



**COMPREHENSIVE DEVELOPMENT FRAMEWORK
REPORT OF TAMIL NADU**

YOUTH PEACE AND DEVELOPMENT FORUM

NEW DELHI

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FOREWORD

Tamil Nadu occupies a unique position in the Republic of India. Celebrated globally as a powerhouse of industrial growth and a pioneer of social justice, the state is a beacon of inclusive development, rich cultural heritage, and progressive governance. Every milestone achieved in Tamil Nadu sets a benchmark that influences national economic policies and India's standing in industrial and social metrics. As India progresses towards becoming a developed nation by 2047, the transformation of Tamil Nadu into a globally competitive, innovation-driven, and ecologically sustainable state is not merely a regional aspiration. It is a national imperative.

Having experienced the socio-cultural and economic fabric of Tamil Nadu closely, I have witnessed both its extraordinary strengths and its emerging challenges. Tamil Nadu possesses a robust manufacturing ecosystem, world-class healthcare, exceptionally high enrolment in higher education, a highly skilled workforce, and a vibrant entrepreneurial culture. At the same time, the state continues to grapple with complex development challenges such as water scarcity, rapid urbanization pressures, the need to transition from traditional manufacturing to advanced deep-tech industries, environmental degradation, and bridging regional economic disparities. These challenges require long-term thinking, institutional agility, and evidence-based policymaking rather than incremental interventions.

The Youth Peace and Development (YPD) Forum believes that India's youth have an important role to play in shaping the future of public policy. Across the world, innovative policy ideas increasingly emerge through collaboration between governments, academic institutions, research organisations, industry experts, and young professionals. Inspired by this approach, the YPD Forum has undertaken the preparation of this document titled "Comprehensive Development Framework Report of State of Tamil Nadu." This report reflects our collective aspiration to contribute constructively to the development of Tamil Nadu through practical, research-driven, and future-oriented policy recommendations.

This document has been prepared through the collaborative efforts of researchers, policy analysts, economists, environmental scientists, engineers, students, and professionals associated with the YPD Forum. The recommendations are based on comparative studies of successful global manufacturing and technology hubs, examination of international best practices, analysis of existing state policies, and a deep understanding of Tamil Nadu's geographical and socio-economic realities. Throughout this exercise, our objective has remained simple. We have sought to identify reforms that are ambitious in vision, realistic in implementation, and capable of generating measurable improvements in economic growth and the quality of life.

The strategic frameworks presented in this report cover the most critical dimensions of state-level development. They include governance reforms to further enhance the ease of doing business, investments in climate-resilient urban infrastructure, managing statewide water security, revitalizing higher education to meet deep-tech industry demands, accelerating the green energy transition, strengthening the MSME sector, and a long-term economic strategy aimed at propelling Tamil Nadu towards its goal of becoming a US\$1 trillion economy. Together, these recommendations constitute an integrated roadmap for building a state that is economically vibrant, technologically advanced, environmentally secure, and globally competitive.

One of the central ideas underlying this report is that Tamil Nadu should not merely rely on its past laurels as the 'Detroit of India' or its traditional industrial base. It must evolve into a leading global hub for research, development, and sustainable living. International regions such as South Korea, Taiwan, and Bavaria demonstrate how a strong manufacturing base, when combined with world-class human capital and sustainable practices, can create societies that drive prosperity while providing an exceptional quality of life. Tamil Nadu possesses similar potential. With visionary leadership, coordinated governance, and sustained public-private investment, it can emerge as a premier global centre for electric vehicle (EV) manufacturing, aerospace, Software as a Service (SaaS), green hydrogen, higher education, and cultural tourism.

This Comprehensive Development Framework is not intended to replace existing government initiatives. Rather, it is offered as a constructive policy resource that can complement ongoing programmes and support future planning for a *Valamana Tamil Nadu* (Prosperous Tamil Nadu).

As India approaches the centenary of Independence in 2047, Tamil Nadu has an extraordinary opportunity to redefine itself for the 21st century. It can become a state that combines industrial supremacy with ecological sustainability, high economic growth with deep-rooted social equity, and global technological leadership with the preservation of its classical Dravidian heritage. It is my sincere hope that this document will encourage meaningful discussion, inspire progressive policymaking, and contribute in some measure to the creation of a thriving, resilient, and prosperous Tamil Nadu for generations to come.

Dheeraj G. N.
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The Youth Peace and Development Forum (YPD Forum) expresses its sincere gratitude to all individuals whose dedication, expertise, and commitment made the preparation of **The Comprehensive Development Framework Report of the State of Tamil Nadu** possible.

This report forms part of a larger national initiative undertaken through the Council for Comprehensive Development Frameworks (CDF Council), constituted by the YPD Forum to facilitate the fast-track preparation of comprehensive development frameworks for all 28 States of India. The Council represents the Forum's commitment to promoting evidence-based policymaking, strategic planning, and long-term developmental thinking across the nation.

The Forum places on record its deep appreciation to **Dheeraj GN**, Chairman of the Youth Peace and Development Forum, for his vision, leadership, and initiative in conceptualizing and guiding this ambitious project. The Forum also extends its heartfelt thanks to **Aravind Saj**, Vice Chairman of the Youth Peace and Development Forum, for his constant support and encouragement throughout the execution of this initiative.

Special appreciation is due to **Aman Chauhan**, Resource Person of the Council for Comprehensive Development Frameworks, for his valuable coordination support. The Forum further acknowledges the contributions of **Monish Krishna**, Secretary-General of the Youth Peace and Development Forum, whose administrative leadership, organizational support, and commitment have been instrumental in the successful implementation of the Council's activities.

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The Forum acknowledges the commitment, intellectual curiosity, and sense of responsibility demonstrated by each member of the Council. Through research, analysis, discussion, drafting, review, and continuous engagement with developmental issues, these members contributed significantly to the realization of the Council's objectives. Their willingness to dedicate their time and talents to a national developmental initiative reflects a commendable spirit of public service and constructive citizenship.

The Forum also recognizes that the preparation of a comprehensive development framework requires engagement with a wide range of ideas, perspectives, and sources of knowledge.

Accordingly, sincere appreciation is extended to all researchers, academicians, policy experts, development practitioners, government publications, statistical agencies, think tanks, and public institutions whose work provided valuable insights and reference material for this report. Their contributions to the broader body of knowledge on governance, economics, social development, environmental sustainability, infrastructure, education, healthcare, and public policy have enriched the quality and depth of this framework.

The Youth Peace and Development Forum is particularly grateful to the students, young researchers, and volunteers associated with the Forum who continue to demonstrate that youth can play a constructive role in addressing national challenges. Their enthusiasm, creativity, and commitment to public causes embody the ideals upon which the Forum was founded and reaffirm the importance of empowering younger generations to participate actively in nation-building.

The Forum further extends its appreciation to all well-wishers, supporters, advisors, and stakeholders who encouraged this initiative and contributed to its successful completion. Whether through guidance, feedback, consultation, or moral support, their contributions helped strengthen the quality and relevance of this work.

This report represents more than a policy document; it reflects a collective effort to envision a better future. It is the product of shared aspirations, collaborative research, and a common belief that informed planning and constructive dialogue can contribute to meaningful social, economic, and institutional progress. While the recommendations contained herein are intended to support the development of **Tamil Nadu**, they also form part of a broader national effort to strengthen the foundations of a developed, inclusive, sustainable, and prosperous India.

As India advances towards the centenary of its independence in 2047, the Youth Peace and Development Forum remains committed to fostering research, dialogue, and innovation in support of national development. It is hoped that this report will serve as a useful resource for policymakers, administrators, researchers, civil society organizations, industry leaders, and citizens, and that it will contribute meaningfully to the ongoing pursuit of inclusive growth, good governance, and sustainable development.

With gratitude to all who contributed to this endeavour, the Youth Peace and Development Forum proudly presents this report as a modest contribution towards the shared vision of a stronger **Tamil Nadu** and a developed India.

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PREFACE

The exceptional trajectory of Tamil Nadu as it enters the second half of the 2020s establishes it as one of the most closely observed sub-national economies globally, presenting a unique developmental paradigm that seamlessly intertwines deep-rooted social progressivism with aggressive industrial growth. This dual identity is not an accidental byproduct of recent market forces but rather the deliberate result of a century-long institutional legacy rooted in social reform movements, which prioritized human capital, equity, and widespread access to public goods well before implementing market-oriented economic policies.

By establishing a robust foundation in healthcare, nutrition, and education, the state nurtured a highly skilled and healthy workforce capable of driving an export-oriented manufacturing engine, anchoring a globally integrated services sector along Chennai's information technology corridor, and sustaining an intensive agricultural economy across fertile river basins like the Cauvery delta.

According to the authoritative data compiled in the Economic Survey of Tamil Nadu 2025 to 2026, which was meticulously prepared by the State Planning Commission, the state's Gross State Domestic Product reached an unprecedented milestone of approximately 31.19 lakh crore rupees in the 2024 to 2025 fiscal period. This absolute economic scale was accompanied by a remarkable real growth rate of 11.19 percent, a figure that stood out as the highest recorded among all major Indian states for that fiscal year, thereby reinforcing Tamil Nadu's position as a primary locomotive of national macroeconomic momentum (Federal News Service, 2026; Usthadian Academy, 2026).

This stellar economic performance has strongly validated and renewed the highly ambitious policy objective, first formally articulated in state planning blueprints earlier in the decade, of transforming Tamil Nadu into a one trillion dollar economy by the 2030 to 2031 fiscal horizon, a target that demands sustained structural transformation and continuous capital efficiency.

To chart the precise operational pathway toward this monumental milestone, this comprehensive development framework report has been engineered to serve as a rigorous, data-driven diagnostic tool that adheres strictly to the standardized architectural format adopted for sub-national development documentation across India.

By mirroring the analytical depth and structural organization utilized in the corresponding framework prepared for the State of Kerala, this document establishes a comparative regional benchmark that allows for a nuanced assessment of southern India's developmental models. It is intentionally designed to function as an exhaustive reference text for state policymakers, legislators, administrative officers, academic researchers, and engaged citizens who require an unvarnished, empirical understanding of where Tamil Nadu stands across the entirety of its developmental matrix. The analytical scope ranges from the intricacies of its fiscal

architecture, debt sustainability, and tax devolution mechanisms to its proactive industrial policies, renewable energy transitions, health delivery networks, educational quality parameters, and social justice frameworks. Organized systematically into twenty-one targeted chapters, the document enforces a rigorous uniformity where each section is built upon verified data up to the middle of 2026, utilizing the American Psychological Association's seventh edition citation style to maintain complete transparency and academic integrity. Where emerging projections are utilized, such as the revised budget estimates for the 2026 to 2027 fiscal year, they are explicitly demarcated from actual audited figures to prevent any analytical distortion.

Ultimately, this framework rejects a purely descriptive methodology, opting instead for a highly critical approach that highlights the exact sectors where Tamil Nadu sets the national standard, such as female labor force participation and electronics manufacturing, while candidly exposing areas where it risks lagging behind its historical achievements, ensuring that its current growth momentum converts cleanly into a durable, equitable, and climate-resilient future.

The contemporary developmental trajectory of Tamil Nadu cannot be decoupled from its unique historical evolution, which systematically prioritized structural egalitarianism alongside economic modernization. Unlike sub-national models that rely strictly on post-liberalization market forces, Tamil Nadu's institutional architecture was fundamentally shaped by the early twentieth-century Self-Respect Movement and subsequent Dravidian political philosophies (Shanmugam, 2025).

This socio-political legacy institutionalized a rights-based approach to public welfare, resulting in early and sustained state investments in universal healthcare, subsidized nutritional networks, and widespread educational infrastructure long before the national shift toward economic deregulation.

By treating social infrastructure not as a luxury financed by growth but as the primary engine *of* growth, this reformist legacy effectively decentralized human capital across historically marginalized communities. Consequently, the state engineered a highly stable, literate, and skilled labor supply that naturally synchronized with incoming global capital, establishing an enduring sub-national paradigm where aggressive industrial performance and deep-rooted social justice function as mutually reinforcing economic imperatives.

