month (girls) to rescued child labourers enrolled in schools.
- **Mid-Day Meal Scheme & PM Poshan:** Integrated with health and nutrition surveillance in 1.5 lakh primary schools.
- **Baal Vikas Sewa Evam Pushtahar (ICDS-UP):** ₹6,000 crore allocated for 1.89 crore children through anganwadi network.

Example: In *Kushinagar*, rescued child workers trained under PMKVY have transitioned into formal garment industry apprenticeships.

Welfare of Women and Girls

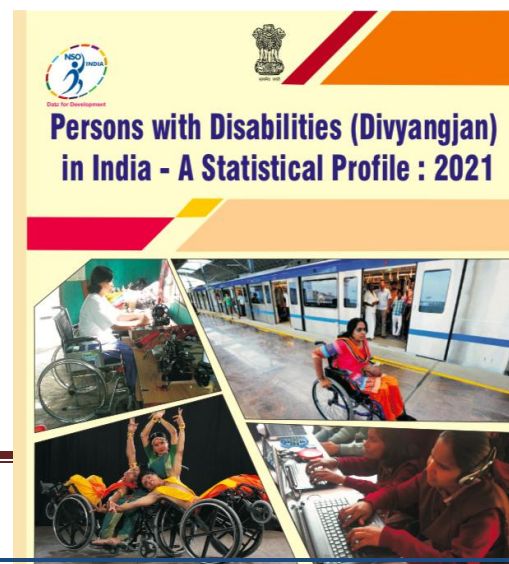


- **Kanya Sumangala Yojana:** 6-stage DBT scheme with ₹15,000 cumulative assistance to girl child from birth to graduation. Over 12 lakh girls benefited in 2024–25.
- **Mission Shakti:** An umbrella initiative for women safety, empowerment and self-reliance. Phase-III (2025–26) includes 24x7 *Shakti Kendras*, female patrolling squads, and legal counselling in all 75 districts.
- **Rani Laxmibai Mahila Samman Kosh:** One-time financial relief to rape or acid-attack survivors, ₹1 lakh–₹5 lakh per case.
- **Mahila Samarthya Yojana:** Provides skill training, digital marketing support, and bank linkages to SHGs. Over 1.1 lakh SHG members trained in 2024.

Example: *Mahoba district's* SHGs trained under Mahila Samarthya Scheme now run sanitary pad units with support from the District Industries Centre.

Welfare of Elderly and Divyang Persons

- **Vridhha Pension Scheme (IGNOPS):** ₹1,000/month to citizens over 60 years; coverage extended to 43 lakh beneficiaries in 2024–25.
- **Sugamya Bharat Abhiyan:** ₹400 crore allocated for disabled-friendly government buildings and transport systems.
- **Divyang Pension Scheme:** ₹1,000/month for persons with ≥40% disability.
- **Divyang Skill Training & UDYAMITA Abhiyan:** New inclusion in 2025–26 Budget for entrepreneurship mentoring, seed funding up to ₹2 lakh.



Example: *Divyang-friendly motor garages* set up in Kanpur with PMEGP and Skill UP support created employment for 27 disabled youth in 2024.

Welfare of Scheduled Castes and Scheduled Tribes

- **Dr. Ambedkar Gram Vikas Yojana:** Targeted village development in 7,200 SC/ST-majority habitations with sanitation, electricity, and schools.
- **SC/ST Hostel Scheme:** ₹700 crore allocated for new hostels and upgradation of existing 320 facilities.
- **Scheduled Tribe Livelihood Mission (Bundelkhand and Vindhya focus):** Forestry, lac cultivation, and handloom support through Van Dhan Kendras.

Example: In *Chitrakoot*, ST households trained in minor forest produce management were connected to TRIFED and eNAM for better price realization.

Welfare of Transgender Persons

- **Garima Greh & Identity Support Scheme:** Shelters and ₹1,500/month support for registered transgender individuals.
- **Skill Training and Employment Reservation:** 1% horizontal reservation implemented in Group C and D government jobs.
- **2025-26 Budget** earmarks ₹78 crore under Gender Inclusion Fund for targeted interventions for transgender and LGBTQ+ communities.

Example: First-ever *trans SHG group in Lucknow* registered under UP Self Employment Scheme, producing handmade soaps and incense sticks.

Welfare of Poor Migrants and Informal Workers

- **Shramik Panjikaran Abhiyan:** 1.37 crore migrant workers registered on e-Shram till March 2025; linked with ESIC and PMJAY.
- **State Migrant Workers Welfare Board:** ₹1,500 crore corpus in Budget 2025-26; focused on housing, skills, insurance, and education for migrant children.
- **MO Sewa App:** Digital tracking, grievance redressal and Aadhaar-based portability of welfare benefits.

Example: *Bhadohi migrant weavers* repatriated during COVID-19 were supported via ODOP-linked skill upgradation and textile cooperatives.

Welfare of Refugees (Displaced Hindu Migrants from Pakistan, Bangladesh, Myanmar)

- Identity cards issued under the **Citizenship Validation Cell, Home Department UP.**
- Relief camps, healthcare access and ration benefits extended to over 6,000 families in coordination with the Centre.
- Education support via *Sarva Shiksha Abhiyan* and access to *Mudra loans* provided in districts of Pilibhit and Lakhimpur.

Constitutional Provisions Supporting Welfare in UP

- **Article 15(3), 15(4):** Special provisions for women, children, and socially disadvantaged groups.
- **Article 39(a)(e)(f):** Directives on equal livelihood, health and opportunities for vulnerable populations.

