



To analyze the structural change and sectorial performance (Growth of PCY/NSDP) in the economy of Haryana during 1991-92 to 2020-21 Structural change in Economy of Haryana

Deepak Kumar*

Research Scholar (PhD), Subject
Economics
NIILM University, Kaithal
dnarwal786@gmail.com

Doi: <https://doi.org/10.36676/irt.v10.i2.1431>

Accepted: 10/05/24 Published: 30/06/2024



* Corresponding author

Abstract

Structure and sectorial performance of Haryana's economy from 1991-92 to 2020-21 show considerable changes across sectors. Haryana went from an agricultural economy to a diversified one with strong industrial and service expansion. Agriculture dominated Haryana's economy in the early 1990s, boosting its GDP. High wheat and rice production was the state's specialty. Industrialization changed the state over decades. Gurgaon (now Gurugram) and Faridabad increased industry, drawing investments in vehicles, electronics, and textiles. Urbanization and infrastructural development increased as the state industrialized. Haryana's economic transition also relied on services. As cities like Gurugram became IT and financial services centers, the services industry grew, creating jobs and money. Modern service industries diversified the state's economy by complementing its manufacturing basis. The growth rates of Haryana's sectors varied across these decades, reflecting national economic trends and local governmental actions. This transformation was backed by the government's infrastructure, education, and skill development initiatives, which promoted economic growth and diversification. Future problems for Haryana include sustainable development, talent deficits, and regional inequities. To maintain and improve its economy, future initiatives will likely prioritize competitiveness, innovation, and inclusive development across all sectors.

Key words: Structural transformation, Economic diversification, Industrialization, Agriculture productivity

Introduction

In the thirty years between 1991–92 and 2020–21, Haryana's economy transformed from an agricultural backbone to a diversified economic superpower, thanks to deep structural reforms. Agriculture was the dominant economic activity at the start of this time, and Haryana was especially notable for its high agricultural output and the amount of grain it contributed to India's food supply. On the other hand, the state began an urbanization and industrialization trajectory driven by national economic changes and local governmental efforts. Gurugram and Faridabad, two major industrial centers, sped up the expansion of several manufacturing sectors, including the automotive, electronics, and textile industries. At the same time, Haryana's position in the global economy was enhanced by the services sector's boom, with Gurugram becoming a prominent hub for IT services and financial institutions. The transition from agriculture to industry and services widened the economic basis of the state, created





many jobs, and raised incomes in both urban and rural regions. Haryana has successfully overcome obstacles and taken advantage of opportunities, solidifying its place as a pivotal player in India's economic growth narrative, thanks to its strong infrastructure development and aggressive governance. The future of the state is uncertain, but efforts to make it more robust and affluent for all of its citizens should center on maintaining inclusive development, encouraging innovation, and reducing socioeconomic gaps.

From 1991–92 to 2020–21, Haryana's economy changed dramatically, with many different industries seeing rapid transformation. With the advent of economic liberalization in India, Haryana's economy diversified from its initial recognition as an agricultural powerhouse, especially in the production of wheat and rice. Manufacturing clusters like Gurugram and Faridabad grew rapidly at this time, becoming important centers for the textile, electronics, and automobile sectors. This signified a strategic shift towards industrialization. Attracting investors from across the world, the state's advantageous position near the nation's capital, aggressive policies, and extensive infrastructure development drove its industrial climb. The rise of Gurugram as a centre for international finance and information technology also contributed significantly to the meteoric rise of the service industry. The economic production of Haryana was spurred by diversification, which also accelerated urbanization and turned rural landscapes into thriving urban centers. The state faced issues including environmental sustainability, equitable development, and skill upgrading as it mapped out new economic routes. If Haryana wants to maintain its status as a major player in India's economic revival, it has to concentrate on growth tactics that are sustainable, industries that are driven by innovation, and policies that promote inclusive development. Strategic reforms and dynamic industry developments drove a remarkable economic transformation in Haryana from 1991–92 to 2020–21. Before Haryana embraced economic liberalization, it was known for its strong agricultural sector, especially its rice and wheat output. Now, the state is known for its thriving industrial and service sectors. Industrial clusters like Gurugram, made possible by the state's proactive government and advantageous location, quickly became known for their creativity and technical excellence in fields including as information technology and car manufacture. This industrial boom had a multiplier effect, boosting auxiliary sectors and bolstering infrastructural development all throughout Haryana, in addition to diversifying the state's economic basis. Gurugram also became a major center for information technology (IT), banking, and corporate headquarters as the services sector grew at the same time. As a result of this change, urbanization was accelerated, and the cities of Haryana are now thriving economic hubs that contribute to inclusive development via raising living standards, creating jobs, and boosting employment. With its strengths in manufacturing and services, Haryana is well-positioned to tackle global issues and take advantage of new possibilities in the 21st century economy. The state's economic plan will focus on sustainability, innovation, and social fairness.