Vishvesh . R

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EXECUTIVE SUMMARY

Tamil Nadu is India's second largest state economy in absolute size and its most industrially diversified, combining strength in automobiles, auto components, textiles, leather, electronics manufacturing, and information technology services with a long-standing base in agriculture and allied sectors (Federal News Service, 2026).

In 2024 to 2025, the state's Gross State Domestic Product at current prices stood at approximately 31.19 lakh crore rupees, and the 2025 to 2026 Budget document projects nominal GSDP of roughly 35.68 lakh crore rupees for the current year, implying growth of about 15 percent over the revised estimate for the previous year (PRS Legislative Research, 2026). Despite holding only about 4 percent of India's land area and around 6 percent of its population, Tamil Nadu contributed an estimated 9.4 percent of national GDP in 2024 to 2025 (Federal News Service, 2026).

Manufacturing grew by 14.74 percent in real terms in 2024 to 2025, more than three times the all India average, while the services sector, which contributes close to 53 percent of gross value added, grew by 11.3 percent (Federal News Service, 2026; Usthadian Academy, 2026). Merchandise exports nearly doubled over four years, from 26.15 billion United States dollars in 2020 to 2021 to 52.07 billion United States dollars in 2024 to 2025, with the state ranking first nationally in electronics, textiles, and leather exports (Federal News Service, 2026). Foreign direct investment inflows rose to 3,681 million United States dollars in 2024 to 2025, bucking the national trend of declining inflows (Federal News Service, 2026). Per capita income reached approximately 3.62 lakh rupees in 2024 to 2025, about 1.77 times the national average, placing Tamil Nadu third among Indian states on this measure, with 32 of its 38 districts recording per capita income above the national average (Federal News Service, 2026).

On the fiscal side, the state's revenue deficit is estimated to narrow from 1.5 percent of GSDP in the revised estimate for 2024 to 2025 to 1.2 percent in 2025 to 2026, and the fiscal deficit is targeted at 3 percent of GSDP, within the limit generally prescribed under fiscal responsibility norms, while the debt to GSDP ratio has declined from about 27 percent in 2021 to 2022 to around 26 percent in 2024 to 2025 (PRS Legislative Research, 2026; Usthadian Academy, 2026). Social sector expenditure rose from about 1.13 lakh crore rupees in 2021 to 2022 to a revised estimate of about 1.57 lakh crore rupees in 2025 to 2026 (Federal News Service, 2026), underscoring the state's long-standing model of pairing industrial growth with sustained investment in health, education, and welfare.

On human development, Tamil Nadu records one of the lowest multidimensional poverty rates among Indian states, at approximately 1.43 percent, and leads the country in higher education enrolment, with a Gross Enrolment Ratio of about 47 percent against a national average of 28.4 percent (Federal News Service, 2026). The state's population, per the Sample Registration System based projections used by the Registrar General of India's Technical

Group on population projections, is estimated at roughly 77.6 to 77.7 million as of mid-2026, making it the seventh most populous state in India, with an unusually low projected annual growth rate of about 0.24 percent for 2026, the lowest among Indian states, reflecting a fertility transition completed well ahead of the national average (StatisticsTimes, 2026).

This framework identifies several priority areas for the period to 2030. First, sustaining the current growth momentum will require the state to move from a 16 percent nominal growth trajectory to a still higher and more consistent rate if the trillion dollar economy target is to be met on schedule, a point emphasized in independent fiscal analysis of the state's medium-term prospects (Shanmugam, 2025).

Second, addressing intra-state disparities between the industrially advanced western and northern districts and the relatively lagging southern and interior districts remains an unfinished agenda. Third, climate vulnerability, particularly along the state's 1,076 kilometre coastline and in flood-prone urban agglomerations such as Chennai, requires deeper integration into infrastructure and fiscal planning. Fourth, the state's demographic dividend window is narrowing given its advanced fertility transition, making workforce upskilling and female labour force participation central to the Vision Tamil Nadu 2047 agenda discussed in the concluding chapter of this report.

Chapter 1: State Profile — Geography, Demography and Society

1.1 Geographic and Ecological Characteristics of the State

Tamil Nadu occupies the southeastern extremity of the Indian peninsula, bordered by Andhra Pradesh to the north, Karnataka to the northwest, Kerala to the west, and the Bay of Bengal to the east, with the Indian Ocean and the Gulf of Mannar meeting the Arabian Sea influence near its southern tip at Kanyakumari (Maps of India, 2026). The state covers a total geographical area of approximately 130,058 square kilometres, making it the eleventh largest Indian state by area, and it possesses a coastline of about 1,076 kilometres, one of the longest of any Indian state, stretching from Pulicat Lake in the north to Kanyakumari in the south (Chegg India, 2025).

The state's topography is shaped by the convergence of the Western Ghats and the Eastern Ghats, which meet in the Nilgiris and the surrounding hill ranges, creating a diversity of terrain that ranges from coastal plains and deltaic river basins to the elevated plateaus of the Nilgiris, the Palani hills, and the Anamalai hills (Chegg India, 2025; Maps of India, 2026). The Nilgiris district itself sits at an altitude ranging from about 900 to 2,636 metres above sea level, and hosts a distinctive shola and grassland ecosystem home to the Kurinji flower, which blooms only once every twelve years, a striking example of the state's ecological specificity (Maps of India, 2026). By contrast, the Cauvery delta region, spanning parts of Thanjavur, Tiruvarur, Nagapattinam, and Mayiladuthurai districts, forms a low lying, intensively irrigated deltaic plain historically referred to as the rice bowl of Tamil Nadu (Maps of India, 2026).

Tamil Nadu's river systems are dominated by the Cauvery, which enters the state from Karnataka and forms the backbone of irrigation in the central and delta districts, along with the Vaigai, Tamiraparani, Palar, and Noyyal rivers, among others. Unlike many north Indian states, Tamil Nadu is largely dependent on the northeast monsoon, which arrives between October and December, for a substantial share of its annual rainfall, a factor that makes its agricultural and water security calculus meaningfully different from that of states dependent primarily on the southwest monsoon. This monsoon asymmetry has direct bearing on drought and flood risk management, a theme returned to in Chapter 14 on climate change and ecological security.

Ecologically, the state hosts a range of biomes including tropical dry evergreen forests along the Coromandel coast, moist deciduous and shola forests in the Western Ghats portion that falls within Tamil Nadu, mangrove ecosystems in the Pichavaram and Muthupet regions, and semi-arid scrub vegetation across much of the interior plateau. The Western Ghats portion of Tamil Nadu falls within a UNESCO recognized biodiversity hotspot, and the state contains several protected areas of national significance, including the Mudumalai, Anamalai, and Kalakkad Mundanthurai tiger reserves. These ecological assets are discussed further in Chapter 13 in relation to forest cover and biodiversity governance.

1.2 Administrative Divisions: Districts, Divisions and Sub-State Units

As of 2026, Tamil Nadu is administratively divided into 38 districts, the most recent addition being Mayiladuthurai district, carved out of the erstwhile Nagapattinam district in 2020 to improve administrative reach and governance efficiency (Chegg India, 2025; Tamildot, 2025). This is an increase from the 13 districts that existed at the time of the state's formation as Madras State in 1956, reflecting a long-term pattern of district bifurcation aimed at reducing the population and area under a single administrative unit and bringing government services closer to citizens (Wikipedia, 2026; Chegg India, 2025).

Each district is headed by a District Collector, who functions as the chief administrative and revenue officer and serves as the principal point of coordination between the state government and local governance institutions (Tamildot, 2025). Districts are further sub-divided into revenue divisions, each headed by a Revenue Divisional Officer, and subsequently into taluks, each headed by a Tahsildar, who is responsible for land revenue administration, certification services, and grassroots implementation of welfare schemes (Wikipedia, 2026; Tamildot, 2025). Below the taluk level, the state's rural areas are organized into a three tier Panchayati Raj structure of district panchayats, panchayat unions or block panchayats, and village panchayats, discussed in detail in Chapter 12, while urban areas are governed through a hierarchy of city corporations, municipalities, and town panchayats, discussed in Chapter 11.

Districts in Tamil Nadu vary substantially in area and population. Chennai, the state capital and the smallest district by area, covers only about 426 square kilometres yet remains among the most densely populated urban districts in the country, while erstwhile Viluppuram, prior to its own bifurcation, was among the largest districts by both population and area (Testbook, 2026; Tamildot, 2025). This asymmetry between compact, urbanized coastal and northern districts and larger, more agrarian interior and southern districts is a recurring theme across this report, particularly in the discussion of intra-state disparities in section 1.7 and regional growth corridors in Chapter 3.

There have also been recurring public demands for further district reorganization, including proposals for new districts to be carved out of Tiruvannamalai, Erode, and Thoothukudi districts, reflecting continued pressure for administrative decentralization as population and economic activity grow unevenly across the state (Wikipedia, 2026). As of mid-2026, the state government had not notified any further district creation beyond the existing 38, though such proposals remain under periodic review by the Revenue and Disaster Management Department, which is responsible for recommending administrative reorganization through the Government Order and Gazette notification process (Tamildot, 2025).

1.3 Demographic Structure: Population, Density, Growth and Composition

Tamil Nadu's population, per the Registrar General of India's Technical Group projections referenced in current demographic literature, is estimated at approximately 77.58 million as of 1 July 2026, making it the seventh most populous state in India and the most populous state in South India (StatisticsTimes, 2026). Other projection models place the figure marginally higher, in the range of 77.6 to 81.5 million depending on methodology and base assumptions, reflecting the fact that no decennial Census has been conducted since 2011 and that the 2021 Census exercise, originally postponed due to the COVID-19 pandemic, had not been completed as of the time of this report (World Population Review, 2026; Census2011.co.in, 2026). This report uses the StatisticsTimes and Data Commons convergence estimate of approximately 77.6 million as the most methodologically transparent figure available for 2026 (StatisticsTimes, 2026; Data Commons, 2026).

A defining feature of Tamil Nadu's demography is its unusually advanced fertility transition. The projected population growth rate for 2026 is approximately 0.24 percent, the lowest of any Indian state, with the state expected to add only about 188,000 people during the year (StatisticsTimes, 2026). This compares with a decadal growth rate of 15.61 percent recorded between 2001 and 2011 under the last full Census, itself already a moderation from the growth rates recorded in earlier decades (StatisticsTimes, 2026). Tamil Nadu's population is projected to peak around 2031 at approximately 78.1 million before beginning a gradual decline, a trajectory shared by only a handful of other Indian states and one that carries significant implications for the size and age structure of the future workforce, pension liabilities, and the design of welfare programmes targeted at elderly citizens, discussed further in Chapter 7 (StatisticsTimes, 2026).

The sex ratio in Tamil Nadu has historically been more favourable than the national average. As per the 2011 Census, the state recorded 996 to 997 females per 1,000 males, compared with a national average of around 940 to 943, and current projections for 2026 suggest a sex ratio in the vicinity of 1,006 to 1,009 females per 1,000 males, indicating a continued and in some estimates strengthening female majority in the population, a pattern attributed in demographic literature to the state's historically strong performance on female literacy, healthcare access, and social reform movements dating back to the early twentieth century (Census2011.co.in, 2026; IndiaCensus, 2026).

In terms of urban and rural composition, the 2011 Census recorded 48.4 percent of the population as urban and 51.6 percent as rural, a proportion that has almost certainly shifted further towards urban residence by 2026 given continued migration towards Chennai, Coimbatore, Madurai, and other growth centres, though updated official urban and rural splits await the completion of the next Census (Census2011.co.in, 2026). Chennai district alone recorded an urban population of about 4.6 million as per the 2011 Census, the highest of any district, and the wider Chennai Metropolitan Area, including parts of Tiruvallur,

Kanchipuram, and Chengalpattu districts, has continued to expand as an integrated urban agglomeration (PopulationU, 2026).

Literacy in Tamil Nadu stood at 80.09 percent as per the 2011 Census, comprising male literacy of 86.77 percent and female literacy of 73.44 percent, a gender gap of roughly 13.3 percentage points that, while narrowing over successive decades, remains a policy focus discussed further in Chapter 5 on education and Chapter 7 on gender equity (Census2011.co.in, 2026; Testbook, 2026). The state's Total Fertility Rate, as recorded in the National Family Health Survey conducted for the 2019 to 2021 period, stood at approximately 1.8 children per woman, above the 2016 figure of 1.7 but still well below the replacement level of 2.1, confirming that below replacement fertility in Tamil Nadu is now a structural rather than a transient feature of the state's demography (PopulationU, 2026).

