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# STATE PCS CA

(CONSOLIDATION)

JHARKHAND

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2024**

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## State's Financial Landscape

### Why in News?

Recently, the **assembly election** in Jharkhand has intensified, with both the ruling and opposition alliances launching economic initiatives aimed at garnering voter support.

### Key Points

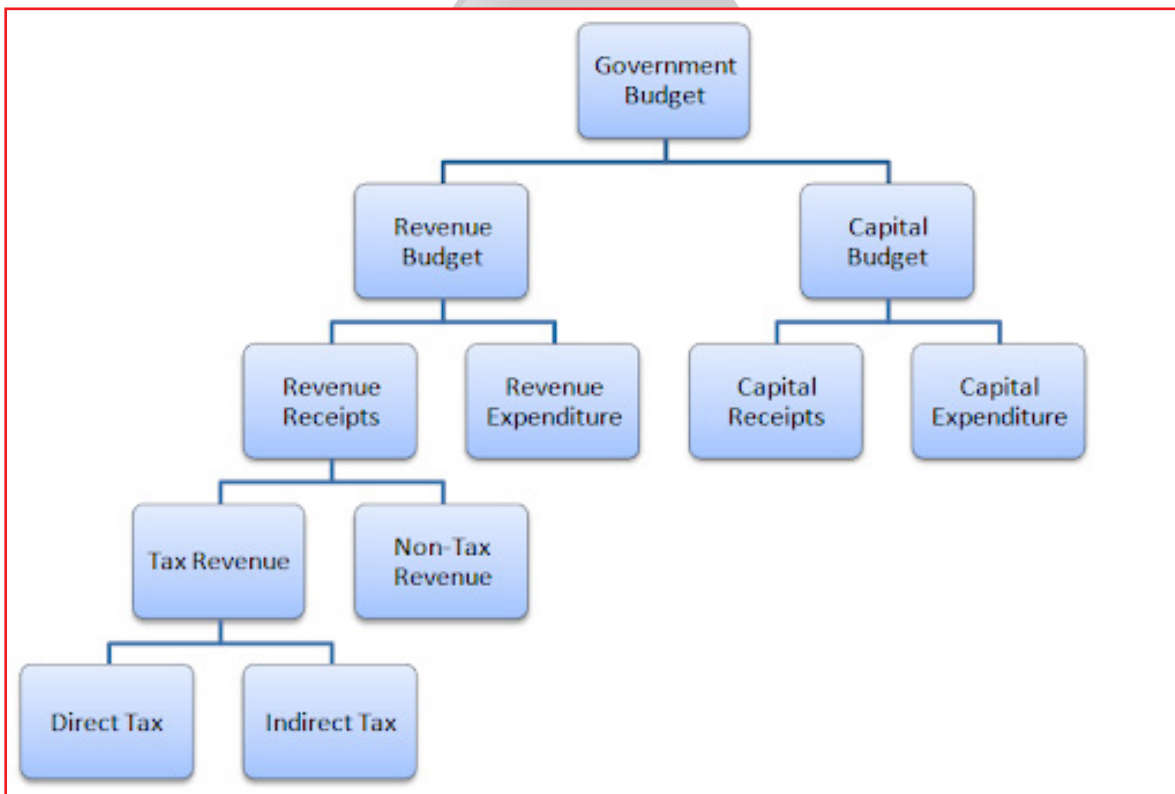
#### ➤ Revenue Generation:

- Jharkhand generates only about **30.8% of its revenue receipts** through its own **tax collection**, creating dependency on **central government allocations**.

#### ➤ Pension Schemes:

- The state has expanded a **universal pension scheme**, reducing the age of eligibility from **60 to 50** for **marginalized groups** (Dalits, Adivasis, and women).

- The government supplements central pension funds, adding Rs. 240.4 crore to ensure that each recipient gets a **monthly Rs. 1,000**.
- **Committed Expenditures:**
  - **Salaries, pensions, and interest payments** absorbed over **one-third of Jharkhand's revenue receipts in FY24**, limiting fiscal flexibility for development projects.
- **Capital Expenditure Focus:**
  - Jharkhand has prioritized **capital expenditure**, aiming to reach **7.89% of its GSDP** in FY25, a substantial rise from **2.91% in FY15**.
  - The state's **capex-GSDP ratio is higher** than many states, with a recent **7.57% in FY24**, well above the national average of approximately 4.9%.
  - Higher capex helps in creating assets that may boost long-term growth, despite current fiscal constraints.



#### ➤ Fiscal Surplus and Debt Challenges

- Jharkhand has remained **revenue-surplus** for most years, except in FY15 and during the COVID-19 pandemic in FY21, maintaining a fiscal deficit of 2% (down from a high of **5.2% in FY21**).

#### ➤ Debt-to-GSDP Ratio:

- Jharkhand's **debt-to-GSDP ratio** peaked at **36% in FY21** and remains high, projected at around 27% for FY25, though previous estimates have been revised upwards.