TWO STEPS NEEDED FOR THIRD GENDER



UNWANTED? Transgenders say discrimination is a major reason for the low turnout for vaccination

- > According to the Census 2011, UP is home to about **1.37 lakh transgenders**
- > Of these, **18,700** are aged below **six years** while the **under-18** population is estimated to be **20,000**
- > This means that nearly **1 lakh** are eligible for vaccination
- > Official data indicates that only about **14,000** have taken the vaccine so far which speaks for a gap that needs to be addressed
- > Reasons for the gap include lack of awareness, misinformation, stigma, lack of documents to prove their identity, fear of side effects and illiteracy
- > Social organisations feel that counseling camps and dedicated vaccination camps can help in bringing more transgenders to the vaccination booth

TOP 5 IN VACCINATION OF TRANSGENDERS (AS OF JULY 26)

Lakhimpur Kheri	729
Agra	678
Lucknow	592
GB Nagar	483
Ghaziabad	436

BOTTOM 5

Kaushambi	36
Hamirpur	38
Chitrakoot	43
Kasganj	43
Sonbhadra	46

Source: Union ministry of health and family welfare

- **Article 41 & 46:** Assistance to disabled and old age; promotion of SC/ST educational and economic interests.

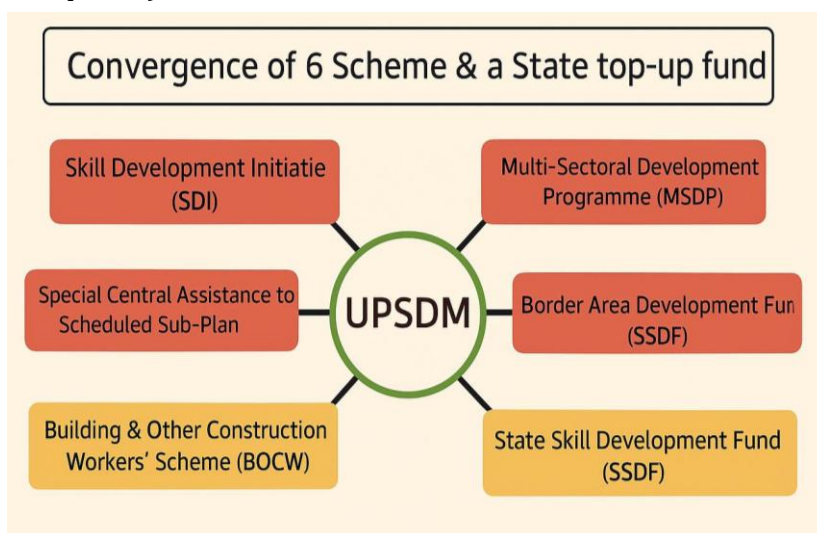
Skill Development and Human Capital Formation in Uttar Pradesh

Skill Development: Strategic Priority for Demographic Dividend

- **Uttar Pradesh**, with over **24 crore population**, has one of India’s largest youth populations—nearly **65% under the age of 35**.
- To transform this demographic potential into an engine of growth, **skill development, employability enhancement, and vocational training** have become core policy pillars.
- **Budget 2025–26** allocates **₹3,624 crore** to various skill development programs across departments (Labour, MSME, ITI, Women & Child, Rural Development).

Flagship Skill Development Initiatives in UP

- **Skill Development Mission (UPSDM):** Launched in 2013, now restructured under **PMKVY 4.0**, aims to skill **1 crore youth by 2027**.
- **Kaushal Satrang Yojana:** Covers training in industry-linked domains like logistics, AI, fintech, and agri-processing. **92,000 youth trained in 2024–25**.
- **CM Apprenticeship Scheme:** Offers ₹2,500/month stipend during industrial internships. Around **3.1 lakh youth benefited** since 2021.
- **PM Vishwakarma Scheme:** UP being the pilot hub, **₹1,000 crore allocated** in 2025–26 for training 18 traditional crafts like blacksmiths, potters, tailors, etc.
- **Skill Training for Women under Mission Shakti:** Linked with Samarthya Yojana, trained **over 1.1 lakh SHG women** in 2024 in areas like stitching, digital marketing, and food processing.
- **MoU with NSDC & Amazon India (2024):** Offers AI/ML courses to 50,000 UP students under *Skill India Digital Portal*.



Human Capital Development through Education & E-Learning

- **Education Budget 2025–26** stands at **₹72,894 crore**, focused on foundational literacy, STEM education, and e-learning.
- **Digital Smart Classes in 58 Government Colleges:** ₹10 crore allocated; over **2.3 lakh students now have e-learning access**.
- **E-content Studios in 120 State Colleges:** ₹97 lakh invested for online learning content production.
- **UP Startup School Program** in 300 secondary schools launched to instil entrepreneurship from adolescence.

Employment Linkages and Upskilling

- **ROJGAR Mela Drive 2024–25:** Facilitated **employment for over 1.1 lakh youth** in 6 months via direct industry linkages.

- **Industrial Training Institutes (ITIs):** 305 Government ITIs and over 2,000 private ones functional across UP. Budget 2025–26 provisions ₹1,062 crore for upgradation.
- **Digital Skilling under E-District & CSC Network:** 5 lakh youth trained in basic digital operations and banking processes in 2024.

Skill Development in Priority Sectors

- **Textiles & Apparel:** ODOP training in *Bhadohi*, *Varanasi*, and *Kannauj* has created a pool of skilled workers for handloom and perfume units.
- **Tourism & Hospitality:** *Skill-UP tourism module* trained **11,000 youth** in Ayodhya, Prayagraj and Varanasi as tourist guides and cultural interpreters.
- **Electronics & IT:** *Noida Skill Centre* tied with companies like HCL and Samsung to train 40,000 youth in semiconductors, assembling, mobile repair.

Example: In *Gautam Buddha Nagar*, Amazon India's last-mile delivery training program absorbed **1,200 youth** from SC/ST backgrounds.