1.4 Linguistic, Ethnic, Religious and Cultural Profile

Tamil is the official language of the state and the mother tongue of the overwhelming majority of the population, spoken by communities whose literary and cultural traditions trace back more than two thousand years through the Sangam literature corpus, making Tamil one of the longest continuously attested classical languages in the world. Alongside Tamil, the state is home to significant linguistic minorities speaking Telugu, Kannada, Malayalam, Urdu, and Hindi, concentrated in specific border districts and urban migrant communities, particularly in Chennai, Coimbatore, and the districts bordering Andhra Pradesh and Karnataka (PopulationU, 2026).

On religious composition, the 2011 Census, which remains the most recent authoritative source pending the next decennial enumeration, recorded Hindus as the majority community at approximately 87.58 percent of the population, followed by Christians at about 6.12 percent, Muslims at about 5.86 percent, and smaller populations of Jains at 0.12 percent, Sikhs at 0.02 percent, Buddhists at 0.02 percent, and those reporting no particular religion at about 0.26 percent (Census2011.co.in, 2026; PopulationU, 2026). The state's Christian population, concentrated particularly along the southern coastal districts including Kanyakumari, Tirunelveli, and Thoothukudi, and its Muslim population, with significant concentrations in Chennai, Ramanathapuram, and other coastal trading centres, both reflect centuries of maritime trade and missionary activity along the Coromandel coast (Census2011.co.in, 2026).

Ethnically and socially, Tamil Nadu's population is characterized by a complex caste structure that has, since the early twentieth century, been the subject of one of India's most sustained social reform movements, the Self-Respect Movement and the subsequent Dravidian movement, which reshaped the state's politics, reservation policy, and social welfare architecture in ways still evident in the state's governance model today. This history underlies the state's relatively high allocation of reservation benefits, discussed in Chapter 7, and its distinctive approach to caste based social mobility programmes.

Culturally, Tamil Nadu is home to an exceptionally dense concentration of historic temple architecture, with more than 30,000 Hindu temples across the state, including UNESCO World Heritage listed sites such as the Brihadeeswarar Temple in Thanjavur, part of the Great Living Chola Temples group (World Population Review, 2026; Testbook, 2026). The state's classical arts, including Bharatanatyam dance and Carnatic music, both trace significant portions of their codified traditions to Tamil Nadu, particularly the Thanjavur region, which functioned as a major cultural centre under the Chola and subsequent Maratha rulers. Traditional practices such as Jallikattu, the bull taming sport associated with the Pongal harvest festival and believed to date back over two millennia, remain culturally significant and have in recent years become the subject of national legal and animal welfare debate, illustrating the ongoing negotiation between cultural preservation and contemporary regulatory norms (World Population Review, 2026).

1.5 Human Development Index: State Ranking and Trend Analysis

Tamil Nadu has consistently ranked among the better performing Indian states on composite human development measures, reflecting sustained public investment in health and education dating back several decades, well before the state's recent acceleration in industrial growth. While a single, universally agreed HDI figure specific to 2026 was not available from a single authoritative state level source at the time of writing, related and more current composite measures point in a consistent direction. The state's multidimensional poverty rate, as reported in the Economic Survey of Tamil Nadu 2025 to 2026, stood at approximately 1.43 percent, among the lowest of any major Indian state, and its higher education Gross Enrolment Ratio of approximately 47 percent, against a national average of 28.4 percent, is the highest recorded among Indian states (Federal News Service, 2026).

These figures are consistent with Tamil Nadu's historical position near the top of NITI Aayog's Sustainable Development Goals India Index and various national human development assessments conducted through the 2010s and early 2020s, which have repeatedly placed the state in the leading group alongside Kerala, Goa, and a small number of other states on composite social indicators, even as its per capita income has more recently begun to converge with, and in per capita terms exceed, that of many traditionally higher income states (Federal News Service, 2026). The state's per capita income of approximately 3.62 lakh rupees in 2024 to 2025, about 1.77 times the national average, placed it third among Indian states on this specific measure (Federal News Service, 2026).

The combination of high human development indicators with strong and accelerating economic growth is a distinguishing feature of what state planning documents and independent economists increasingly describe as a Tamil Nadu development model, one that pairs industrial and export led growth with sustained social sector expenditure, which rose from about 1.13 lakh crore rupees in 2021 to 2022 to a revised estimate of about 1.57 lakh crore rupees in 2025 to 2026 (Federal News Service, 2026). This is discussed in greater

analytical depth in Chapter 2 on fiscal architecture and Chapter 21 on the state's long-term vision.

1.6 Poverty, Inequality and Multidimensional Deprivation Indices

As noted above, Tamil Nadu's multidimensional poverty rate stood at approximately 1.43 percent in the most recent Economic Survey period, positioning the state among the lowest poverty states in the country on this composite measure that accounts for deprivation across health, education, and standard of living indicators rather than income alone (Federal News Service, 2026). This represents a substantial improvement from the levels recorded in NITI Aayog's earlier national Multidimensional Poverty Index reports of the early 2020s, and reflects the cumulative effect of the state's public distribution system, income support schemes, and welfare architecture in moderating both income poverty and non-income deprivation (Federal News Service, 2026).

On inequality, while a single updated Gini coefficient specific to 2026 was not located in the sources reviewed for this report, related indicators suggest a pattern of relatively broad based, though not universally distributed, income growth. District level per capita income data show that 32 of the state's 38 districts recorded per capita incomes above the national average in 2024 to 2025, suggesting that income growth in Tamil Nadu, while still concentrated in industrially advanced districts such as Chennai, Coimbatore, and the surrounding manufacturing belt, has extended to a majority of the state's geography rather than remaining confined to a handful of metropolitan centres (Federal News Service, 2026). At the same time, the six districts falling below the national per capita income average are disproportionately concentrated in the state's interior and southern regions, a pattern discussed further in section 1.7.

Retail inflation, a key determinant of real welfare for lower income households, moderated from 5.4 percent in 2023 to 2024 to 4.6 percent in 2024 to 2025, and further to 2.3 percent in 2025 to 2026 up to December, with food inflation moderating to near zero over the same period, a trend the state government has attributed to effective supply management through the public distribution system and income support measures (Federal News Service, 2026). This moderation in food inflation is particularly significant for lower income and rural households, for whom food constitutes a disproportionate share of total expenditure, and is discussed further in Chapter 3 in the context of price stability and consumer welfare.

1.7 Intra-State Disparities: Aspirational Districts and Backward Region Identification

Despite Tamil Nadu's strong aggregate performance, intra-state disparities remain a persistent structural feature of the state's development landscape. The clearest evidence of this pattern lies in the district level per capita income data discussed above, where six of the state's 38 districts recorded per capita incomes below the national average in 2024 to 2025, a group concentrated in the state's interior, southern, and parts of the northern border regions, in

contrast to the industrially dense corridor running through Chennai, Kanchipuram, Tiruvallur, Coimbatore, Tiruppur, and Salem (Federal News Service, 2026).

This disparity mirrors long-standing structural distinctions between what regional economists and planning documents have described as the industrially advanced western and northern districts, benefiting from proximity to Chennai's port and IT infrastructure and Coimbatore's engineering and textile base, and the relatively agrarian southern and interior districts, where growth has historically depended more heavily on agriculture, remittances from migrant labour, and smaller scale manufacturing clusters such as the textile centres of Karur and Virudhunagar. Under the Government of India's Aspirational Districts Programme, one or more Tamil Nadu districts have historically been identified for focused development interventions on account of relatively weaker performance on health, education, and infrastructure indicators, a designation this report treats as a signal for targeted convergence planning under the Panchayati Raj and district administration structures discussed in Chapter 12.

The Nilgiris and other hill and tribal concentration districts present a distinct category of disparity, driven less by industrial absence than by terrain, connectivity constraints, and the specific developmental needs of Scheduled Tribe populations discussed in Chapter 7. Coastal districts affected by the 2004 tsunami and recurring cyclonic activity, including Nagapattinam, Cuddalore, and Kanyakumari, also continue to require differentiated disaster resilient infrastructure investment, a theme developed further in Chapter 14.

Addressing these disparities has direct implications for the state's ability to sustain its aggregate growth trajectory. Because a large share of Tamil Nadu's recent growth acceleration, with real GSDP growth of 11.19 percent in 2024 to 2025 being the highest among major Indian states, has been driven by manufacturing and export sectors concentrated in a relatively narrow band of districts, the durability of statewide convergence depends on the extent to which infrastructure, skilling, and investment promotion policies, discussed in Chapter 4, succeed in extending industrial opportunity into currently lagging districts (Federal News Service, 2026).

1.8 State's Position in National Rankings Across Key Development Indicators

Tamil Nadu's position across major national ranking exercises reflects the dual character of its development profile: a state that performs strongly on both economic scale and social development, while facing specific and identifiable areas requiring continued attention. On economic scale and growth, the state recorded the highest real GSDP growth rate, 11.19 percent, among major Indian states in 2024 to 2025, and contributed an estimated 9.4 percent to national GDP despite holding only about 4 percent of India's land area and 6 percent of its population (Federal News Service, 2026). On exports, the state ranks first nationally in electronics, textiles, and leather exports, and second in engineering exports, with total

merchandise exports of 52.07 billion United States dollars in 2024 to 2025 (Federal News Service, 2026).

On per capita income, Tamil Nadu ranks third among Indian states, at approximately 3.62 lakh rupees in 2024 to 2025, 1.77 times the national average (Federal News Service, 2026). On higher education access, the state ranks first nationally on Gross Enrolment Ratio, at approximately 47 percent against a national average of 28.4 percent (Federal News Service, 2026). On poverty reduction, the state's multidimensional poverty rate of approximately 1.43 percent places it among the lowest poverty states in the country (Federal News Service, 2026). On fiscal management, the state's debt to GSDP ratio of approximately 26 percent in 2024 to 2025 remains within the range generally considered sustainable under Finance Commission benchmarks, and compares favourably with several other large states carrying higher debt burdens (Usthadian Academy, 2026; Shanmugam, 2025).

At the same time, independent fiscal analysis cautions that Tamil Nadu's average GSDP growth rate over the longer period from 2012 to 2013 through 2023 to 2024 was considerably lower, at approximately 6.37 percent, than the exceptional 11.19 percent recorded in the most recent year, implying that the 2024 to 2025 performance, while genuinely strong, should be read partly as a post pandemic recovery peak rather than a fully established new trend line, a distinction with direct implications for the credibility of the state's trillion dollar economy target discussed in Chapter 21 (Shanmugam, 2025). The same analysis notes that Tamil Nadu's high degree of integration into global trade, reflected in its export performance, also makes its growth more vulnerable to external shocks than the national growth pattern as a whole, a risk factor relevant to the investment climate discussion in Chapter 4 (Shanmugam, 2025).

Taken together, these rankings position Tamil Nadu as a state that has, over the period covered by this report, converted longstanding social development advantages into an increasingly competitive economic growth model, while leaving open specific and well identified challenges, sustaining growth beyond the current cyclical peak, narrowing intra-state disparities, and managing exposure to external and climate related shocks, that recur throughout the chapters that follow.

Chapter 2: Fiscal Architecture of the State

2.1 Revenue Framework: Own Tax Revenue, Non-Tax Revenue and Devolution

Tamil Nadu's fiscal architecture is distinguished, relative to most Indian states, by an unusually high degree of reliance on its own revenue mobilization rather than central transfers. In the 2025 to 2026 Budget, the state projected total revenue receipts of 3,31,569 crore rupees, of which 75.3 percent, or approximately 2,49,713 crore rupees, was expected to come from the state's own tax and non-tax sources, with the remaining 24.7 percent, about 81,856 crore rupees, arriving through the state's share in central taxes and grants-in-aid from the Union Government (PRS Legislative Research, 2026a; Finance Department, Government of Tamil Nadu, 2026). This pattern has held consistently over the past decade and a half, with independent analysis showing that own revenue, comprising own tax and own non-tax receipts together, accounted for between 65 and 80 percent of the state's total revenues from 2011 to 2012 through 2023 to 2024, while fiscal transfers from the Centre, including Finance Commission tax devolution, statutory grants, and centrally sponsored scheme funding, contributed the remaining 20 to 35 percent (Shanmugam, 2025).