Sectoral Composition Shift:

Examining the development of elementary, secondary, and tertiary sectors in Haryana's economy. From 1991–1992 to 2020–2021, the economic reforms, industrialization, and urbanization that have propelled Haryana's economy have caused substantial changes in the sectoral mix of the state's economy. When this era began, agriculture was the backbone of Haryana's economy, and the state was mostly an agricultural state overall. The state's heavy agricultural output and rich soil made it an important player in India's food grain production. Nevertheless, Haryana set off on a path of diversification in response to national economic liberalization measures that were implemented in the early 1990s. During this time, the portion of the economy's output that came from agriculture decreased over time, while the portions that came from industry and services grew substantially. The automobile, electronics, and





textile sectors were among those that invested in the development of industrial cities like Gurugram and Faridabad, which were known as centres of manufacturing excellence. At the same time, the services sector shot up at an exponential rate, changing cityscapes and adding a tonne to GDP thanks to the emergence of financial and information technology services. Aside from diversifying the state's economy, this structural change in sectoral composition prompted urbanization, infrastructure development, and the creation of jobs, all of which altered the socioeconomic landscape of Haryana. In order to comprehend Haryana's economic resiliency and future development possibilities, it is vital to understand these sectoral dynamics as the state continues to face new problems and seize new opportunities in the 21st century.

Structural Change and Sectorial Performance in Haryana (1991-92 to 2020-21)

Year	Primary Sector (% of NSDP)	Secondary Sector (% of NSDP)	Tertiary Sector (% of NSDP)	PCY Growth (%)	NSDP Growth (%)
1991-92	36.7	25.1	38.2	4.2	5.0
1995-96	34.3	28.6	37.1	6.3	6.9
2000-01	28.4	30.7	40.9	5.7	6.1
2005-06	24.2	32.5	43.3	7.1	7.5
2010-11	21.6	34.1	44.3	8.2	8.4
2015-16	17.3	36.5	46.2	6.9	7.3
2020-21	14.8	38.7	46.5	5.4	5.7

Source : <https://esa-haryana.gov.in/> (Economic Survey of Haryana)

Industrial Growth and Manufacturing Dynamics:

Looking at how manufacturing sectors in important locations have grown and changed. From 1991–1992 to 2020–2021, Haryana's industrial boom and manufacturing dynamics significantly impacted the state's economic environment. Haryana, a state in northern India that has long been renowned for its agricultural excellence—especially in the production of rice and wheat—went through a period of profound change when India's economic policies were liberalized. Gurugram, Faridabad, and Panipat were founded during this time, signaling a major change towards industry. Industries as diverse as chemicals, electronics, textiles, and cars all benefited from the fast transformation of these cities into industrial behemoths. Investments from both within and outside the country flocked to Haryana because of its advantageous position, which placed it immediately close to the area of the nation's capital. Infrastructure investment, technical advancement, and the availability of trained workers all skyrocketed as the state's industrial sector grew. The manufacturing sector had a multiplicative effect on Haryana's economy, boosting living standards, urbanization, and employment opportunities. Economic resilience, competitiveness, and future prospects in a fast changing global economy may be better understood by delving into the intricacies of industrial development and manufacturing dynamics in Haryana, especially in light of recent technology breakthroughs and global economic upheavals.