Challenges in Skill Development in Uttar Pradesh

- **Mismatch between demand and training:** Courses often don't align with industry needs, especially in backward districts.
- **Low female participation:** Only 26% of skill-trained youth in 2024 were women, despite growing SHG activity.
- **Underutilised ITIs:** Many lack modern labs, industry linkages or certified trainers.
- **Lack of migration support:** Trained youth often leave UP for jobs due to limited local opportunities.

Suggestions for Strengthening Skill and Human Capital Development

- **Cluster-Based Skilling:** As per NSDC, establish *District Skill Hubs* in ODOP clusters (e.g., *Moradabad for brass*, *Bhadohi for carpets*).
- **Link Skills with Employment Guarantees:** Recommend inclusion of trained youth in *Rurban Employment Guarantee* schemes in semi-urban areas.
- **Digital Literacy Expansion:** Scale UP's CSC-E District Model; use mobile-based content in Bhojpuri, Awadhi, Bundeli dialects.
- **Public-Private Partnerships:** Promote PPP-based Skill Parks (e.g., Samsung-UP Government Skill Park in Noida) in other industrial hubs.
- **Skill Voucher Scheme:** As suggested by **World Bank's Labour Skills Report (2023)**, introduce vouchers for BPL youth to choose their training institutes.

Recommendations

- **NSDC Report (2023):** Recommends **district-wise skill-gap mapping**, especially in Bundelkhand and Purvanchal.
- **ILO-UP Labour Market Study (2022):** Suggests tighter integration between ITIs and local industry needs.
- **NITI Aayog Skill Readiness Report (2024):** Emphasises digital inclusion and AI-skilling in backward regions.
- **FICCI-Deloitte Report on Employment:** Advocates for cluster-based skill hubs linked with MSME and ODOP units.

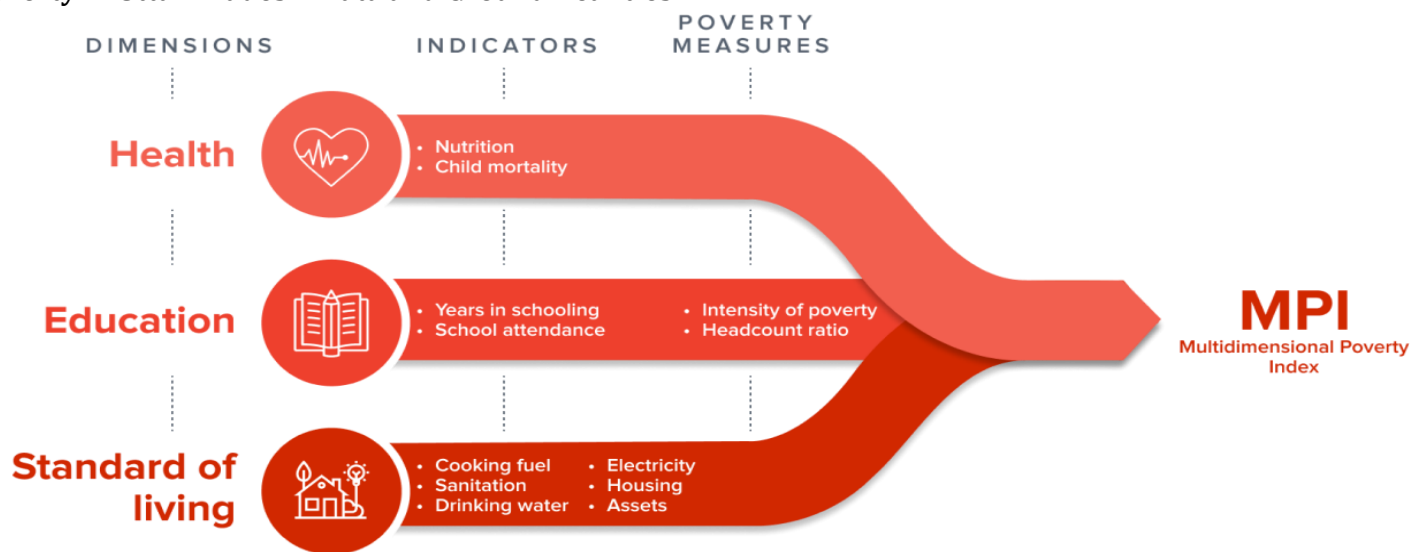
Challenges of Unemployment, Inclusive Growth, and Poverty Elimination in Uttar Pradesh

Unemployment in Uttar Pradesh: Current Scenario and Challenges

- **Unemployment Rate** in UP stood at **4.3% (Dec 2024)** as per *CMIE*—lower than national average (7.2%), yet with regional disparities.
- **Youth unemployment** remains high, especially in **Bundelkhand, Purvanchal and rural SC/ST pockets**, where educated but unskilled youth remain jobless.
- **Informal sector dominance**: Nearly **84% of UP’s workforce** is in informal or unorganised sectors with poor job security, wages, and social protection.
- **Gender gaps in employment**: Female labour force participation remains low at **18.7% (2024)** despite Mission Shakti interventions.

Example: In *Chitrakoot*, over 40% of rural educated youth are unemployed due to lack of job linkage after PMKVY training.

Poverty in Uttar Pradesh: Data and Ground Realities



- As per **NITI Aayog Multidimensional Poverty Index (MPI) 2024**, **22% of UP’s population** lives in multidimensional poverty
- Key deprivations include **nutrition, sanitation, schooling, and cooking fuel access** in rural districts like *Bahraich, Balrampur, Shravasti*.
- While extreme poverty declined (from 45.6% in 2011 to 35.5% in 2023), the **pace of poverty reduction remains slow**, especially among **SC/ST, Muslims, and migrants**.