The state's own tax revenue was estimated at 2,20,895 crore rupees for 2025 to 2026, an increase of 14.6 percent over the revised estimate for 2024 to 2025, driven by economic growth, adjustments in tax administration, and improved collection efficiency (South First, 2025; PRS Legislative Research, 2026a). The largest component of this own tax revenue is State Goods and Services Tax, projected to contribute about 42 percent of own tax revenue in 2025 to 2026, an increase from 38 percent the previous year, and itself projected to grow by 23 percent over the revised estimate for 2024 to 2025 (PRS Legislative Research, 2026a). Commercial taxes as a whole, dominated by State GST, were estimated at 1,63,930 crore rupees, followed by stamp duty and registration fees at 26,109 crore rupees, motor vehicle taxes at 13,441 crore rupees, and state excise duties at 12,944 crore rupees (South First, 2025). Non-tax revenue was estimated at 28,819 crore rupees for 2025 to 2026 (South First, 2025). As a share of GSDP, the state's own tax revenue has remained relatively stable, at approximately 6.1 to 6.2 percent across the period from 2022 to 2023 through the 2025 to 2026 budget estimate (PRS Legislative Research, 2026a, 2026b).

On the devolution side, the state's share in central taxes was estimated at 58,022 crore rupees for 2025 to 2026, and Union government grants at 23,834 crore rupees, together forming the 24.7 percent non-own-source component of revenue receipts (South First, 2025). The Finance Minister of Tamil Nadu has repeatedly highlighted what the state government characterizes as a structural imbalance in this arrangement, noting that while Tamil Nadu accounts for approximately 6 percent of the country's population and contributes an estimated 9 percent to national economic growth, its share in central tax devolution has been closer to 4 percent (South First, 2025; The Federal, 2025). This tension between the state's economic

contribution and its share of central transfers is a recurring theme in Tamil Nadu's budget presentations and is discussed further in section 2.9 on Centre-state fiscal relations.

2.2 Expenditure Profile: Composition, Quality and Efficiency

Total expenditure, excluding debt repayment, for 2025 to 2026 was budgeted at 4,39,293 crore rupees, an increase of about 10 percent over the revised estimate for 2024 to 2025 (PRS Legislative Research, 2026a). This expenditure is planned to be financed through non-borrowing receipts of 3,32,325 crore rupees, itself a 12 percent increase over the prior year's revised estimate, supplemented by net borrowings of approximately 1,05,000 crore rupees (PRS Legislative Research, 2026a).

A significant share of the state's expenditure is classified as committed expenditure, comprising salaries, pensions, and interest payments, items over which the government has limited short-term discretion. In 2025 to 2026, committed expenditure was estimated at 2,07,054 crore rupees, or approximately 62 percent of the state's total expenditure, a proportion that constrains the fiscal space available for discretionary development spending and capital investment (PRS Legislative Research, 2026a). Comparative analysis across states shows that Tamil Nadu allocated about 13.7 percent of its expenditure to education in 2024 to 2025, somewhat below the average allocation across states of 14.7 percent for the reference year, indicating that despite the state's strong educational outcomes, described in Chapter 5, its budgetary allocation to the sector as a share of total spending is not exceptional relative to peer states (PRS Legislative Research, 2025).

Welfare related expenditure occupies a prominent place in the state's expenditure profile, consistent with the historical Dravidian model of governance that pairs industrial growth with redistribution. The 2025 to 2026 Budget included substantial allocations for subsidies towards agriculture, domestic power consumers, and share capital assistance, estimated at 30,434 crore rupees, alongside 9,682 crore rupees for free and concessional bus passes for women and students and diesel subsidy support, and 5,156 crore rupees for old age and widow pensions (Finance Department, Government of Tamil Nadu, 2026). Flagship income support schemes for women, including the Kalaignar Magalir Urimai Thittam, which the state government has indicated may see further beneficiary expansion, form a growing and politically significant component of revenue expenditure, alongside newer initiatives such as the Chief Minister's Breakfast Scheme, the Pudhumai Pen Thittam scholarship programme, and the Vidiyal Payanam Thittam transport support scheme for women (Shanmugam, 2025; The Federal, 2025).

The efficiency of this expenditure, in terms of the ratio of revenue to capital spending, remains a matter of ongoing concern flagged by the Comptroller and Auditor General. State finance audit reports have observed that a substantial share of borrowed funds in recent years, in the range of 31 percent for one audited year, was used mainly to meet current consumption and repayment of prior borrowings rather than for capital creation or developmental activity,

a pattern that, if sustained, would limit the productivity of the state's debt (Comptroller and Auditor General of India, 2025). Revenue expenditure as a share of GSDP rose from 11.16 percent in 2011 to 2012 to 11.38 percent in 2023 to 2024, a modest increase of 0.22 percentage points over more than a decade, suggesting relative stability in this ratio even as the absolute scale of the state's budget has grown substantially (Shanmugam, 2025).

2.3 Capital Expenditure: Infrastructure Investment and Asset Creation

Capital expenditure has grown at a faster pace than overall expenditure in recent budgets, reflecting a policy emphasis on infrastructure investment. For 2025 to 2026, capital expenditure was projected at 57,231 crore rupees, an increase of 22.4 percent over 2024 to 2025, outpacing the roughly 10 percent growth recorded in overall expenditure for the same period (Tnpsctheruvupettagam, 2025). This acceleration in capital spending is consistent with the state's broader industrial and urban development ambitions discussed in Chapters 4, 8, and 11, and includes specific allocations for road and flyover infrastructure in Chennai, riverside development works in Tiruchirappalli, Madurai, Erode, Coimbatore, and Tirunelveli corporations, and large scale waste-to-energy and composting infrastructure in Chennai (Tnpsctheruvupettagam, 2025).

Among the more prominent capital allocations for 2025 to 2026 are 3,500 crore rupees for the construction of one lakh houses under the Kalaignar Kanavu Illam housing scheme, and continued investment in the state's semiconductor ambitions through the Tamil Nadu Semiconductor Mission 2030, to be implemented over five years at an initial cost of 500 crore rupees, aimed at encouraging semiconductor design companies and domestic start-ups to establish design centres within the state (PRS Legislative Research, 2026a; Tnpsctheruvupettagam, 2025). The state has also announced plans for a new integrated township near Chennai spanning 2,000 acres and the first phase of a Global City project to be developed by the Tamil Nadu Industrial Development Corporation, both intended to expand the state's capacity to host high value industrial and services investment (Tnpsctheruvupettagam, 2025).

Despite this growth in capital spending, capital expenditure remains a comparatively modest share of the state's overall budget when measured against total expenditure of 4,39,293 crore rupees, underscoring the continued dominance of committed and welfare related revenue expenditure in the state's fiscal structure. The Union Government's scheme of fifty-year interest-free loans to states for capital expenditure, available since 2020 to 2021 and excluded from the calculation of a state's borrowing ceiling, has provided an additional channel through which Tamil Nadu has sought to expand infrastructure investment without breaching its fiscal deficit target (PRS Legislative Research, 2026a).

2.4 Fiscal Deficit, Primary Deficit and Debt Sustainability

Tamil Nadu's fiscal deficit, after peaking during the pandemic years, has followed a gradual consolidation path. The Comptroller and Auditor General's State Finances audit report shows fiscal deficit increasing from 60,179 crore rupees, or 3.45 percent of GSDP, to 90,430 crore rupees, or 3.32 percent of GSDP, between the years covered in its most recent published assessment, alongside a rise in revenue deficit from 36,215 crore rupees to 45,121 crore rupees over the same comparison, an increase of 24.59 percent (Comptroller and Auditor General of India, 2025). For 2024 to 2025, the fiscal deficit was budgeted at 3.44 percent of GSDP but revised downward to approximately 3.26 to 3.3 percent of GSDP, equivalent to about 1,01,698 crore rupees, reflecting stronger than anticipated revenue performance during the year (South First, 2025; PRS Legislative Research, 2026a).

For 2025 to 2026, the state has targeted a fiscal deficit of 3 percent of GSDP, equivalent to approximately 1,06,968 crore rupees, in line with the limit generally prescribed for states under the fiscal responsibility framework recommended by successive Finance Commissions (PRS Legislative Research, 2026a). The revenue deficit is budgeted to narrow to 1.2 percent of GSDP, or about 41,635 crore rupees, from 1.5 percent of GSDP, or about 46,468 crore rupees, at the revised estimate stage for 2024 to 2025 (PRS Legislative Research, 2026a). The Tamil Nadu Fiscal Responsibility Act, 2003, as amended in 2023, now mandates the elimination of the revenue deficit by 2025 to 2026, a target that, based on current budget estimates, the state appears unlikely to meet in full within the mandated timeframe, though the trajectory of decline is consistent with continued progress toward that goal (NITI Aayog, 2025).

On debt sustainability, Tamil Nadu's outstanding liabilities, excluding ways and means advances, reserve funds, and deposits, stood at an estimated 26.4 percent of GSDP at the end of 2024 to 2025, a modest decline from 26.7 percent of GSDP in the revised estimate for 2023 to 2024 (PRS Legislative Research, 2025). Other analyses place the debt to GSDP ratio at approximately 26 to 26.2 percent for 2024 to 2025, down from about 27 percent in 2021 to 2022, and note that while this remains within the ceiling generally associated with the Fifteenth Finance Commission's recommendations, it exceeds the 20 percent sustainable debt limit proposed by the N. K. Singh led Fiscal Responsibility and Budget Management Review Committee (Shanmugam, 2025; Usthadian Academy, 2025).

Outstanding borrowing as of 31 March 2026 was projected, per the 2025 to 2026 Budget, at approximately 9,29,959.3 crore rupees, with planned fresh borrowing of about 1,62,096.76 crore rupees during the year against repayments of about 55,844.53 crore rupees, and interest payments alone amounting to approximately 29,159.18 crore rupees per the Comptroller and Auditor General's 2025 report (Usthadian Academy, 2025). Independent fiscal research notes that sustaining the state's various post-pandemic welfare commitments, including income support and breakfast schemes for children, makes an immediate reduction of the fiscal deficit and debt to more conservative levels difficult in the near term (Shanmugam, 2025).

2.5 State's Borrowings, Guarantees and Off-Budget Liabilities

Under the Tamil Nadu Fiscal Responsibility and Budget Management Act, 2003, the state's total liabilities are defined as the sum of all liabilities under the Consolidated Fund and the Public Account of the state, encompassing market borrowings, loans from financial institutions, and other financial obligations undertaken directly by the government (Usthadian Academy, 2025). The state's primary market borrowing instrument is the State Development Loan, issued through the Reserve Bank of India and forming the backbone of the state's public debt portfolio (Usthadian Academy, 2025). The Union Government sets an annual net borrowing ceiling for each state, fixed at 3 percent of projected GSDP for 2025 to 2026, with an additional 0.5 percent of GSDP made available to states that implement power sector distribution reforms and enhance intra-state transmission capacity, an incentive structure directly relevant to Tamil Nadu's power sector reform agenda discussed in Chapter 9 (Usthadian Academy, 2025).

A persistent concern in the state's fiscal architecture, and one flagged explicitly by the Comptroller and Auditor General and by independent researchers, is the existence of borrowings undertaken by state corporations, public sector undertakings, and agencies implementing government schemes that do not appear directly within the Consolidated Fund accounts, commonly referred to as off-budget borrowings (Usthadian Academy, 2025). Reforms introduced by the Union Government from 2021 to 2022 onward have sought to improve transparency around such liabilities by requiring greater disclosure and, in some cases, requiring off-budget borrowings to be counted against a state's net borrowing ceiling (Usthadian Academy, 2025).

The power sector remains a particularly significant source of such contingent and off-budget liabilities in Tamil Nadu, given the historical financial stress in the Tamil Nadu Generation and Distribution Corporation, whose performance before and after the implementation of the Ujwal DISCOM Assurance Yojana has been the subject of specific performance audit by the Comptroller and Auditor General (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024).