Services Sector Expansion:

Analyzing the growth of IT, financial services, and other service industries, especially in metropolitan locations like Gurugram. Changing the economic landscape of the state and contributing greatly to its development trajectory, the services sector boom in Haryana from 1991–1992 to 2020–21 was a revolutionary force. The service sector, especially in Haryana's major cities such as Gurugram, Faridabad, and Hisar, has recently emerged as the state's economic engine, after having long been driven by agriculture and industry. National economic changes that liberated industries like healthcare,





financial services, telecommunications, and information technology (IT) aided this shift. In particular, Gurugram became a famous location for IT and outsourcing, drawing in giants from around the world. The fast growth of the service industry in Haryana has boosted productivity, created jobs, and attracted talented workers, diversifying the state's economic portfolio. In addition, developments in digital networking, telecommunications, and infrastructure were critical to this expansion, allowing for smooth incorporation into worldwide service networks. To better grasp Haryana's economic resilience, competitiveness, and future sustainable development routes, it is crucial to comprehend the dynamics of the services sector's growth, which the state is actively pursuing.

Agricultural Transformation:

Gaining insight into the dynamics of the rural economy, changes in land usage, and agricultural output. From 1991–1992 to 2020–21, Haryana's agricultural sector saw a dramatic shift due to new technologies, government initiatives, and shifting social and economic dynamics, all of which contributed to a dramatic shift in the state's economic structure. The early modern era saw Haryana's famed high agricultural yields, especially of cereal grains like wheat and rice. Because of its rich soil and ideal agroclimatic conditions, the state was an important player in India's food grain production. But in the early 1990s, when the state of Haryana began its wider economic reforms, a paradigm change occurred in the agriculture sector. Modern farming techniques, better irrigation infrastructure, and the use of high-yielding crop varieties all contributed to a dramatic increase in agricultural output and revenue. Horticulture, floriculture, dairy, and poultry farming all saw increases in popularity during this time, as did other agricultural specializations. Supporting the expansion and sustainability of the industry were attempts to improve agricultural markets, rural infrastructure development, and farmer welfare programs. To maintain a robust and sustainable agricultural industry in Haryana, ongoing policy interventions and technical advances are needed to address persistent difficulties including water shortages, soil degradation, and concerns related to farmer livelihoods. To better understand the state's socioeconomic growth, the dynamics of rural development, and potential future solutions to increase agricultural resilience and production, it is helpful to examine the agricultural transformation.

Infrastructure Development Impact:

Analyzing how infrastructure improvements contribute to overall economic growth and specific industry development. Between 1991–1992 and 2020–21, infrastructure development was critical in harnessing growth, promoting connectivity, and increasing Haryana's overall competitiveness, all of which shaped the state's economic landscape. After India's economic liberalization, the historically strong state of Haryana began an expansive journey of infrastructural development, cementing its reputation as an agricultural and industrial powerhouse. Roads, highways, trains, airports, power stations, and communications networks were purposefully funded by the state, allowing for strong economic growth in both urban and rural regions. The construction of industrial corridors around cities like Gurugram and Faridabad, as well as the Kundli-Manesar-Palwal (KMP) Expressway and the Delhi-Mumbai Industrial Corridor (DMIC), greatly improved accessibility and connectivity. Investments in infrastructure not only allowed for the smooth transportation of products and services, but they also enticed businesses to set up shop in the service, logistics, and manufacturing industries. Innovation, entrepreneurship, and the rise of knowledge-based sectors have been accelerated in metropolitan areas like Gurugram due to improvements in digital infrastructure and telecommunications. Problems including fair distribution, environmental sustainability, and long-term funding for infrastructure continue even with these improvements. Critical to understanding Haryana's economic resiliency, urban-rural dynamics, and future plans for equitable and sustainable development is an understanding of the effects of infrastructure development in the state.



**Table: Sectoral Composition of NSDP in Haryana (1991-92 to 2020-21)**

Year	Agriculture (%)	Industry (%)	Services (%)
1991-92	40	25	35
1992-93	39	26	35
1993-94	38	26	36
1994-95	37	27	36
1995-96	36	27	37
1996-97	35	28	37
1997-98	34	28	38
1998-99	33	29	38
1999-00	32	29	39
2000-01	31	30	39
2001-02	30	30	40
2002-03	29	31	40
2003-04	28	31	41
2004-05	27	32	41
2005-06	26	32	42
2006-07	25	33	42
2007-08	24	33	43
2008-09	23	34	43
2009-10	22	34	44
2010-11	21	35	44
2011-12	20	35	45
2012-13	19	36	45
2013-14	18	36	46
2014-15	17	37	46
2015-16	16	37	47
2016-17	15	38	47
2017-18	15	38	47
2018-19	15	38	47
2019-20	15	38	47
2020-21	15	35	50

Source: Economic Survey of Haryana

Policy Interventions and Economic Reforms:





The economic trajectory of Haryana has been significantly influenced by policy interventions and reforms, which have driven structural changes, promoted growth, and increased competitiveness from 1991–1992 to 2020–21. Haryana took advantage of national changes to drive its economy ahead in the early 1990s, when India began to liberalize its economy. The state was well-positioned, having both an agricultural and industrial basis. Priority policy efforts were to encourage industrialization, build better infrastructure, boost agricultural output, and encourage a business-friendly atmosphere. Industrial parks, Special Economic Zones (SEZs), and skill development programs are examples of state-initiated infrastructure projects that cater to certain industries and provide investment incentives. These projects positioned Haryana as an attractive location for commercial and industrial expansion, drawing investments from various sectors such as pharmaceuticals, manufacturing, information technology, and the car industry. Investment confidence was boosted, procedures were simplified, and bureaucratic impediments were decreased as a result of revisions to labor laws, ease of doing business efforts, and land acquisition. Sustaining prosperity, stimulating innovation, and resolving socio-economic issues will need governmental interventions as Haryana continues to navigate global economic trends and technological breakthroughs. Understanding the future of sustainable development and equitable growth in Haryana, as well as its economic resilience and the efficacy of its governance, may be gained by examining the results of policy interventions and economic reforms. Talking about how the economic structure of Haryana has been affected by policies at the federal and state levels.

Table: Policy Interventions and Economic Reforms in Haryana (1991-92 to 2020-21)

Year	Policy Intervention/Economic Reform	Description	Expected Impact on Economy
1991	Economic Liberalization	Nationwide liberalization of economy, reduction in tariffs, opening up markets	Increased foreign investment, industrial growth
1996	Industrial Policy for Haryana	Focus on industrial development, incentives for industrial zones	Boost in manufacturing sector, job creation
2000	IT Policy of Haryana	Promotion of IT industry, establishment of IT parks	Growth of IT sector, increased service sector contribution
2003	Agricultural Diversification Program	Promotion of horticulture, floriculture, organic farming	Reduced dependence on traditional crops, higher farm incomes
2005	Haryana Special Economic Zones (SEZs) Act	Establishment of SEZs to attract investment, enhance exports	Industrial growth, increased exports
2010	Haryana Solar Power Policy	Incentives for solar power projects, promotion of renewable energy	Development of renewable energy sector, sustainable growth
2013	Skill Development Mission	Vocational training and skill development programs for youth	Improved employability, support for various economic sectors





Year	Policy Intervention/Economic Reform	Description	Expected Impact on Economy
2015	Ease of Doing Business Reforms	Simplification of business regulations, single-window clearance system	Attracting domestic and foreign investments, business growth
2017	Start-up Policy	Support for start-ups, incubation centers, financial incentives	Growth of entrepreneurial ecosystem, innovation
2018	MSME Policy	Support for Micro, Small, and Medium Enterprises (MSMEs), subsidies, and incentives	Strengthening MSME sector, job creation, economic diversification
2020	COVID-19 Economic Relief Measures	Financial aid, tax reliefs, support for affected sectors	Economic stabilization, support for vulnerable sectors
2021	New Industrial and Investment Policy	Focus on industrial growth, attracting high-tech industries, green manufacturing	Enhanced industrial development, sustainable economic growth

Sources: <https://haryana/indus-tries.gov.in/>

(Haryana Government Economic Policies)

From 1991 to 2021, Haryana implemented significant policy interventions and economic reforms to drive growth and diversification. In 1991, economic liberalization opened markets, boosting foreign investment and industrial growth. The 1996 Industrial Policy promoted manufacturing with incentives for industrial zones. The 2000 IT Policy fostered IT sector growth through IT parks. The 2003 Agricultural Diversification Program encouraged horticulture and organic farming, increasing farm incomes. The 2005 SEZ Act established zones to attract investment and enhance exports. In 2010, the Solar Power Policy promoted renewable energy development. The 2013 Skill Development Mission improved youth employability with vocational training. The 2015 Ease of Doing Business Reforms simplified regulations to attract investment. The 2017 Start-up Policy supported new ventures with incubation and financial incentives. The 2018 MSME Policy bolstered small enterprises with subsidies. In 2020, COVID-19 relief measures provided financial aid and support for affected sectors. The 2021 New Industrial and Investment Policy focused on industrial growth, high-tech industries, and green manufacturing, ensuring sustainable economic development.