Example: *Shravasti* has the highest MPI score in UP, with 58.1% people deprived in three or more dimensions

Inclusive Growth: Gaps and Regional Inequality

- **Disparity in Per Capita Income:** *Gautam Buddha Nagar* has per capita income of ₹5.3 lakh (2024–25), while *Shravasti* is just ₹47,000—a 10x gap.
- **Investment skewed:** Over **72% of industrial investment** flows to **Western UP**, while **Bundelkhand and Eastern UP** remain under-industrialised.
- **Digital Divide:** Digital literacy remains below 40% in 11 aspirational districts, as per *UP DES 2024 Survey*.
- **Caste-based inequality:** SC/ST households often excluded from mainstream skilling, land rights, and job access.

Key Government Schemes Tackling Poverty and Unemployment

- **MNREGA:** Provided **34 crore person-work** in UP during 2024–25. Budget 2025–26 allocated **₹6,127 crore**, especially for Bundelkhand districts.
- **UP Kaushal Satrang Yojana:** Aims to skill **1 crore youth by 2027**; already trained **6.8 lakh** in 2024–25.
- **Mukhya Mantri Gram Udyami Yojana:** Offers ₹5 lakh interest-free loans to rural entrepreneurs; launched in **30 backward districts**.
- **Aspirational Districts Programme:** In 8 UP districts (e.g., Shravasti, Bahraich), targeted action is being taken for health, education, nutrition, skilling and agriculture convergence.

Inclusive Infrastructure and Development Projects

- **UP Budget 2025–26:**
 - ₹15,256 crore for *rural infrastructure*
 - ₹4,230 crore for *PMAY-Gramin & Urban*
 - ₹1,800 crore for *Smart Villages Project* in 28 backward districts
- **Bundelkhand Expressway & Defense Corridor:** Envisioned as economic lifelines for *Chitrakoot, Jalaun, and Hamirpur*.

Example: The opening of Bundelkhand Expressway created **12,000 direct and indirect jobs** in micro-logistics, kiosks, and warehousing.

Social Security Measures for Inclusivity

- **One Nation One Ration Card (ONORC):** Enabled **9 crore ration card holders** to access subsidised food across districts/states.
- **UP Old Age, Widow, and Divyang Pension Schemes:** Reaches **62.7 lakh beneficiaries**, with increased budget of ₹2,500 crore in 2025–26.
- **UP Ayushman Bharat:** Over **1.3 crore families** covered with ₹5 lakh insurance; free treatments worth **₹1,089 crore** in 2024.



Recommendations for Inclusive Growth

- **World Inequality Report 2022:** India's top 10% hold 57% wealth—calls for targeted taxation and rural investments.
- **NITI Aayog Inclusive Growth Index 2023:** Flags need to balance regional investment and ensure basic services for remote, tribal districts.
- **NC Saxena Committee on Poverty (2009):** Stressed *automatic inclusion* of landless, women-headed, SC/ST households in poverty lists.
- **Rangarajan Committee (2014):** Recommended convergence of **education, skilling, jobs, housing, and financial inclusion** to uplift the poorest.

Suggestions to Address Unemployment, Poverty, and Inequality in Uttar Pradesh

- **Skill-Centric Clusters:** Establish ODOP-linked *skill hubs* in backward districts (e.g., *wood craft in Bahraich, carpet in Bhadohi*) to retain trained workers locally.
- **Livelihood Security Act:** As proposed by **Rural Development Task Force 2023**, UP can pilot a State Employment Guarantee for urban poor in 10 districts.
- **Targeted Cash Transfers:** Introduce *quasi-universal income support* (₹1,000/month) to landless and informal workers, as suggested by **NCEUS (Arjun Sengupta Committee)**.

- **Minimum Wage Enforcement:** Link MNREGA, gig economy platforms, and factory workers to enforce minimum wages of ₹400/day in all sectors.
- **Financial Inclusion Drive:** Partner with SHGs and CSCs to ensure *DBT inclusion* and *Jan Dhan Yojana account seeding* for the last 4 crore excluded.

Example: *Lakhimpur Kheri* piloted a Minimum Income Scheme for marginalised SC families with ₹2,000/month for 6 months, funded by CSR and state matching grants.

Sector-Wise Flagship Schemes in Uttar Pradesh – Health, Education, Nutrition, and Housing

Uttar Pradesh has undertaken a massive transformation by combining rights-based delivery with **digital targeting, decentralised monitoring, and inclusive financing**. This section covers the core pillars of **human development**: health, education, housing, and nutrition—where welfare transitions into long-term social security and productivity enhancement.

1 Health Schemes and Public Health Infrastructure

- **Mukhya Mantri Jan Arogya Abhiyan (MMJAA):** UP's convergence with **Ayushman Bharat**, covering **1.54 crore families** for ₹5 lakh health insurance.
 - 2025–26 Budget: ₹3,120 crore provisioned for premium assistance and empanelled hospitals.
- **Mukhyamantri Bal Seva Yojana (Health & COVID Orphans):** Benefited over 11,200 children with DBT support, free schooling, and health check-ups.
- **Nirogi Uttar Pradesh Mission (2023–28):** Implements doorstep screening for **NCDs (Diabetes, Hypertension, Cancer)** in 53 backward districts.

Example: *Lalitpur* became the first district in Bundelkhand to link all CHCs with **Health and Wellness Centres** equipped with digital health IDs and e-prescriptions.

Committee Recommendation:

K. Sujatha Rao Committee on Public Health Delivery (NITI, 2021) emphasized district-led health dashboards, now implemented through UP's **Arogya Watch**, tracking CHC services daily.

2 Nutrition and Child Development

- **POSHAN 2.0 in UP** operates in all 75 districts with Take-Home Ration (THR), Adolescent Girls' Anaemia Mapping, and **e-POS nutrition tracking in Anganwadis**.
- **Smart Anganwadi Programme:** 6,732 Anganwadis upgraded with IoT devices, growth-monitoring tablets, and fortified food kitchens.

UP Budget 2025–26: ₹2,760 crore allocated for child nutrition and women's health under **Sakhi Saheli Poshahar Yojana**.