The state also maintains a substantial portfolio of investments in and loans to public sector undertakings, with the Government of Tamil Nadu's equity investment in state government companies and corporations recorded at approximately 36,877.29 crore rupees and outstanding loans extended to these entities at approximately 16,903.54 crore rupees, as per the audited accounts for the most recent year for which detailed public sector undertaking audit data was reviewed for this report (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024).

The performance of these seventy-seven state public sector undertakings, of which sixty-seven are government companies, nine are government controlled other companies, and one is a statutory corporation, varies considerably by sector, with power, industries, and

micro, small, and medium enterprises accounting for the substantial majority of profits earned across the portfolio in the audited year (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024). This theme is developed further in Chapter 4, section 4.6, on public sector undertaking performance and reform.

2.6 Finance Commission Awards: Allocation and Utilisation

Tamil Nadu's fiscal relationship with successive Finance Commissions has been shaped by a structural tension between the state's relatively high per capita income and demographic performance, both of which tend to reduce its share under formulae that weight population, income distance, and demographic effort, and its substantial and rising contribution to the national tax base. Independent analysis prepared for the Sixteenth Finance Commission's evaluation studies notes that the share of central transfers, comprising both tax devolution and grants, to all states combined rose from about 35 percent of the divisible pool during the Tenth Finance Commission period to more than 55 percent during the Fifteenth Finance Commission period, but that this expansionary trend may not be sustainable, given a moderation in central tax buoyancy to approximately 0.76 over the four years preceding the study (Shanmugam, 2025).

The same analysis observes that while Finance Commissions have historically provided strong support to lower income states, more fiscally efficient states such as Tamil Nadu, which contribute disproportionately to central tax collections, have seen a declining share of transfers over successive award periods, a trend compounded by the rising share of cesses and surcharges in central government revenue, which are not part of the divisible pool shared with states under the constitutional formula (Shanmugam, 2025). For Tamil Nadu specifically, tax devolution constitutes approximately 16.6 percent of total state revenue and grants approximately 7.8 percent, based on data computed over the period from 2011 to 2012 through 2023 to 2024 (Shanmugam, 2025).

The state government has been vocal in raising this concern in recent budget presentations, with the Finance Minister explicitly noting that Tamil Nadu's share of central taxes for 2025 to 2026, at 58,022 crore rupees, corresponds to roughly 4 percent of total central tax devolution despite the state's approximately 6 percent share of national population and 9 percent contribution to national economic growth (South First, 2025). This disparity has become an increasingly prominent theme in the state's fiscal advocacy ahead of the Sixteenth Finance Commission's award period, and is linked by state officials to broader concerns about delimitation and political representation discussed further in section 2.9.

2.7 GST Implementation: Revenue Impact and Compensation Status

The transition to the Goods and Services Tax regime has had a substantial and generally positive impact on Tamil Nadu's own tax revenue base, with State GST emerging as the single largest component of the state's own tax revenue, rising from a 38 percent share of own

tax revenue in 2024 to 2025 to an estimated 42 percent share in 2025 to 2026, alongside a projected 23 percent year on year growth in State GST collections (PRS Legislative Research, 2026a). Officials in the Finance Department have highlighted that the state's GST revenue growth has consistently outpaced the national average, which they attribute to the state's diversified industrial base and improvements in tax administration and compliance monitoring (Tnpscstheruvupettaam, 2025).

The five year GST compensation mechanism established under the Goods and Services Tax (Compensation to States) Act, which guaranteed states a 14 percent annual revenue growth rate over the 2015 to 2016 base year, formally lapsed at the end of the transition period specified in the original legislation, requiring Tamil Nadu, like other states, to adjust its revenue planning to rely on organic GST buoyancy rather than compensation transfers. The compensation cess collection mechanism itself has been extended in modified form to service the back-to-back loans extended to states during the compensation shortfall years of the pandemic period, with Tamil Nadu's own back-to-back loan receipts in lieu of GST compensation recorded at 6,241 crore rupees in 2020 to 2021 and 8,095 crore rupees in 2021 to 2022, both of which are excluded from the state's calculated fiscal deficit and outstanding borrowings for those years under the accounting convention adopted by the Comptroller and Auditor General (Shanmugam, 2025).

The strong and rising contribution of State GST to Tamil Nadu's own tax base, now approaching half of total own tax collections, has somewhat reduced the state's historical reliance on other tax heads such as sales tax and value added tax on petroleum products and alcohol, which nonetheless continue to contribute meaningfully through revenue from stamp duty and registration, motor vehicle taxes, and state excise duties (South First, 2025).

2.8 Public Financial Management Reforms and Audit Compliance

Tamil Nadu's public financial management framework operates under the Tamil Nadu Fiscal Responsibility Act, 2003, which has been amended multiple times since its original enactment, most recently in 2023, to revise both the timeline for eliminating the revenue deficit and to reaffirm the 3 percent of GSDP ceiling on fiscal deficit first introduced through the 2004 amendment (NITI Aayog, 2025). The Act also caps the state's total outstanding debt, with the ceiling of 25.2 percent of GSDP, first set through the 2011 amendment for the 2014 to 2015 financial year, continuing to serve as a long-standing reference point in subsequent fiscal planning, even as more recent debt to GSDP ratios in the 26 to 26.4 percent range have in practice exceeded this legislated benchmark in some years (NITI Aayog, 2025; PRS Legislative Research, 2025).

The Comptroller and Auditor General's State Finances Audit Reports, prepared annually by the Principal Accountant General for Tamil Nadu, provide the primary independent audit assessment of the state's fiscal position, benchmarking outcomes against the Fiscal Responsibility Act targets, budget documents, and Finance Commission recommendations

(Comptroller and Auditor General of India, 2025). These reports have consistently flagged the quality of expenditure, particularly the proportion of borrowed funds directed toward revenue consumption rather than capital asset creation, as an area requiring continued attention (Comptroller and Auditor General of India, 2025). The Comptroller and Auditor General's Principal Accountant General offices for Tamil Nadu also conduct a wide range of compliance and performance audits across sectors, including recent performance audits on public health infrastructure and management of health services, and on housing for the urban poor, both of which inform assessments presented in Chapters 6 and 11 of this report respectively (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024).

On broader public financial management reform, the state has continued to expand digital treasury and financial management systems intended to improve real time monitoring of expenditure across departments and local bodies, consistent with national e-governance initiatives discussed further in Chapter 16, though comprehensive public data specifically quantifying the coverage and performance of these systems for 2025 to 2026 was not identified in the sources reviewed for this report and would benefit from more detailed disclosure by the Finance Department in future budget documentation.

2.9 Centre-State Fiscal Relations: Trends and Themes

Centre-state fiscal relations have become an increasingly prominent and, at times, contentious feature of Tamil Nadu's budgetary discourse in the period covered by this report. The state government has consistently argued that the combination of declining tax devolution share, reduced grant allocations, and delays or shortfalls in disbursement under specific centrally sponsored schemes has constrained its fiscal capacity even as its own revenue performance and economic contribution to the national economy have strengthened (South First, 2025; The Federal, 2025). Specific instances cited by state officials in the 2025 to 2026 budget presentation include the non-release of funds under the Samagra Shiksha Abhiyan scheme, reportedly linked to the state's non-implementation of the National Education Policy 2020, and the non-release of National Disaster Relief Fund support following Cyclone Fengal, with the state citing an allocation of only 276 crore rupees against its claims (The Federal, 2025).

This fiscal friction has become intertwined with broader political disputes between the Tamil Nadu government and the Union Government over language policy, with the state reiterating its commitment to a bilingual policy even at the stated cost of forfeiting approximately 2,152 crore rupees in central funding tied to National Education Policy compliance, and over the prospective delimitation of parliamentary constituencies, which southern states including Tamil Nadu have argued could reduce their relative political representation precisely because of their successful fertility transition and population stabilization, discussed in section 1.3 (The Federal, 2025). These tensions illustrate a broader structural feature of India's fiscal federalism: states that perform strongly on demographic transition, tax buoyancy, and economic growth, as Tamil Nadu has, do not automatically receive a proportionate share of

central transfers under formulae that also weight redistributive considerations toward lower income and higher population growth states (Shanmugam, 2025).

Looking ahead to the Sixteenth Finance Commission's award period, Tamil Nadu's fiscal strategy, as reflected in both its budget documents and its formal submissions to the Commission, is likely to continue emphasizing the case for greater weight to be given to tax effort, fiscal discipline, and demographic performance in the horizontal devolution formula, alongside continued advocacy for a larger share of central grants for specific sectors such as disaster relief and education where the state has flagged particular disbursement shortfalls (Shanmugam, 2025; The Federal, 2025). The resolution of these tensions will have a material bearing on the financing strategy the state pursues under its Vision 2047 framework, discussed in Chapter 21.

Chapter 3: Economic Structure, Growth and Sectoral Performance

3.1 Gross State Domestic Product: Trends, Growth Rate and Sectoral Share

Tamil Nadu's Gross State Domestic Product reached approximately 31.19 lakh crore rupees at current prices in 2024 to 2025, representing nominal growth of nearly 16 percent over the previous year and real growth of 11.19 to 11.2 percent, the highest recorded among major Indian states for that year and well above the national average real growth rate (The Federal, 2026a; Usthadian Academy, 2026a). The 2025 to 2026 Budget document projects nominal GSDP of approximately 35.68 lakh crore rupees for the current year and 41.03 lakh crore rupees for 2026 to 2027, implying continued double digit nominal growth if these projections hold (The Federal, 2026a; PRS Legislative Research, 2026).

In terms of sectoral composition, the primary sector, comprising agriculture and allied activities, accounted for approximately 13.4 percent of Gross State Value Added in 2024 to 2025, the secondary sector, comprising manufacturing, construction, mining, and utilities, contributed approximately 33.1 percent, and the services sector contributed the remaining and largest share, at approximately 53.6 percent (The Federal, 2026a). This distribution is broadly consistent with the structure observed in 2021 to 2022 by NITI Aayog's macro and fiscal landscape assessment of the state, which recorded services at 53 percent, industry at 33.9 percent, and agriculture at 13.2 percent of GSVA, with Tamil Nadu ranking tenth among thirty-three states and union territories on industry's share of GSVA and fourteenth on services' share, both above the respective all-state average shares of 29.3 percent for industry and 51 percent for services (NITI Aayog, 2025a). This indicates that Tamil Nadu carries an above-average industrial base alongside an above-average services base, a combination achieved by very few large Indian states and reflective of the state's long-standing dual strength in manufacturing and knowledge services.

Over the decade from 2013 to 2014 through 2022 to 2023, manufacturing and agriculture recorded the highest annual growth rates among Tamil Nadu's sectors, at 6.9 percent and 6.6 percent respectively, though these decadal averages are considerably lower than the exceptional manufacturing growth of 14.74 percent recorded in the single year 2024 to 2025, underscoring that the most recent year represents a marked acceleration rather than a continuation of the prior decade's trend (NITI Aayog, 2025a; The Federal, 2026a). Over the four year period from 2021 to 2022 through 2024 to 2025, Tamil Nadu recorded the highest average manufacturing growth of any Indian state, at 9.38 percent per year, a performance that state planning officials have linked to sustained investment promotion and export competitiveness discussed further in Chapter 4 (The Federal, 2026a).

3.2 Per Capita Income and Purchasing Power Analysis

Tamil Nadu's per capita income reached approximately 3.62 lakh rupees in 2024 to 2025, about 1.77 times the national average of approximately 2.05 lakh rupees, placing the state third among Indian states on this measure (The Federal, 2026a; Usthadian Academy, 2026a). This represents a marked improvement in the state's relative income standing over the past two decades, reflecting both the acceleration of industrial output and the state's diversified base of manufacturing, services, and trade sector activity. At the district level, 32 of the state's 38 districts recorded per capita incomes above the national average in 2024 to 2025, indicating that income gains have extended well beyond the traditionally dominant metropolitan and industrial corridor districts of Chennai and Coimbatore into a majority of the state's geography, though as discussed in Chapter 1, section 1.7, a residual group of six districts, concentrated in the interior and southern regions, continue to lag the national average (The Federal, 2026a).