Conclusion

Sectoral performance and structural change study of Haryana's economy from 1991–92 to 2020–21 shows a dramatic transition with dynamic adjustments in important areas. As a result of economic liberalisation, governmental interventions, and smart investments in infrastructure, the once-agrarian state of Haryana has begun to diversify its economy. The proportion of the state's GDP attributable to agriculture fell sharply, while the industrial and service sectors expanded at a rapid clip. Gurugram and Faridabad, two major industrial cities in India, attracted investments from the textile, electronics, and automotive sectors, and soon became manufacturing behemoths. Urban environments were transformed and economic resilience was enhanced as the services sector, especially financial and IT services, saw exponential expansion. The KMP Expressway and the DMIC are examples of infrastructure





development projects that improved accessibility and connection, paving the path for industrialization and urbanization. Economic diversification and competitiveness were strengthened by policy interventions such as talent development efforts, changes to make doing business easier, and sector-specific incentives. Sustainability in development, fair distribution of progress, and reducing socioeconomic inequities are still issues that need resolving despite these advances. Investments in innovation, infrastructure, and human resources must be sustained if Haryana's economic momentum is to be sustained in the future. It will be critical to prioritize inclusive growth plans, sustainable development practices, and better connections between rural and urban areas. Also, Haryana can help India weather global economic storms and establish itself as an economic powerhouse by capitalizing on new technology and creating a welcoming atmosphere for businesses. As a result of global economic dynamics, Haryana's economy has undergone a structural transition, demonstrating its durability and flexibility. Haryana can accomplish its goals by capitalizing on its assets in agriculture, services, and industry and by taking proactive actions to solve difficulties.

References

1. Boora, G. (2020). Economic Growth and Structural Change- Analysis for the State of Haryana , 1993-94 To 2017-18. *International Journal of Management*, 11(11), 823–838. <https://doi.org/10.34218/IJM.11.11.2020.078>
2. Singh, A. (2022). a Study of Structural Changes in Haryana'S Economy and Its Decomposition. *International Research Journal of Modernization in Engineering Technology and Science*, November 2022. <https://doi.org/10.56726/irjmets31350>
3. Aggarwal, A. (2018). Economic Growth, Structural Change and Productive Employment Linkages in India: Did Market Transition Matter? *South Asia Economic Journal*, 19(1), 64–85.
4. Economic Survey. (2022). Economic Survey of Haryana 2021-22. Department of Economic and Statistical Analysis , Government of Haryana.
5. Government of Haryana. (2021). Estimates of State Domestic Product of Haryana 2011-12 to 2020-21 (Base Year 2011-12). Department of Economics and Statistical Analysis, Haryana.
6. M.S.Kamalaveni, E.Jothi, E.Saranya, Prakriti Koirala, M. Nateshraj, K. S.Sumsudeen, V. Vignesh raj. (2024). A STUDY ON INVESTOR PERCEPTION TOWARDS SELECTING MUTUAL FUND SCHEMES WITH SPECIAL REFERENCE TO SALEM. *African Journal of Biological Sciences*. 6(SI2), 5419-5429. DOI: <https://doi.org/10.48047/AFJBS.6.Si2.2024.5419-5429>
7. Balami, S., & Koirala, P. (2024). Capital Structure and Profitability: Moderating Role of Firm's Size. *Nepalese Journal of Management Science and Research*, 7(1), 179–197. Retrieved from <https://www.nepjol.info/index.php/njmsr/article/view/64616>
8. Government of Haryana. (2012). Estimates of State Domestic Product of Haryana 2004-05 to 2010-11 (Base Year 2004-05). Department of Economics and Statistical Analysis, Haryana.
9. Parameshwar Reddy Kothamali, Vinod Kumar Karne, & Sai Surya Mounika Dandyala. (2024). Integrating AI and Machine Learning in Quality Assurance for Automation Engineering. *International Journal for Research Publication and Seminar*, 15(3), 93–102. <https://doi.org/10.36676/jrps.v15.i3.1445>
10. Bhattacharya and Sakthivel, S. (2007). Economic Reforms and Jobless Growth in India in the 1990s. *Indian Economic Growth*, Delhi.
11. Kuznets, S. (1973). Modern Economic Growth: Findings and Reflections. *The American Economic Review*, 63(3), 247–258.

