



# Summary Report for the State of Chhattisgarh



## ***1. Demography***

As per 2023 Census population projections, Chhattisgarh has a population of 30.2 million and represents 2.2 percent of the country's total population. The State's projected population growth rate, at 1.2 percent, is higher than the national average of 0.9 percent, as of 2022-23. The State's population density, at 218 persons per sq. km, is much lower while its dependency ratio, at 57.7 percent, is slightly higher than the corresponding national averages, as of 2021. Nearly three-fourths of the State's population still lives in rural areas, with only 27.1 percent of its population residing in urban areas, as of 2023.<sup>1</sup> As per the National Family Health Survey (NFHS V, 2019-21), the sex ratio at birth (female births per 1000 male births) in the State, at 960 females per 1000 males, is higher than the national average.

As of 2022-23, the State's annual unemployment rate, at 2.4 percent, is lower than the national average of 3.2 percent, and its Female Labour Force Participation Rate, at 59.8 percent, is higher than the national average of 37 percent. The working population in the State is predominantly concentrated in the Agriculture, Forestry, and Fishing (62.6 percent); Services (18.8 percent); Construction (9.7 percent); and Manufacturing (7.6 percent) sectors.<sup>2</sup>

## ***2. Economic Structure (Growth and Sectoral Composition)***

Chhattisgarh's real GSDP grew at an average rate of 5.5 percent during the period 2012-13 to 2021-22, which is close to the national average growth of 5.6 percent.<sup>3</sup> The State's share in India's nominal GDP decreased from 2.1 percent in 1993-94 to 1.7 percent by 2021-22 and its nominal per capita income was 20 percent lower than the national per capita income, as of 2021-22.

Among the major sectors, the Industry sector is the largest contributor to the State's GSVA and has a share of 42.4 percent, followed by the Services (35.4 percent), and Agriculture (22.2 percent) sectors, respectively, (2021-22). During the period 2013-14 to 2022-23, the Services, Manufacturing and Agriculture sectors grew by 5.4 percent, 9.4 percent, and 4.9 percent per annum, respectively.<sup>4</sup>

## ***3. Socio-economic Indicators***

Chhattisgarh's literacy rate, at 70.3 percent, is close to the national figure of 73 percent, as of 2011.<sup>5</sup> As of 2016-17, the State had a lower school dropout rate of 29.7 percent for Class X but a higher school dropout rate of 24.2 percent for Classes VIII-X, as compared to the respective national averages. The State has a lower pass percentage of 77.2 percent for class X and 87.9 percent for Class XII, relative to their respective national benchmarks. The Gross Enrolment

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<sup>1</sup> Projected data on population growth rate, dependency ratio, population density and urban population is sourced from "Population Projections for Indian States 2011-2036" by the Technical Group on Population Projections, National Commission on Population, Ministry of Health and Family Welfare, Government of India.

<sup>2</sup> Data on unemployment, female labour force participation, and workforce distribution is from the Periodic Labour Force Survey, 2017-18 to 2023-24.

<sup>3</sup> Data on Economic Structure is sourced from Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023.

<sup>4</sup> Data used is sourced from MoSPI, as of March 2024.

<sup>5</sup> Literacy data is sourced from Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, 2011.

Ratio at the Higher Secondary level (54 percent in 2015-16) and at the Higher Education level (19.6 percent in 2021) are both below the respective national averages.<sup>6</sup> For people aged 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) is higher as compared to the national benchmark, as of 2021.<sup>7</sup>

As of 2020, life expectancy in Chhattisgarh, at 65.1 years, is lower than the national average of 70 years. The Infant Mortality Rate, at 38 deaths per 1000 live births (2020), is higher and the Total Fertility Rate, at 1.8 children per woman (2019-21), is lower than the respective national benchmarks. The share of fully immunised children, at 79.7 percent, is higher than the national average, as of 2019-21. The State has shown an improvement on “quality of life” indicators over the last few decades. Barring household access to drinking water, which is marginally below the national average, access to electricity and sanitation facilities in the State are above their respective national benchmarks, as of 2021.

#### ***4. State of Public Finances***

Chhattisgarh’s debt-to-GSDP ratio, at 24 percent in 2022-23,<sup>8</sup> is lower than that of a median State. Its contingent liabilities, at 4.8 percent, are much higher than those of a median State, as of 2021-22. The Fiscal Deficit, at 3.2 percent, is lower than that of a median State and the Primary Deficit, at 1.6 percent, is close to that of a median State, as of 2022-23.<sup>9</sup> The State had a revenue surplus of 0.6 percent of GSDP in 2022-23 in comparison to the deficit of 0.4 percent run by a median State.