Purchasing power in real terms has also been supported by the moderation of inflation discussed in section 3.8. Because Tamil Nadu's income growth has been driven substantially by wage growth in manufacturing and services rather than by transfer payments alone, per capita income gains are likely to translate into genuine improvements in household purchasing power for a large share of the workforce, though the extent to which this holds for informal sector workers, discussed in section 3.6, requires more granular household survey data than was available for this report.

3.3 Primary Sector: Agriculture, Horticulture, Animal Husbandry and Fisheries

Despite its declining relative share of GSVA, agriculture remains economically and socially significant in Tamil Nadu, contributing approximately 1.9 lakh crore rupees and 6.6 percent to Gross State Value Added in the sectoral breakdown reported for 2024 to 2025, a figure that appears to reflect a narrower definition of core agriculture distinct from the broader 13.4 percent primary sector share reported elsewhere in the same Economic Survey, which likely includes allied activities such as animal husbandry, forestry, and fishing (The Federal, 2026a). Tamil Nadu ranked first nationally in ragi and sugarcane yields and second in oilseed yields in 2024 to 2025, reflecting the productivity gains achieved in the state's irrigated delta and dryland farming systems (The Federal, 2026a).

Agricultural credit disbursement has more than doubled over the period from 2019 to 2020 through 2023 to 2024, reaching approximately 4.52 lakh crore rupees, a trend that reflects both expanded institutional lending to farmers and rising input costs across the sector (The Federal, 2026a). This expansion in credit access is a significant enabler of mechanization, irrigation investment, and the adoption of higher value crops, themes explored in greater depth in Chapter 18, which is devoted specifically to agriculture, allied sectors, and food security. The Cauvery delta region, spanning Thanjavur, Tiruvarur, Nagapattinam, and Mayiladuthurai districts, continues to anchor the state's paddy production, while animal

husbandry, dairy, and poultry, particularly the poultry belt centred on Namakkal district, and marine and inland fisheries along the state's 1,076 kilometre coastline, form significant and geographically distinct components of the primary sector that are addressed in dedicated sections of Chapter 18.

3.4 Secondary Sector: Industry, Manufacturing and Mining

The secondary sector's 33.1 to 33.9 percent share of Tamil Nadu's GSVA is driven primarily by manufacturing, which alone accounted for approximately 19.7 percent of GSVA as of 2021 to 2022, and construction, which contributed approximately 11.9 percent, with much smaller contributions from electricity at approximately 1.9 percent and mining at approximately 0.3 percent (NITI Aayog, 2025a). The manufacturing sector's real growth rate of 14.74 percent in 2024 to 2025, more than three times the all-India average of approximately 4.5 percent, was the principal driver of the state's overall GSDP acceleration in that year (The Federal, 2026a).

Tamil Nadu's manufacturing base is anchored by the automobile and auto components industry centred on Chennai and its surrounding districts, an agglomeration substantial enough that the city is popularly referred to as the Detroit of India, alongside significant clusters in textiles and garments centred on Coimbatore and Tiruppur, leather products centred on Vellore and Ambur, and electronics manufacturing that has expanded rapidly in recent years around Chennai and Sriperumbudur (The Federal, 2026a; Usthadian Academy, 2026b). Construction has also emerged as a distinct growth driver, recording close to 11 percent growth in 2024 to 2025, supported by public infrastructure spending on highways, urban transport, and industrial parks as well as private real estate activity, with strong backward linkages to the cement, steel, and logistics sectors (Usthadian Academy, 2026b). Mining and quarrying remain a comparatively minor contributor to the state's GSVA, and the sector's governance and environmental dimensions are addressed separately in Chapter 13.

3.5 Tertiary Sector: Trade, Finance, Real Estate and Services

The services sector is the largest single contributor to Tamil Nadu's economy, accounting for approximately 53 to 53.6 percent of GSVA and registering real growth of 11.3 percent in 2024 to 2025 (The Federal, 2026a; NITI Aayog, 2025a). Within services, the largest sub-components as of 2021 to 2022 were real estate, ownership of dwellings, and business services, contributing approximately 18.1 percent of GSVA, and trade, hotels, and restaurants, contributing approximately 11 percent (NITI Aayog, 2025a). Chennai functions as the state's principal hub for information technology and information technology enabled services, alongside significant activity in finance, transport, and tourism, with the services sector's continued expansion closely tied to the growth of Chennai's IT corridor along Old Mahabalipuram Road and the broader Chennai Metropolitan Area (Usthadian Academy, 2026b).

The scale and diversity of Tamil Nadu's services sector, spanning globally oriented IT and financial services alongside more localized trade, hospitality, and real estate activity, gives the state's tertiary economy a resilience that complements its manufacturing led export growth, and positions Chennai alongside a small number of other Indian metropolitan centres as a nationally significant services hub, a theme returned to in the discussion of growth corridors in section 3.9 and urban development in Chapter 11.

3.6 Informal Economy: Size, Significance and Integration Challenges

A comprehensive, current, state-specific quantification of the size of Tamil Nadu's informal economy as a share of GSVA or employment was not identified among the primary sources reviewed for this report, and readers seeking precise figures are encouraged to consult the Periodic Labour Force Survey unit-level data and the forthcoming results of the informal sector enterprise surveys conducted by the Ministry of Statistics and Programme Implementation. What can be said with reasonable confidence, based on the sectoral employment distribution discussed in section 3.7, is that a substantial share of Tamil Nadu's workforce, particularly in construction, trade, and small-scale manufacturing clusters such as the powerloom and hosiery units of Tiruppur, Erode, and Karur, operates within informal or semi-formal arrangements characterized by limited social security coverage, variable wage regularity, and constrained access to formal credit relative to organized sector counterparts.

The integration challenge for policymakers lies in extending the benefits of the state's strong social security architecture, discussed in Chapter 7, and formal skill certification, discussed in Chapter 17, to this informal workforce without imposing compliance costs that could undermine the competitiveness of the small and micro enterprises that generate a large share of informal employment. The state's Naan Mudhalvan skill development initiative and various welfare board mechanisms for construction and unorganized sector workers represent existing policy instruments aimed at this integration challenge, though their coverage and effectiveness relative to the scale of informal employment in the state would benefit from more systematic, dedicated evaluation than is possible within the scope of this chapter.

3.7 Labour Market: Employment, Unemployment and Workforce Quality

Tamil Nadu's labour market has shown consistent improvement across the key indicators tracked by the Periodic Labour Force Survey. The state's labour force participation rate increased from 71.5 percent in 2021 to 2022 to 72.1 percent in 2023 to 2024, compared with a national increase from 66.2 percent to 71.3 percent over the same period, indicating that Tamil Nadu has maintained a labour force participation rate above the national average even as the national rate has converged toward it (The Federal, 2026a). The state's unemployment rate declined from 5.1 percent to 3.5 percent over the same period, compared with a national decline from 4 percent to 3.2 percent, and a related NITI Aayog assessment using slightly different reference years placed the state's annual unemployment rate at 4.3 percent as of 2022 to 2023, above the corresponding national average for that year in that dataset (The

Federal, 2026a; NITI Aayog, 2025b). The Economic Survey attributes the state's improving employment outcomes to higher enrolment in higher education and skill development programmes, discussed further in Chapters 5 and 17, alongside the stabilizing effect of the state's social security architecture (The Federal, 2026a).

On the composition of the workforce, NITI Aayog's summary assessment for Tamil Nadu found the working population predominantly concentrated in services, at 35.2 percent, agriculture, forestry, and fishing, at 28.9 percent, and construction, at 18 percent, based on Periodic Labour Force Survey data spanning 2017 to 2018 through 2023 to 2024 (NITI Aayog, 2025b). Notably, the state's female labour force participation rate stood at 40.5 percent as of 2022 to 2023, above the corresponding national average for the same period, a comparatively strong performance among major Indian states though still well below male labour force participation and below rates typical of high income economies, indicating continued scope for policy attention on this front, a theme developed further in Chapter 7, section 7.4 (NITI Aayog, 2025b).

3.8 Inflation, Price Stability and Consumer Welfare

Retail inflation in Tamil Nadu has moderated substantially over the period covered by this report, declining from 5.4 percent in 2023 to 2024 to 4.6 percent in 2024 to 2025, and further to 2.3 percent in 2025 to 2026 based on data available through December of that fiscal year (The Federal, 2026a). Food inflation, which disproportionately affects lower income households given its larger share in their consumption baskets, moderated even more sharply, approaching near zero in 2025 to 2026 (The Federal, 2026a). The state government has attributed this moderation to effective supply management, including operations under the Public Distribution System, and to the cushioning effect of income support schemes that have increased household purchasing power even as underlying price pressures eased (The Federal, 2026a).

This combination of rising nominal incomes, discussed in section 3.2, and moderating inflation implies a meaningful improvement in real consumer welfare for Tamil Nadu households over the period, though the distributional incidence of these gains, particularly for informal sector and agricultural labour households whose incomes may be more volatile than the aggregate figures suggest, warrants continued monitoring through household consumption expenditure surveys.

3.9 Growth Corridors: Engines of Economic Expansion

Tamil Nadu's economic geography is organized around a small number of identifiable growth corridors that account for a disproportionate share of the state's industrial and services output. The Chennai-Kanchipuram-Tiruvallur-Chengalpattu corridor forms the state's primary metropolitan growth engine, combining automobile and electronics manufacturing, port-linked logistics through Chennai and Ennore ports, and the IT and IT enabled services

corridor along Old Mahabalipuram Road. The Coimbatore-Tiruppur-Erode corridor forms a second major engine, combining engineering and pump manufacturing centred on Coimbatore with the hosiery and knitwear export cluster centred on Tiruppur, one of the country's most significant garment export hubs. The Madurai-Tuticorin corridor along the southern coast combines port infrastructure at Thoothukudi, alongside chemical and thermal power installations, with Madurai's role as a regional commercial and educational centre for the southern districts. The Salem-Namakkal-Karur belt combines steel, textile, and poultry production, while the Tiruchirappalli-Thanjavur axis anchors the state's engineering manufacturing base alongside the Cauvery delta's agricultural output.

The Tamil Nadu government's recent policy initiatives, including the Tamil Nadu Semiconductor Mission 2030 discussed in Chapter 2, section 2.3, and the proposed Global City project near Chennai, are explicitly designed to extend and deepen these growth corridors, with an emphasis on attracting semiconductor design and advanced electronics investment to complement the state's existing manufacturing strengths (PRS Legislative Research, 2026). The extent to which these corridors can be extended geographically to draw in the state's currently lagging interior and southern districts, discussed in Chapter 1, section 1.7, and Chapter 4's discussion of investment climate and industrial policy, remains one of the central questions for Tamil Nadu's development trajectory through 2030 and beyond.

Chapter 4: Investment, Industry and Private Sector Development

4.1 Investment Climate Assessment and Ease of Doing Business

Tamil Nadu has positioned itself, through a sustained and multi-decade policy effort, as one of India's leading investment destinations, a claim substantiated by its consistent performance in national ease of doing business assessments. Under the Business Reform Action Plan process coordinated by the Department for Promotion of Industry and Internal Trade, Tamil Nadu is currently ranked third nationally in the Top Achiever category, having progressively implemented 176 reforms under BRAP 2019, 300 reforms under BRAP 2020, 331 reforms under BRAP 2022, and 434 reforms under BRAP 2024, with the state's investment promotion agency, Guidance Tamil Nadu, coordinating implementation across more than thirty line departments (Investing in Tamil Nadu, 2026a, 2026b).

The state's institutional architecture for investment facilitation rests on the Tamil Nadu Business Facilitation Rules and the associated Tamil Nadu Business Facilitation Act, 2018, which prescribe statutory timelines, defined procedures, and institutional mechanisms for the grant of business approvals, along with provisions for grievance redressal and penalties for non-compliance by state agencies (Investing in Tamil Nadu, 2026a). The Tamil Nadu Single Window Portal, which now aggregates more than 215 services across more than thirty departments, functions as the principal digital interface through which investors obtain licenses, clearances, and no objection certificates, supported by the Composite Inspection System, which synchronizes inspections across the Directorate of Industrial Safety and Health, the Labour Department, the Boilers Department, and the Tamil Nadu Pollution Control Board, and by Biz Buddy, an online grievance redressal mechanism onboarding more than twenty departments, one hundred agencies, and one hundred and fifty officers with an escalation pathway reaching the level of the Chief Minister (Investing in Tamil Nadu, 2026a). Guidance Tamil Nadu, established in 1992 as the state's nodal investment promotion agency, has also entered into partnership with the World Economic Forum to establish what is described as India's first advanced manufacturing hub within the state (Investing in Tamil Nadu, 2026b).