Note:

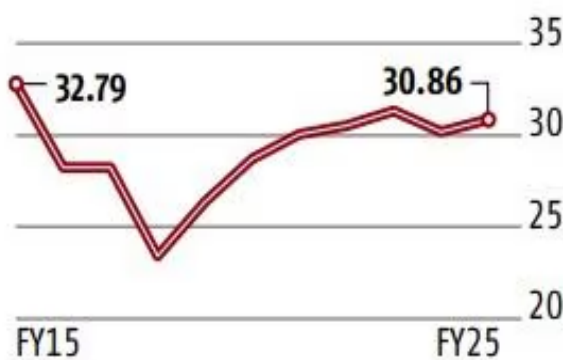


- The **Reserve Bank of India** ranked Jharkhand among the top 10 states with the highest debt-to-GSDP ratios, highlighting concerns over long-term debt sustainability.
- Economic Indicators and Social Challenges
  - **Unemployment:** Jharkhand has a relatively low **unemployment rate** of 1.3% (2023-24), significantly below the national average of 3.2%.
  - **Poverty Levels:** Jharkhand faces high multidimensional poverty, with 28% of residents experiencing deprivation, second only to Bihar (33.7%).

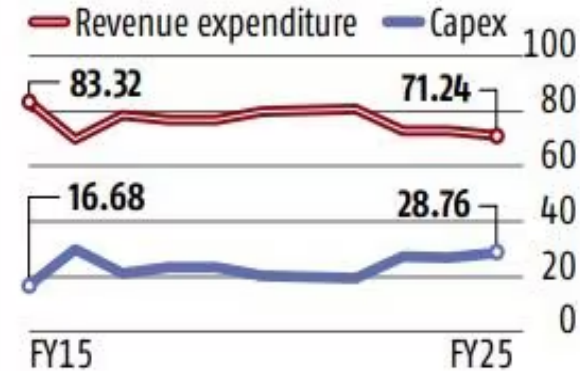
- **Inflation:**
  - **Overall Inflation:** Declined to 3.8% in the first half of the financial year, below the national rate of 4.6%.
  - **Food Inflation:** Rose to 8.9% in September, higher than the **national 8.4%**, while the average food **inflation** rate from April to September was **6.7%**, still below the national trend.
- **Conclusion:** With the Jharkhand Assembly elections approaching, both the ruling coalition and opposition alliance are engaging in competitive social welfare and economic proposals to sway the electorate, amidst a backdrop of fiscal challenges, poverty, and inflationary pressures.

# JHARKHAND: STATE OF ECONOMY

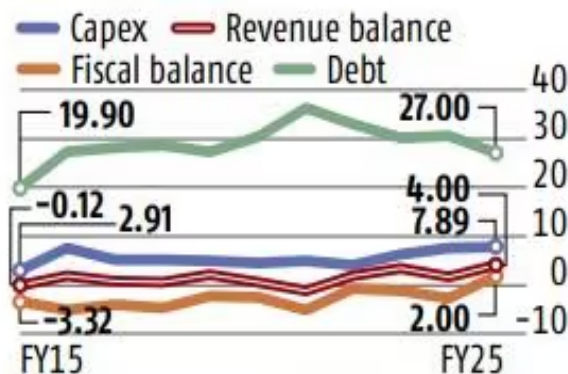
## OWN TAX REVENUE AS % OF REVENUE RECEIPTS



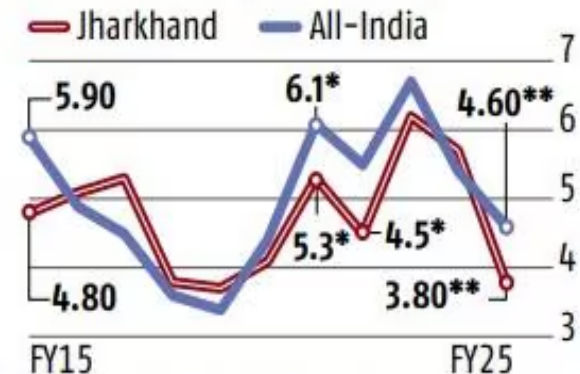
## AS % OF TOTAL EXPENDITURE



## AS % OF GSDP



## INFLATION (% Y-o-Y)



Note: FY24 numbers are Revised Estimates; FY25 figures are Budget Estimates. \*past 10 months, \*\*first 6 months  
 Source: Jharkhand Budget documents, CAG, PRS legislative, MOSPI, and Business Standard calculations

Note:

## Cyclone Dana's Impact on Jharkhand

### Why in News?

Recently, **Cyclone Dana** is anticipated to cause significant disruptions across **eastern India, particularly in Jharkhand**, with multiple emergency measures being implemented.

