

12 LARGE STATE FAILED ON JOBS, DESPITE FASTER GROWTH: CRISIL

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MUMBAI: Even as 12 large states grew faster than national GDP in FY18, the same has not translated into [job creation](#), as GSDP expansion has come in from sectors which are less job-intensive, says a report.

The [Crisil](#) report comes in the immediate backdrop of a report by the independent think-tank Centre for Monitoring Indian Economy which said as many as 1.1 crore jobs were lost in 2018 alone.

"Growth has not quite been conducive to job creation in a majority of the states," Crisil said Monday.

It said 11 states have recorded lower growth in employment-intensive sectors such as manufacturing, construction and trade, and hotels, transport and communication services, compared with the national rate.

In Gujarat, Bihar and Haryana, growth could have been more employment generating sectors have grown the fastest, it said, adding Rajasthan, Jharkhand and MP recorded the lowest growth. No wonder of these the first and the last states voted the incumbent BJP governments in the December elections.

The report said 12 states grew faster than nation last fiscal. The growth has not been equitable, it said, pointing out that the chasm on per capital income between low-income states and high income states has only widened.

Most states were found to have veered off the targets under the fiscal responsibility and budget management act, the report said, adding because of the pressure on [fiscal deficit](#) for the Centre, the states have become the engines of government spending, accounting for a bulk 65 percent of the total money spent.

Rajasthan, Jharkhand and UP topped the tally in proportion of capex in state spending in the past three years, it said. However, critical areas including health, irrigation and education did not get as much attention on spending as it ought to have been, it added.

Going by the three crucial factors of [inflation](#), growth and fiscal deficit, Gujarat and Karnataka remained among top three performing states, it said, adding Kerala and Punjab stayed stuck in the bottom three.

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