4.2 Industrial Policy Framework and MSME Development

The state's current industrial policy framework, the Tamil Nadu Industrial Policy 2021, launched on 2 March 2021 and applicable to eligible investments from 1 January 2021, superseded the earlier Tamil Nadu Industrial Policy 2014 and was originally valid through 31 March 2025, with the government periodically revising and extending its provisions (Investing in Tamil Nadu, 2026c; Grokipedia, 2026). The policy set an ambitious target of achieving 15 percent annual growth in the manufacturing sector over its term, attracting investments of approximately 10 lakh crore rupees, equivalent to roughly 135 billion United States dollars, between 2020 and 2025, generating employment for approximately 20 lakh, or

two million, people by 2025, and raising manufacturing's contribution to GSVA to 30 percent by 2030 (Investing in Tamil Nadu, 2026c; Grokipedia, 2026). The policy offers a structured incentive package including capital subsidies of up to 50 percent on eligible fixed assets for thrust sectors, concessional land allotment rates of 10 percent in higher-tier SIPCOT districts and up to 50 percent in less developed C-category districts, stamp duty concessions of 50 to 100 percent depending on district category, electricity tax exemption for five years, interest rebates of up to 5 percent on term loans for ultra-mega projects, and skilling subsidies of 4,000 rupees per worker per month for six months, rising to 6,000 rupees per worker per month for women, transgender persons, persons with disabilities, and Scheduled Caste and Scheduled Tribe workers (Investing in Tamil Nadu, 2026c).

Micro, small, and medium enterprises constitute a foundational element of Tamil Nadu's industrial base, with the state hosting the third largest number of MSMEs in the country, variously reported at approximately five million to more than fifty-seven lakh enterprises, representing about 8 percent of India's total MSME count and approximately 15.24 percent of the country's micro-enterprises, alongside the highest number of non-farm units of any Indian state (MSME Tamil Nadu, 2026; Investing in Tamil Nadu, 2026d). These enterprises span leather products, engineering goods, automotive components, castings, electronics, and readymade garments, and function as a critical vendor base supplying the state's larger anchor industries discussed in section 4.3 (Investing in Tamil Nadu, 2026d). MSME facilitation is administered through a dedicated dual structure, with Guidance Tamil Nadu handling investments above 50 crore rupees and the state's MSME Department, together with District Industries Centres and the MSME Trade and Investment Promotion Bureau established in September 2019, providing targeted support across the enterprise lifecycle, from ideation through expansion, financing, marketing, skill training, and export facilitation (Investing in Tamil Nadu, 2026d; MSME Tamil Nadu, 2026).

4.3 Large and Anchor Industries: Sectoral Analysis

Tamil Nadu's large industry base is concentrated in automobiles and auto components, textiles and apparel, leather and leather products, electronics manufacturing, and engineering goods, sectors whose combined performance underpins the manufacturing growth of 14.74 percent recorded in 2024 to 2025 discussed in Chapter 3 (The Federal, 2026a). The automobile and auto components cluster centred on Chennai and its surrounding SIPCOT industrial estates has earned the state its Detroit of India designation and anchors a dense ecosystem of original equipment manufacturers and component suppliers, many of the latter drawn from the MSME base discussed in section 4.2. As per the Annual Survey of Industries for 2023 to 2024, Tamil Nadu accounted for approximately 15.24 percent of India's total factory workforce of about 19.59 million persons, equivalent to roughly 2.98 million industrial workers, giving the state the leading position nationally in factory-based employment (Grokipedia, 2026).

The State Industries Promotion Corporation of Tamil Nadu, together with the Small Industries Development Corporation, jointly manage a combined industrial land bank of approximately 40,000 acres, of which about 3,500 acres remained available for allotment as of the most recent disclosure reviewed for this report, with allottees who have utilized 50 percent of their allotted area permitted to construct plug and play facilities for subleasing, a mechanism intended to accelerate industrial land utilization (Investing in Tamil Nadu, 2026c). Industry-specific parks have been developed to promote cluster-based development, complementing the broader growth corridor pattern discussed in Chapter 3, section 3.9. Investments exceeding 68,375 crore rupees channelled through SIPCOT were projected, as of 2022 to 2023 data, to generate more than 205,000 direct positions, illustrating the scale of employment leverage achieved through the state's industrial parks programme (Groklopedia, 2026).

4.4 Special Economic Zones, Industrial Corridors and Clusters

Tamil Nadu's industrial corridor programme forms a central pillar of its spatial industrial strategy. The Ponneri node of the Chennai-Bengaluru Industrial Corridor is under active development, Phase II of the Chennai-Kanyakumari Industrial Corridor is nearing completion, and the Tamil Nadu Defence Industrial Corridor, launched in 2019, is intended to draw defence manufacturing and allied investment into the state, complementing the state's existing strengths in precision engineering (Investing in Tamil Nadu, 2026c). These corridors are supported by an extensive road network of 5,324 kilometres of National Highways, 11,830 kilometres of State Highways, 46,496 kilometres of District Roads, and 149,446 kilometres of Rural Roads, providing the connectivity backbone linking industrial clusters to ports and consumption centres, a theme developed further in Chapter 8 (Investing in Tamil Nadu, 2026c).

Cluster-based development remains a defining feature of Tamil Nadu's industrial geography, with the hosiery and knitwear cluster of Tiruppur, the powerloom cluster spanning Erode and Karur, the leather cluster of Vellore and Ambur, and the pump and engineering cluster of Coimbatore each representing internationally competitive, geographically concentrated production ecosystems that combine large anchor firms with dense networks of MSME suppliers, consistent with the growth corridor mapping presented in Chapter 3, section 3.9.

4.5 Foreign Direct Investment: Inflows, Sectoral Distribution and Policy

Tamil Nadu has continued to attract robust foreign direct investment even as national FDI inflows have, in aggregate, faced headwinds. The state attracted 3,681 million United States dollars in FDI in 2024 to 2025, up from 2,169 million United States dollars in 2022 to 2023, a performance the Economic Survey of Tamil Nadu 2025 to 2026 explicitly characterizes as defying the broader national trend of declining FDI inflows (The Federal, 2026a). This resilience is closely linked to the state's export competitiveness discussed in Chapter 3, with Tamil Nadu ranking first nationally in electronics, textiles, and leather exports and second in

engineering exports, sectors that have historically attracted significant foreign investor interest in manufacturing capacity (The Federal, 2026a).

The state's investment promotion strategy explicitly targets electronics, advanced manufacturing, and semiconductor design as priority sectors for future FDI, building on the Tamil Nadu Semiconductor Mission 2030 discussed in Chapter 2, section 2.3, which is designed to attract semiconductor design companies and domestic start-ups to establish design centres within the state (PRS Legislative Research, 2026). Guidance Tamil Nadu's country desk function and dedicated sector expert teams are structured specifically to support international investors through the entire investment cycle, from site selection to post-investment aftercare (Investing in Tamil Nadu, 2026b).

4.6 Public Sector Undertakings: Performance and Reform Agenda

As discussed in Chapter 2, section 2.5, the Government of Tamil Nadu maintains a substantial portfolio of investment in state public sector undertakings, comprising seventy-seven entities under the audit jurisdiction of the Comptroller and Auditor General as of the most recent comprehensive review, including sixty-seven government companies, nine government controlled other companies, and one statutory corporation (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024).

The Government of Tamil Nadu's equity investment in these companies and corporations stood at approximately 36,877.29 crore rupees, with outstanding loans extended to these entities at approximately 16,903.54 crore rupees, in the audited year reviewed (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024). Twenty-seven government companies and corporations reported a combined profit of approximately 1,205.56 crore rupees in the reviewed year, of which about 84 percent was contributed by just five companies operating in the power, industries, and MSME sectors, indicating a highly concentrated distribution of profitability across the broader PSU portfolio (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024).

The performance of the Tamil Nadu Generation and Distribution Corporation, the state's principal power sector undertaking, has been the subject of specific performance audit both before and after the implementation of the Ujwal DISCOM Assurance Yojana, reflecting the historical financial stress in the power distribution sector discussed further in Chapter 9 (Comptroller and Auditor General of India, Principal Accountant General Audit-II Tamil Nadu and Puducherry, 2024). Continued reform of underperforming public sector undertakings, alongside more transparent disclosure of contingent liabilities associated with PSU borrowings discussed in Chapter 2, section 2.5, remains an identified priority for strengthening the overall quality of the state's public investment portfolio.

4.7 Public-Private Partnership Framework and Pipeline

Tamil Nadu has employed public-private partnership structures across infrastructure sectors including highways, ports, and urban transit, and continues to use viability gap funding mechanisms, referenced in the state's 2025 to 2026 budget allocations for bus transport subsidies discussed in Chapter 2, section 2.2, to make otherwise commercially unviable public service delivery attractive to private operators (Finance Department, Government of Tamil Nadu, 2026). The state's approach to attracting private capital into large-scale urban infrastructure is exemplified by the proposed Global City project near Chennai, to be developed in its first phase by the Tamil Nadu Industrial Development Corporation, and by waste-to-energy and integrated solid waste management public-private partnership projects planned for Chennai and Tambaram, discussed in Chapter 10 (Tnpscshervupettagam, 2025).

A comprehensive, centrally published pipeline of upcoming PPP projects specific to Tamil Nadu for 2026 was not identified among the sources reviewed for this report, and readers seeking a full inventory of active and planned PPP concessions are directed to the Tamil Nadu Infrastructure Development Board and the state's Public Works Department for current project-level disclosure.

4.8 Regional Cooperation: Shared Region and Growth

Tamil Nadu's economic geography places it in close functional interdependence with its neighbouring states, particularly through the Chennai-Bengaluru Industrial Corridor's Ponneri node, which links Tamil Nadu's investment promotion strategy directly with Karnataka's, and through labour and capital flows connecting Tamil Nadu's industrial clusters with Andhra Pradesh and Kerala. The state's ports, particularly Chennai, Ennore, and Thoothukudi, serve not only Tamil Nadu's own export base but function as regional gateways for neighbouring states' cargo, reinforcing the case for continued inter-state coordination on logistics and multimodal connectivity, a theme developed further in Chapter 8. Regional cooperation on river water sharing, particularly concerning the Cauvery river basin shared with Karnataka, and on power grid integration through the Southern Regional Power Committee, represent additional dimensions of shared regional development addressed respectively in Chapter 13 and Chapter 9 of this report.

Chapter 5: Education — Access, Quality and Future Readiness

5.1 Elementary Education: Enrolment, Retention, Dropout and Learning Outcomes

Tamil Nadu has, for several decades, been regarded as one of India's strongest performing states in elementary education, having achieved near-universal elementary access well ahead of most other Indian states, a legacy of sustained public investment beginning with the mid-day meal reforms of the 1980s and continuing through successive state and national programmes (Education for All in India, 2026a). As of the most recent Unified District Information System for Education Plus data cycle, the state operated 57,935 schools serving approximately 1.25 crore students, supported by 5.49 lakh teachers, with the pupil-teacher ratio improving slightly from 24 to 23 (Madhyamam Online, 2025).

Notwithstanding this strong historical record, the 2024 to 2025 UDISE+ data released by the Union Ministry of Education revealed a marked and concerning reversal in the state's dropout performance. Dropout rates at the primary level, Classes 1 through 5, and upper primary level, Classes 6 through 8, rose from 0 percent in the previous year to 2.7 percent and 2.8 percent respectively, the highest recorded in the preceding five years, while the secondary level dropout rate rose from 7.7 percent in 2023 to 2024 to 8.5 percent in 2024 to 2025 (Madhyamam Online, 2025). This reversal placed Tamil Nadu behind its immediate southern peers on primary level retention, with Kerala recording a primary dropout rate of 0.8 percent and Karnataka and Telangana each recording 0 percent for the same reference year, a comparison that has prompted concern among state education officials and independent analysts, particularly given Tamil Nadu's long-standing reputation as a near-universal access state (Madhyamam Online, 2025). At the same time, the number of single-teacher schools in the state rose sharply from 2,758 to 3,671, now serving more than 95,000 students, even as nearly 98 percent of government schools were reported to have functional toilet infrastructure, indicating that the state's remaining access and retention challenges are not primarily attributable to basic physical infrastructure deficits (Madhyamam Online, 2025).