### Key Points

- **Heavy Rainfall and Flood Risks:** The **India Meteorological Department (IMD)** forecasts heavy rains in Jharkhand, raising concerns for flooding, especially in vulnerable low-lying areas, from **24<sup>th</sup> to 25<sup>th</sup> October, 2024**.
- **Disruption to Transportation:** Rail services across parts of eastern India, including Jharkhand, are heavily impacted, with over **150 trains cancelled** as a precautionary measure to ensure commuter safety during the expected adverse weather conditions.
- **NDRF and SDRF Preparedness:** The **National Disaster Response Force (NDRF)** and **State Disaster Response Force (SDRF)** teams are on high alert and prepared for rapid deployment in case of emergencies.
- **Advisory for Fishermen and Coastal Activities:** The **IMD** has issued a strict warning for fishermen and advised against venturing into the Bay of Bengal. High wind speeds, expected to reach **100-110 km/h**, are likely to impact coastal and adjacent regions, affecting local economies reliant on fishing and maritime activities.
- **Evacuations and Public Safety Warnings:** Authorities are making preparations for potential evacuations, particularly in

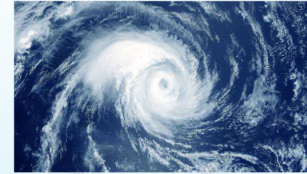
regions where the cyclone's impact may be severe. Public advisories are issued to ensure residents are aware of safety protocols during the cyclone's passage.

### Cyclone Dana

- **Emergence:** It is the third cyclone to form in the **North Indian Ocean region** and the second to make landfall along the Indian coast in 2024 after **Cyclone Remal**.
  - It is the first cyclone in the post **monsoon** cyclone season.
- **Naming of Dana:** The **World Meteorological Organisation (WMO)** states that Cyclone Dana was named by Qatar. In Arabic, "Dana" signifies 'generosity' and also refers to 'the most perfectly sized, valuable, and beautiful pearl.'

## CYCLONE

Cyclones are rapid **inward** air circulation around a **low-pressure** area.

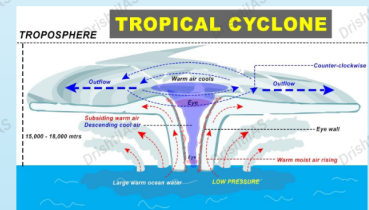


### Cyclone v/s Anticyclone

Pressure System	Pressure Condition at the Center	Pattern of Wind Direction	
		Northern Hemisphere	Southern Hemisphere
Cyclone	Low	Anticlockwise	Clockwise
Anticyclone	High	Clockwise	Anticlockwise

### Classification

- **Tropical Cyclones;** originate between the **Tropics of Capricorn and Cancer**
- **Extra Tropical/ Temperate Cyclones;** originate in the **Polar Regions**



### Conditions for Formation

- Large sea surface with temperature  $>27^{\circ}\text{C}$ .
- Presence of the **Coriolis force**
- Small **variations in the vertical wind speed**
- A **pre-existing weak low-pressure area**
- **Upper divergence** above the sea level system

### Nomenclature

- Nodal Authority - **World Meteorological Organization (WMO)**
- Indian Ocean Region - **Bangladesh, India, Maldives, Myanmar, Oman, Pakistan, Sri Lanka and Thailand** contribute to naming cyclones that occur in this region.

### Different Names for Tropical Cyclones

- **Typhoons** - Southeast Asia and China
- **Hurricanes** - North Atlantic and eastern Pacific
- **Tornados** - West Africa and southern USA
- **Willy-willies** - Northwest Australia
- **Tropical Cyclones** - Southwest Pacific and Indian Ocean

### Cyclones in India

- **Bi-annual Cyclone Season** - March to May and October to December
- Recent Cyclones - **Tauktae, Vayu, Nisarga and Mekanu** (in Arabian Sea) and **Asani, Amphan, Fani, Nivar, Bulbul, Titli, Yaas and Sitrang** (in Bay of Bengal)

Note:

## Jharkhand Assembly Elections, 2024

### Why in News?

The [Election Commission of India](#) recently announced the poll schedule for the 2024 Jharkhand Assembly elections, which will be held in two phases in November, with results to be declared on **23<sup>rd</sup> November**.

### Key Points

- Constituencies Voting in Phase 1 (13<sup>th</sup> November):
    - Major constituencies include Kodarma, Hazaribagh, Jamshedpur East, Ranchi, Khunti (ST), and Daltonganj.
    - 43 constituencies will vote, with a significant number of ST and SC seats.
  - Constituencies Voting in Phase 2 (20<sup>th</sup> November):
    - Includes Rajmahal, Dumka (ST), Deoghar (SC), Dhanbad, Bokaro, and Ramgarh.
    - 38 constituencies will vote, covering diverse regions and social compositions.
- The elections will cover all **81 constituencies, including 44 General, 9 SC, and 28 ST seats**, setting the stage for a new government formation by early 2025.

### Election Commission of India

- The [Election Commission of India \(ECI\)](#) is an autonomous constitutional authority responsible for administering Union and State election processes in India.
  - It was established in accordance with the Constitution on 25th January 1950 (celebrated as [National Voters' Day](#)). The secretariat of the commission is in New Delhi.
- The body administers elections to the [Lok Sabha](#), [Rajya Sabha](#), and [State Legislative Assemblies](#) in India, and the offices of the [President and Vice President](#) in the country.
  - It is not concerned with the elections to [panchayats](#) and [municipalities](#) in the states. For this, the Constitution of India provides for a separate [State Election Commission](#).



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Note:

**Key Points**

**Details**


**Summary**

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