Example: In *Shrawasti*, integration of nutrition data with school midday meal reports reduced child malnutrition by 19% (2024–25).

3 Education Schemes and Digital Literacy

- **Mission Prerna 2.0** ensures foundational literacy and numeracy in **over 1.6 lakh schools** by 2026.
- **Abhyudaya Coaching Scheme** provides **free UPSC/UPPCS coaching** to over 30,000 aspirants annually via virtual platforms.
- **Smart Class and E-Content Labs** introduced in **2,500 government colleges** with ₹1,310 crore investment in FY 2025–26.

Example: *Ballia* district used student e-assessment dashboards to track dropouts and offered conditional cash incentives for SC/ST girl students, improving retention by 22%.

Committee Insight:

NEP Implementation Committee (UP Chapter) recommended integrating digital aptitude testing with Prerna modules, leading to **Uttar Pradesh Vidya Score Index (UP-VSI)** for real-time school assessment.

4 Affordable and Inclusive Housing

- **PMAY-Rural and Urban in UP:** Over **56 lakh houses** sanctioned till 2025, with 46 lakh completed—highest in the country.
- **Mukhyamantri Awas Yojana – Urban Poor:** Targets **homeless SC/ST, sanitation workers, transgender persons** with ₹1.5 lakh subsidy + bank linkage.

2025–26 Budget: ₹4,900 crore allocated under urban-rural housing convergence, including infrastructure support in **Ganga and Yamuna Grams**.

Example: In *Prayagraj*, PMAY-G convergence with MGNREGS enabled **100% solar electrification** of new SC-ST households in two development blocks.

5 Governance Tools and Integrated Dashboards

- **e-Grievance Samadhan Portal** linked to **District Development Dashboards (DDD)** for all sectors—used by DM offices to track saturation.
- **Seva Sankalp Kendra:** Common Service Centre (CSC) reform launched in 2024 to handle **scheme tracking, biometric updates, and counselling** for over 700 welfare schemes.

Innovative Initiative: *Uttar Pradesh Public Welfare Index*—a dynamic index tracking education, health, housing, and nutrition indicators district-wise—will be launched in **August 2025**.

Conclusion – Towards Equitable and Sustainable Human Development in Uttar Pradesh

The Government of Uttar Pradesh has progressively moved from welfare to empowerment by creating a multi-layered framework of **rights-based entitlements, scheme-based delivery, digital inclusion, and geographically targeted investments**. With over 200 flagship and sub-sectoral schemes operating across education, health, social protection, housing, skilling, and infrastructure, the state has laid down the foundation for a **transformative and inclusive growth model**.

The 2025–26 Uttar Pradesh Budget has further intensified this focus by prioritising **backward districts, marginalised groups, and skill-based productivity**. From **Mission Shakti for women** to **Mission Rojgar for youth**, from **transgender welfare boards** to **nutrition-linked digital Anganwadis**, the development model is becoming **decentralised, tech-driven and equity-oriented**. The convergence between **state schemes, central programmes, and community-level implementation mechanisms** now acts as the key driver of **multi-dimensional poverty reduction**.

KEYWORDS-

Welfare-to-Empowerment Shift – Transition from benefits to capacity-building , **DBT Saturation Model** – Direct benefits to all eligible , **Convergent Governance** – Integration of schemes across sectors , **Last-Mile Delivery** – Reaching unreached beneficiaries , **Social Protection Grid** – Safety net for vulnerable groups , **Skilling-for-Employability** – Market-linked training focus , **Aspirational Districts Push** – Targeted backward area development , **Digital First Welfare** – e-Governance in scheme delivery , **Decentralised Development Model** – District/block-based execution , **Inclusivity Indexing** – Welfare linked to socio-economic data , **Tech-Driven Targeting** – AI and real-time monitoring , **Empowered Panchayat Ecosystem** – Local bodies in welfare rollouts , **Social Equity Budgeting** – Targeted allocations for inclusion , **Vulnerable-First Policy** – SC/ST/women/elderly centric approach , **Human**

Capital Architecture – Long-term people-focused planning**PYQ-What are the major schemes for the Empowerment and welfare of Divyangjan in Uttar Pradesh?****1. Introduction – Set the Context (Use: Rights-Based Lens / Inclusive Governance)**

Start with a **rights-based lens** or constitutional provision. Define or introduce the theme using governance vocabulary.

Keyword: Inclusive Governance, Social Equity Mandate, Rights-Based Welfare

Example:

The empowerment of **Divyangjan** is central to **inclusive governance** and **social equity budgeting**. Uttar Pradesh, in alignment with the **Rights of Persons with Disabilities Act, 2016**, has launched multiple schemes under a **welfare-to-empowerment shift**.

2. Main Body – Core Dimensions in Bullet + Para (Use Keywords in Subheadings)**Scheme-Based Delivery Architecture**

Explain **major schemes** with 1-line impacts or data.

Keywords: Divyangjan Pension, Skill Mapping, Assistive Inclusion Model

- **Divyangjan Pension Yojana** – ₹1,000/month for 11.24 lakh beneficiaries (Budget 2025–26)
- **ADIP Device Distribution Camps** – Mobility aids in 38 districts via **Divyang Sewa Nigam**
- **Digital ID-linked Benefits** – Real-time access to schemes via **e-Welfare Gateway**

Skill Development and Financial Inclusion

Keywords: Skilling-for-Dignity, Divyang Kaushal Kendras, Livelihood-Linked Inclusion

- Special Kaushal Kendras under **UP Kaushal Vikas Mission**
- **Example:** Gorakhpur's Divyang skilling centre placed 820 trainees in FY 2024–25

Social Integration Measures

Keywords: Inclusion Beyond Charity, Community-Integrated Empowerment

- **Divyang Shaadi Protsahan Yojana** – ₹50,000 for marriage of Divyang couples
- 4% reservation in government jobs – backed by **Empowerment Quota Policy**

◆ Example Use

Keyword: District Innovation

- Lucknow Metro: 100% tactile compliant
- Varanasi: Inclusive Navratri camps reached 4,200 Divyang women in SHGs

Keyword: Evidence-Based Policymaking

- **Sujatha Rao Committee:** Health infra for PWDs must integrate mental wellness
- **Xaxa Panel:** Localised DBT for ST-Divyang in tribal regions

3. Conclusion – Wrap Up with Vision (Use: Empowerment Architecture)

End with a **vision-oriented, SDG-aligned** or **constitutional promise**.

