

Maharashtra emerges as top performer in overall competitiveness: Study

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Maharashtra also performed well in categories related to quality of life, financial, business and manpower conditions among others. (HT File Photo)

Maharashtra is the most economically competitive Indian state in 2016, according to the annual report released on Friday by the Asia Competitiveness Institute (ACI) of Singapore's Lee Kuan Yew School of Public Policy.

The ACI ranked select Indian states based on the criteria of macroeconomic stability, government and institutional setting, financial, businesses and manpower conditions, quality of life and infrastructure development. Data for the survey was taken from 2013-14.

Maharashtra has not only topped the overall ranking but also performed well in categories related to quality of life, financial, business and manpower conditions among others.

Delhi was ranked second in the list followed by Tamil Nadu. Gujarat came at fourth, Karnataka fifth, Uttar Pradesh was placed sixth, Andhra Pradesh seventh, West Bengal eighth, Kerala ninth and Haryana tenth.

The worst performing states are Mizoram, Jharkhand, Chattisgarh, Bihar, Nagaland, Assam among others.

“Competitiveness rankings alone are like a beauty contest: lacking constructive suggestions. Through data analysis, we obtain not only rankings but also relative strength and weakness assessment,” Tan Khee Giap, ACI’s co-director and associate professor of public policy, said.

“The exercise studies overall competitiveness, four environments, 11 sub-environments, and 75 indicators. It is vital for the Indian states to know how they are performing and what all needs to be done to improve their position,” Tan said.

“This year’s report shows that India needs to catch up and unlock any self-imposed constraints to unleash its latent potential, with the regime change,” he added.

Delhi doesn’t even figure in the top 10 in the quality of life and infrastructure development ranking though neighbouring Haryana ranks 29. While Maharashtra ranks number one, it is followed by the farthest Manipur (2) and Gujarat comes third.

“Delhi’s infrastructure is under a lot of stress. With no restrictions in place, the capital sees a huge number of people coming putting extra pressure on the existing infra,” Tan said explaining the performance of Delhi in this category despite emerging as Number 2 in the overall ranking.

“The only way to address this is to put more public fund for the extra population or restrict the entry of people as practised in other countries,” he added.

According to the report, India needs to focus on a faster, more inclusive and sustainable growth. It also harps on the increasing importance of a federal structure, a key to strengthening the country’s laggard performance in comparison to the other emerging market economies in Asia, especially China.

Tan, however, pointed out that the Indian economy has been doing better than Chin’s for the past few years.

ACI provides an annual report on the competitiveness ranking and simulations for Greater China and sub-national economies and five regions of India. It is one of the four research centres of the Lee Kuan Yew School of Public Policy at the National University and has been undertaking this annual exercise since 2000.

Sections on which overall ranking was given

Macroeconomic stability section

- **Regional economic vibrancy
- **Openness to trade and services
- **Attractiveness to foreign investors

Government and Institutional setting

- **Government policies and fiscal sustainability
- **Institutions, governance and leadership

Financial, businesses and manpower conditions

- **Financial deepening and business efficiency
- ** Labour market flexibility
- **Productivity performance

Quality of life and infrastructure development

- **Physical infrastructure
- **Technological infrastructure
- **Standard of living, education and social stability

(Disclaimer: Travel for this story was sponsored by the Lee Kuan Yew School of Public Policy, National University of Singapore.)