The State’s Total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre), at 21.4 percent of GSDP, were about 1.5 percentage points higher than what a median State collected, as of 2022-23, and the State’s expenditure, at 24.6 percent of GSDP, was only marginally above than that of a median State.

The Debt Sustainability Assessment projections show dire debt-to-GSDP ratios under most scenarios. In the baseline scenario (where the debt level, primary deficit, real GDP growth, and real effective interest rate remain constant at their decadal average from 2012-13 to 2021-22), the debt-to-GSDP ratio is projected to increase by nearly 5 percentage points in the next five years, starting from 2021-22. Scenarios of higher growth (or lower primary deficit) also do not predict any meaningful decline in the debt-to-GSDP ratio.

Chhattisgarh’s share in taxes from the Centre, as per the Finance Commission (FC) recommendations, increased from 3.1 percent under the 14<sup>th</sup> FC to 3.4 percent by the 15<sup>th</sup> FC, and its share in the total grants-in-aid has increased marginally by 0.2 percentage points to 1.7

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<sup>6</sup> Data on dropout rates, pass percentage of students and Gross Enrolment Ratio at Higher Secondary Level is taken from Unified District Information System for Education, 2015-16.

<sup>7</sup> Gross Enrolment Ratio at Higher Education Level, Data on Gender Parity Index and College Density have been taken from All India Survey on Higher Education, 2020-21.

<sup>8</sup> Data on fiscal variables is sourced from Reserve Bank of India, State Finances Report, as of December 2023.

<sup>9</sup> For calculation of the median State, the variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North-eastern States, except Assam). The Macro and Fiscal Landscape State brief includes this benchmark in the States’ Median (Large States), Column 6, Table 4A.

percent under the 15<sup>th</sup> FC, as compared to the 14<sup>th</sup> FC.

## **5. Fiscal Rules**

As per the recommendations of the 12<sup>th</sup> FC, the Chhattisgarh Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2005. The Act sets targets relating to the revenue deficit, fiscal deficit, and outstanding liabilities, and emphasises that the present Medium-Term Fiscal Policy Statement, outlining three-year rolling targets for fiscal indicators, must be presented alongside the Budget annually.<sup>10</sup>

**Revenue Deficit:** The initial Act in 2005 required the State to eliminate its revenue deficit by March 31, 2009, and maintain a revenue surplus from 2005-06 onwards. A 2011 amendment mandated a zero-revenue deficit from 2011-12 to 2014-15. In May 2016, the Act was amended to align the State's fiscal rules with the recommendations of the FC.

**Fiscal Deficit:** The 2005 Act required the State to reduce its fiscal deficit annually from 2005-06 onwards with the aim of bringing it down to no more than 3 percent of GSDP by March 2009. A 2011 amendment capped the fiscal deficit at 3 percent of GSDP for the period 2010-11 to 2014-15. In 2016, the Act was amended to align fiscal rules with FC recommendations. The 14<sup>th</sup> FC allowed a fiscal deficit of up to 3.5 percent of GSDP with certain conditions. In March 2021, the fiscal deficit limit was raised to 5 percent of GSDP for 2019-20 and 2020-21.

**Outstanding Guarantees:** Initially the 2005 Act mandated the State to limit new State government guarantees to no more than 1.5 percent of GSDP in nominal terms or 0.5 percent on a risk-weighted basis, whichever is lower, starting from 2005-06 onwards.

**Outstanding Liabilities:** The 2005 Act capped additional liabilities at 5 percent of GSDP for any financial year starting from 2005-06 onwards. A 2011 amendment maintained the 5 percent limit from 2011-12 onwards. In 2016, the Act was amended to align fiscal rules with FC recommendations.

**Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period 2017-18 to 2021-22, the State was able to achieve the revenue deficit targets for three out of five years (2017-18, 2018-19, and 2021-22) and fiscal deficit targets for four out of five years, with the exception of 2019-20. It failed to meet the targeted achievements for the outstanding liabilities for four out of five years, barring the exception of 2021-22.

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<sup>10</sup> Data is sourced from State Audit Report of the CAG for the respective years, and the State Government Gazette.