Keyword: Empowerment Architecture

With inclusive schemes, digital infrastructure, and community integration, Uttar Pradesh is building a robust **Empowerment Architecture** for Divyangjan rooted in **Sabka Saath, Sabka Vikas, Sabka Vishwas, Sabka Prayas**.

Topic-4 Investment In Uttar Pradesh



"Investment is not just about capital—it's about confidence, connectivity, and commitment."

– Narendra Modi

Uttar Pradesh, once seen as a slow-moving economic giant, is now emerging as a powerhouse of investment and industrial resurgence. With its strategic location, largest consumer base, and rapid infrastructure expansion through projects like the Ganga Expressway and Jewar International Airport, the state is positioning itself as the growth engine of New India. Backed by bold policy reforms, the One District One Product (ODOP) initiative, and investor-friendly platforms like UP Global Investors Summit, Uttar Pradesh is transforming into a preferred investment destination, attracting global giants across sectors—from electronics in Noida to defence corridors in Bundelkhand.

Investment Policies and Initiatives

1. Aerospace and Defence Policy 2024

The UP government introduced the **Aerospace and Defence Unit and Employment Promotion Policy 2024**, targeting ₹50,000 crore in investments and the creation of 1 lakh jobs. This policy offers substantial incentives, including up to 80% subsidy on land for foreign firms, to establish UP as a leader in the aerospace and defence sectors.

2. Foreign Direct Investment (FDI) Policy 2025

To attract foreign industries, the state approved the **Uttar Pradesh FDI Policy 2025**, offering up to 80% subsidy on land to foreign firms investing in the state. This initiative aims to boost industrial and economic growth by creating a more investor-friendly environment.

3. Infrastructure Development

The **Uttar Pradesh Expressways Industrial Development Authority (UPEIDA)** is spearheading multiple expressway projects to enhance connectivity and stimulate economic activity:

- **Gorakhpur–Siliguri Expressway:** A proposed 519 km, four-lane expressway connecting Gorakhpur in UP to Siliguri in West Bengal, aiming to reduce travel time and bolster trade and tourism.
- **Purvanchal Expressway:** A 340 km, six-lane operational expressway from Lucknow to Ghazipur, enhancing connectivity in the eastern region of the state.

4. Startup and Innovation Promotion

UP's policy framework includes establishing 100 incubators across all districts, developing 1 million square feet of incubation space, fostering 10,000 startups, and creating 8 Centers of Excellence. The state also plans to build India's largest incubator in Lucknow, underscoring its commitment to becoming a major startup hub.

5. Participation in Global Forums

UP showcased its investment potential at the **World Economic Forum 2025** in Davos, presenting opportunities in food processing, renewable energy, and infrastructure sectors. This global engagement underscores the state's commitment to attracting diverse investments.

Budgetary Allocations for Investment (2025-26)

The **UP Budget 2025-26**, totaling ₹8.08 lakh crore, emphasizes infrastructure and industrial development:



- **Infrastructure Development:** 22% of the total budget is allocated to infrastructure, including ₹1,500 crore for projects like the Uttar Pradesh Defence Industrial Corridor (UPDIC) and new expressway developments.
- **Artificial Intelligence City:** ₹5 crore allocated to develop an AI City in Lucknow, aiming to position the state as a leader in technological advancements.
- **Expressways and Industrial Corridors:** ₹461 crore proposed for the Defence Industrial Corridor along the Bundelkhand Expressway, with an estimated investment of ₹9,500 crore.

Investment Challenges Across Sectors in Uttar Pradesh

Introduction

Uttar Pradesh (UP), India's most populous state, has been proactively attracting investments across various sectors to bolster its economic growth. Despite these efforts, several challenges persist that hinder optimal investment inflows and sectoral development. The **UP Budget 2025-26** has allocated ₹1.5 lakh crore towards infrastructure development, reflecting the state's commitment to addressing these challenges.

Sector-Specific Investment Challenges

1. Infrastructure Sector

Challenges:

- **Land Acquisition Issues:** Acquiring land for infrastructure projects often faces resistance from local communities, leading to delays and escalated costs.

Example: The **Karchana Thermal Power Station** project faced significant delays due to land acquisition protests, resulting in the withdrawal of the initial private developer.

- **Financial Constraints:** Limited funding and budgetary allocations can impede the timely completion of infrastructure projects.

Example: The **Ganga Expressway** project experienced delays due to financial bottlenecks and environmental concerns.

2. Manufacturing Sector

Challenges:

- **Technological Obsolescence:** Many manufacturing units, especially in traditional sectors like brassware, operate with outdated technologies, affecting productivity and quality.

Example: Moradabad's brass industry has faced challenges due to reliance on traditional methods, impacting competitiveness in global markets.

- **Environmental Regulations:** Compliance with environmental norms has led to the closure of non-compliant units, affecting overall industrial output.

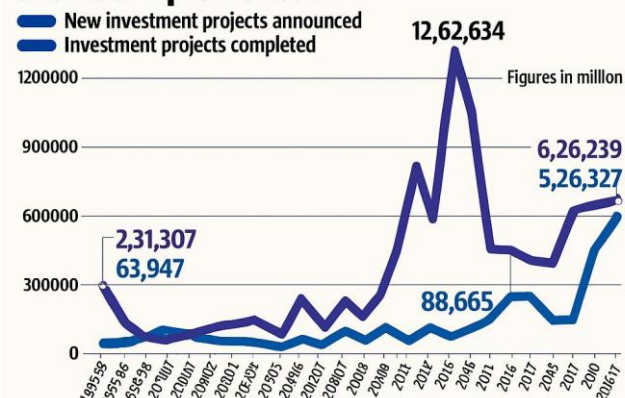
Example: In 2018, around 75 brassware manufacturing units in Moradabad were shut down following a National Green Tribunal order regarding pollution concerns.

3. Agricultural Sector

Challenges:

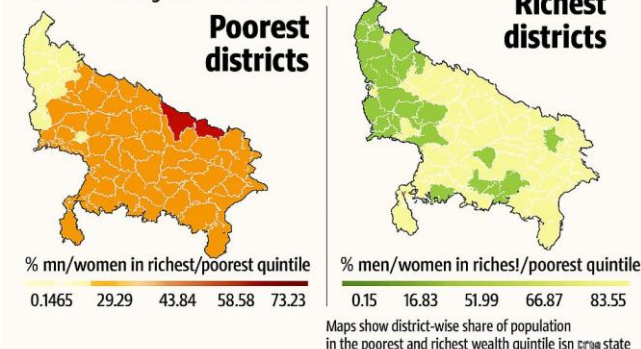
What ails UP's development?

All investment announcements are not implemented



Regional inequality in UP

State's western region is richer than the rest



- **Small Land Holdings:** Fragmented land ownership limits economies of scale, affecting productivity and profitability.

Example: Smallholder farmers in UP often struggle to adopt modern agricultural practices due to limited land and resources.

- **Limited Access to Technology:** Farmers' access to advanced agricultural technologies and practices remains inadequate, hindering productivity.

Example: The adoption of agritech services is still in nascent stages, limiting potential productivity gains.

4. Energy Sector

Challenges:

- **Transmission and Distribution Losses:** High losses in power transmission and distribution networks deter investment in the energy sector.

Example: UP's power distribution companies have faced significant losses due to outdated infrastructure, prompting considerations for privatization.

- **Regulatory Hurdles:** Complex regulatory frameworks can delay project approvals and discourage potential investors.

Example: The Karchana Thermal Power Station project faced delays due to regulatory and land acquisition challenges.

5. Information Technology (IT) and Electronics Sector

Challenges:

- **Talent Retention:** Attracting and retaining skilled professionals in the IT sector is challenging due to competition from established tech hubs.

Example: Despite initiatives to promote the IT industry, UP faces challenges in retaining talent who often migrate to cities like Bengaluru and Hyderabad.

- **Infrastructure Gaps:** Inadequate infrastructure, such as reliable power supply and high-speed internet, hampers IT sector growth.

Example: Emerging IT hubs in UP often face challenges related to infrastructure, affecting operational efficiency.

6. Healthcare Sector

Challenges:

- **Resource Constraints:** Public healthcare facilities often face shortages of essential supplies and equipment, impacting service delivery.

Example: Government hospitals in UP have reported shortages of critical medical supplies, affecting patient care.

- **Workforce Shortages:** There is a deficit of trained healthcare professionals, particularly in rural areas, affecting healthcare delivery.

Example: Rural health centers in UP often operate with limited staff, impacting healthcare accessibility.

Cross-Sectoral Challenges

- **Bureaucratic Hurdles:** Complex regulatory procedures and bureaucratic inefficiencies can deter investors.

Example: Investors have reported challenges in navigating regulatory approvals, leading to project delays.

- **Corruption:** Perceptions of corruption can undermine investor confidence and affect the business environment.

Example: Instances of bribery and corruption in various sectors have been reported, impacting the investment climate.

- **Policy Instability:** Frequent changes in policies can create uncertainty, discouraging long-term investments.

Example: Sudden shifts in industrial policies have led to investor apprehension regarding policy stability.

Conclusion

While Uttar Pradesh offers significant investment opportunities across various sectors, addressing these challenges is crucial to unlocking the state's full economic potential. Strategic interventions focusing on policy stability, infrastructure development, technological advancement, and regulatory simplification are essential to create a more conducive investment climate.

Government Initiatives Promoting Investment in Uttar Pradesh

Uttar Pradesh (UP), India's most populous state, has been actively implementing a series of strategic initiatives to attract and facilitate investments across various sectors. These efforts encompass policy reforms, infrastructure development, and targeted incentives, all aimed at fostering economic growth and positioning the state as a leading investment destination. The **UP Budget 2025-26** reflects this commitment, with substantial allocations to key sectors.

1. Establishment of 'Invest UP'

The state government established **Invest UP**, an investment promotion and facilitation agency, serving as a single-window system to streamline investment processes and assist investors across various sectors. This agency offers comprehensive support, from providing sector-specific information to facilitating regulatory approvals, thereby enhancing the ease of doing business in the state.

2. Comprehensive Policy Framework

UP has introduced over 20 sector-specific policies designed to create an investor-friendly environment, promote entrepreneurship, and foster innovation. These policies align with national initiatives like 'Make in India' and aim to position UP as a \$1 trillion economy.

Notable Policies:

- **UP Industrial Investment and Employment Promotion Policy 2022:** Focuses on establishing a progressive industrial ecosystem, creating jobs, and attracting global investments.
- **Foreign Direct Investment (FDI) Policy 2023:** Offers incentives such as exemptions in land acquisition, stamp duty, and capital investment to attract overseas investors.

Sector-Specific Incentives: Policies offering capital subsidies, interest subsidies, and reimbursements on operating expenses to promote sectors like IT & ITES, food processing, and manufacturing.

3. Infrastructure Development

The state has prioritized infrastructure projects to improve connectivity and support industrial growth. Notable projects include:

- **Ganga Expressway:** A 594 km six-lane expressway connecting eastern and western regions of UP, enhancing logistics and accessibility.
- **Defence Industrial Corridor:** Spanning six nodes—Aligarh, Agra, Chitrakoot, Jhansi, Kanpur, and Lucknow—this corridor aims to boost indigenous defense manufacturing and reduce reliance on imports.
- **IT City in Lucknow:** Developed in partnership with HCL Technologies, this project aims to create a sustainable technology hub with state-of-the-art facilities.

In the **UP Budget 2025-26**, infrastructure development has been allocated ₹1,79,921 crore, accounting for 22% of the total budget.

4. Ease of Doing Business Reforms

UP has implemented reforms to simplify regulatory processes, making it easier for businesses to operate:

- **Single-Window Clearance System:** Invest UP provides a centralized platform for all regulatory approvals, reducing procedural delays.
- **Incentives for Fortune 500 Companies:** Special incentives are offered to Fortune Global 500 and Fortune India 500 companies to establish operations in the state.

5. Promotion of Hybrid Vehicles

The state has granted tax waivers on hybrid vehicles, leading to significant savings for consumers and promoting environmentally friendly transportation options. This initiative has spurred marketing campaigns by major automakers like Toyota and Maruti Suzuki.

6. Skill Development Initiatives

To ensure a skilled workforce for industries, UP has launched various skill development programs:

- **Skill Development Centers:** Establishment of centers to train individuals in sectors like IT, manufacturing, and services.
- **Partnerships with Educational Institutions:** Collaboration with institutions like IIT Kanpur and BHU to drive innovation and technological advancement.

The **UP Budget 2025-26** allocates ₹1,06,000 crore (13% of the total budget) to education, reflecting the state's commitment to developing a skilled workforce.

7. Financial Incentives

The state offers various financial incentives to attract investments:

- **Capital Subsidies:** Provision of 25-35% capital subsidy on FDI projects in manufacturing and service sectors.
- **Interest Subsidies:** Subsidized interest rates for loans taken by industries in priority sectors.
- **Stamp Duty Exemptions:** Exemptions in stamp duty and registration fees for land acquisition in designated industrial areas.

8. Promotion of Green Energy

UP has introduced the **Uttar Pradesh Green Hydrogen Policy 2024** to promote sustainable energy solutions. The policy aims to implement green hydrogen production and utilization, offering incentives to industries adopting eco-friendly practices.

9. Higher Education Incentives

The **Uttar Pradesh Higher Education Incentive Policy** aims to promote the establishment of high-quality educational institutions, ensuring a steady supply of skilled professionals for various industries.

10. Global Outreach

UP actively promotes itself as an investment destination through roadshows, investor summits, and targeted outreach to global companies. The UP Global Investors Summit 2023 resulted in numerous Memorandums of Understanding (MoUs) in sectors like IT and electronics.

Through these comprehensive initiatives and substantial budgetary allocations, Uttar Pradesh is actively transforming its investment landscape, offering lucrative opportunities across various sectors and paving the way for sustained economic growth.

KEYWORDS-

Growth Engine State – UP's rising industrial role. **Investor's Gateway** – Preferred destination for industries. **Expressway Economy** – Infrastructure-led development. **Defence Corridor Boost** – Indigenous arms manufacturing. **ODOP Model** – Unique product-based development. **AI City Vision** – Tech-driven urban innovation. **Startup Surge** – 10,000+ new ventures planned. **FDI Magnet** – Foreign firms' investment push. **Ease of Business** – Streamlined regulatory ecosystem. **Land Subsidy Scheme** – Up to 80% for investors. **Green Hydrogen Push** – Clean energy initiative. **Skill Capital Drive** – Workforce development priority. **Incubator Revolution** – 100 innovation hubs. **Global Summit Diplomacy** – International investor outreach. **Bundelkhand Turnaround** – Industrial revival in underdeveloped region.

Model Mains Question

Q. “Uttar Pradesh is emerging as a powerhouse of investment through infrastructure, policy reforms, and sectoral incentives, yet faces persistent challenges across sectors.”

Critically examine the investment climate in Uttar Pradesh in light of recent policies and budgetary initiatives. (250 words)

1. Introduction (40–50 words)

Start with a **quote or powerful statement** to set the tone.

“Investment is not just about capital—it’s about confidence, connectivity, and commitment.” Uttar Pradesh, once labelled a slow-moving economy, is now transforming into India’s **investment powerhouse** through targeted reforms, mega infrastructure, and strategic incentives.

2. Body (170–180 words)**A. Growth Drivers and Recent Policies**

- **Infrastructure Boom:** Ganga, Purvanchal, and Gorakhpur–Siliguri Expressways by UPEIDA.
- **Defence Industrial Corridor:** ₹9,500 crore via UPDIC.
- **Global Outreach:** Presence at **World Economic Forum 2025**.
- **FDI & Defence Policies:** 80% land subsidy under **FDI Policy 2025** and **Aerospace & Defence Policy 2024**.
- **Startup Ecosystem:** Targeting 10,000 startups, 100 incubators, largest incubator in Lucknow.
- **Budgetary Support:** ₹1.8 lakh crore in infra, ₹1,500 crore for defence, ₹5 crore for AI City.

B. Sector-Specific Challenges

- **Land acquisition hurdles** (e.g., Karchana Thermal Plant).
- **Obsolete manufacturing tech** (e.g., Moradabad brassware).
- **Power transmission losses, IT talent drain, healthcare shortages.**
- **Cross-sector issues:** Bureaucracy, corruption, and policy instability.

3. Conclusion (30–40 words)

Offer a futuristic outlook with solutions.

While Uttar Pradesh is scripting a robust investment narrative, **sustainable success** hinges on **institutional reforms, policy stability, and inclusive growth**. Bridging infrastructure gaps and enhancing investor confidence will be critical to achieving its **\$1 trillion economy vision**.