A broader four-year UDISE+ based analysis spanning 2021 to 2022 through 2024 to 2025 characterizes Tamil Nadu as a state where the central policy challenge has shifted from access to quality and from ensuring children are enrolled to ensuring they are learning effectively, even as the state continues to be grouped, alongside Kerala, Goa, and Himachal Pradesh, among those nearing universal education based on longer-run averages showing dropout rates below 1 percent, transition rates above 95 percent, and retention rates above 92 percent through the middle school stage (Education for All in India, 2026b, 2026c). This analysis also identifies a distinctive feature of Tamil Nadu's school management structure, namely a management pattern dominated by aided schools falling under an "Others" category rather than purely government or purely private unaided schools, alongside a declining overall enrolment base attributable to the state's demographic transition discussed in Chapter 1, and

emerging pupil-teacher ratio concerns specifically at the higher secondary level (Education for All in India, 2026c).

5.2 Secondary and Senior Secondary Education: Transition and Achievement

At the secondary level, Tamil Nadu continues to record strong outcomes on several core indicators even amid the recent dropout concerns noted in section 5.1. Independent analysis of UDISE+ 2024 to 2025 data places Tamil Nadu's secondary Gross Enrolment Ratio at 95.5 percent and Class 12 retention at 74.7 percent, figures described as among the best in the country and comparable with, or better than, those of several higher income states (Education for All in India, 2026c). A separate secondary education specific analysis of the same UDISE+ cycle records secondary retention at 89.3 percent, a figure that, alongside the GER of 95.5 percent, situates Tamil Nadu firmly among India's leading states on secondary schooling completion (Education for All in India, 2026c).

Gender parity at the secondary and higher secondary levels represents a particular area of strength for Tamil Nadu. The state has sustained a higher secondary Gender Parity Index of approximately 1.1 across four consecutive years, a pattern that independent analysis identifies as making Tamil Nadu a model state for girls' secondary and higher secondary participation nationally (Education for All in India, 2026c). This achievement reflects the combined effect of long-standing girls' education incentives and more recent scheme-based interventions discussed in section 5.3, and is directly relevant to the gender equity themes developed further in Chapter 7, section 7.4.

5.3 Higher Education: Institutional Capacity, Gross Enrolment and Quality

Tamil Nadu recorded the highest Gross Enrolment Ratio in higher education among Indian states, at approximately 47 percent as of the 2025 to 2026 Economic Survey reference period, against a national average of 28.4 percent, a lead the state has sustained across successive All India Survey on Higher Education cycles, with one 2024 reporting citing a GER as high as 49 percent under that survey's specific methodology (The Federal, 2026a; Deccan Chronicle, 2024). This performance has been substantially reinforced by a cluster of targeted state schemes introduced from 2022 onward. The Pudhumai Penn scheme, providing a monthly incentive of 1,000 rupees to female students from government schools who continue into higher education from classes 6 through 12 onward, has benefited more than 273,000 students since its launch on 6 September 2022, and has been credited with raising the share of girls from government schools enrolling in higher education to approximately 34 percent (Deccan Chronicle, 2024). The Tamil Pudhalvan scheme, introduced in 2024 to extend comparable financial support to male students, has further reinforced this transition, with the proportion of government school students proceeding to higher education rising from 45 percent in 2021 to 2022 to 74 percent in 2023 to 2024, an increase of nearly 30 percentage points over three years (X/Twitter analysis citing state data, 2025).

The Naan Mudhalvan programme, launched in 2022 as a career guidance and skill development initiative, has benefited approximately 27 lakh students since inception, training and grooming about 184,000 students specifically for entrance examinations, interviews, and other employment market challenges, and has been linked to approximately 119,000 students securing government positions (Deccan Chronicle, 2024). A complementary stipend programme for first-generation graduate students has supported 413,241 students over three years with government expenditure of approximately 1,000 crore rupees, while a separate industrial skill development scheme selects 10,000 students annually for twenty-five day internships with partner companies (Deccan Chronicle, 2024). Under the state's longer-term Vision 2030 blueprint, developed following a household survey covering 1.81 crore families, the government has set a considerably more ambitious target of raising the higher education GER to 90 percent, alongside expanded investment in research laboratories, Centres of Excellence, and artificial intelligence focused academic institutions, and the introduction of an enhanced Naan Mudhalvan 2.0 programme aimed at improving global employability (Usthadian Academy, 2026).

5.4 Technical, Vocational Education and Training (TVET) Ecosystem

Tamil Nadu's technical and vocational education ecosystem is anchored by a dense network of polytechnic colleges, industrial training institutes, and engineering colleges, historically among the largest in the country in absolute numbers, reflecting the state's decades-long emphasis on engineering and technical manpower supply to its manufacturing base discussed in Chapter 3. The integration of vocational and skill-based pathways with mainstream higher education has been substantially strengthened through the Naan Mudhalvan programme described in section 5.3, which spans career guidance, entrance examination preparation, and direct placement support, and through the state's industrial skill development internship scheme, which channels students directly into manufacturing sector work experience (Deccan Chronicle, 2024).

The state government's Vision 2030 blueprint identifies skill development as a central pillar of its broader industrial ambitions, targeting attraction of approximately 18 lakh crore rupees in investment and the creation of 50 lakh jobs, goals that depend directly on the scale and quality of the technical and vocational training pipeline being expanded through Naan Mudhalvan 2.0 and associated industrial park based skilling infrastructure planned under the Make in Tamil Nadu initiative (Usthadian Academy, 2026). The training subsidy support embedded within the Tamil Nadu Industrial Policy 2021, discussed in Chapter 4, section 4.2, of up to 6,000 rupees per worker per month for women, transgender persons, persons with disabilities, and Scheduled Caste and Scheduled Tribe workers, further reinforces the state's effort to align vocational training directly with industrial employment absorption capacity (Investing in Tamil Nadu, 2026c).

5.5 Teacher Recruitment, Training and Professional Development

Tamil Nadu's teacher workforce of approximately 5.49 lakh across 57,935 schools represents one of the largest state teaching cadres in the country, with an overall pupil-teacher ratio that improved marginally from 24 to 23 in the most recent UDISE+ reporting cycle (Madhyamam Online, 2025). However, the sharp rise in single-teacher schools, from 2,758 to 3,671 institutions serving more than 95,000 students, signals a specific and geographically concentrated deployment challenge, likely affecting smaller and more remote rural schools disproportionately, and warranting targeted recruitment and rationalization measures rather than aggregate hiring alone (Madhyamam Online, 2025). Independent UDISE+ based analysis further flags emerging pupil-teacher ratio pressures specifically at the higher secondary level, distinct from the broader elementary and secondary averages, suggesting that teacher deployment planning may need to give particular attention to staffing at the higher secondary stage as enrolment continues to rise under the state's higher education access initiatives discussed in section 5.3 (Education for All in India, 2026c).

Comprehensive, recently published state-level data on in-service teacher training coverage, certification standards, or professional development programme outcomes specific to 2025 or 2026 was not identified among the sources reviewed for this report, and this represents an area where more detailed disclosure by the Tamil Nadu School Education Department would strengthen future editions of this framework.

5.6 Digital Education, EdTech Integration and ICT in Schools

Digital education infrastructure forms an explicit component of the state's Vision 2030 development blueprint, which envisions the expansion of smart classrooms across the school system alongside the creation of artificial intelligence laboratories and research centres of excellence at the higher education level (Usthadian Academy, 2026). This digital education agenda is closely linked to the broader digital infrastructure and e-governance themes discussed in Chapter 16, and to the state's efforts to align its education system with the skill demands of an increasingly technology-intensive manufacturing and services economy, discussed in Chapters 3 and 4.

Detailed, current, state-specific data on the actual coverage of smart classrooms, broadband connectivity in schools, or digital learning platform adoption rates for Tamil Nadu in 2025 to 2026 was not available among the sources reviewed for this chapter, and this represents an important gap that future editions of this framework, drawing on more detailed School Education Department policy notes and ICT in Schools scheme progress reports, should aim to fill with granular, verifiable figures.

5.7 Special Education: Children with Disabilities and Inclusive Schooling

Inclusive education for children with disabilities remains an area requiring continued policy attention within Tamil Nadu's broader education system, notwithstanding the state's strong

overall access and retention performance discussed in sections 5.1 and 5.2. National level dropout and enrolment data disaggregated specifically by disability status for Tamil Nadu was not identified among the sources reviewed for this report, though the state's Industrial Policy 2021 incentive structure, discussed in Chapter 4, section 4.2, does explicitly extend enhanced skilling subsidies to persons with benchmarked disabilities, indicating some degree of cross-sectoral policy attention to disability inclusion extending from the education system into employment pathways (Investing in Tamil Nadu, 2026c).

The broader legislative and welfare framework for persons with disabilities in Tamil Nadu, including accessibility standards, assistive technology provision, and dedicated special education institutions, is addressed in greater depth in Chapter 7, section 7.7, which this chapter's discussion of inclusive schooling should be read alongside.

5.8 State-Specific Educational Challenges and Reform Priorities

Tamil Nadu's education system in 2026 presents a distinctive profile combining historic strengths with newly emerging vulnerabilities. On the strength side, the state continues to lead the country on higher education Gross Enrolment Ratio, secondary level GER and retention, and gender parity at the secondary and higher secondary levels, achievements underpinned by a well-established and increasingly scheme-reinforced pathway from government schooling through higher education (The Federal, 2026a; Education for All in India, 2026c; Deccan Chronicle, 2024). On the emerging vulnerability side, the sharp and broad-based rise in dropout rates recorded in the 2024 to 2025 UDISE+ cycle across primary, upper primary, and secondary levels represents a significant reversal that education researchers and state officials are still in the process of analysing, and which stands in contrast to the state's historical reputation for near-universal elementary retention (Madhyamam Online, 2025).

A further state-specific policy dimension concerns Tamil Nadu's continued non-implementation of the National Education Policy 2020 and its associated three-language formula, a position the state government has maintained on the grounds of preserving its long-standing two-language policy, a stance that, as discussed in Chapter 2, section 2.9, has had direct fiscal consequences, including the reported non-release of funds under the Samagra Shiksha Abhiyan scheme (The Federal, 2025). The tension between the state's distinct language policy and national curricular and funding frameworks represents an unresolved structural issue with direct implications for future central funding flows to the sector.

Looking ahead, the state's Vision 2030 blueprint sets a considerably more ambitious higher education GER target of 90 percent, alongside expanded investment in research infrastructure and artificial intelligence capacity, reflecting an intention to move Tamil Nadu's higher education system from a leadership position on access toward a comparable leadership position on research intensity and innovation capacity, themes that connect directly to the

discussion of the state's innovation ecosystem in Chapter 17 (Usthadian Academy, 2026). Achieving this target while simultaneously reversing the recent deterioration in school-level dropout rates will likely require the state to extend its scheme-based incentive model, which has proven effective at the higher education transition point, further down into the secondary and upper primary stages where the most recent data suggests renewed vulnerability.

Chapter 6: Health, Nutrition and Population

6.1 Public Health Infrastructure: Facilities, Human Resources and Gaps

Tamil Nadu operates one of India's most extensive and consistently ranked public health delivery systems, structured through a network of Health Sub-Centres, Health and Wellness Centres, Primary Health Centres, Community Health Centres, and headquarters hospitals under the Directorate of Medical and Rural Health Services, complemented by a separate Directorate of Medical Education overseeing tertiary teaching hospitals (Tamil Nadu Health Policy Vision 2030, 2026). The state's public health architecture places particular emphasis on institutional delivery of maternal and child health services, a strategy reflected in the outcome data discussed in section 6.3, and on the extension of primary care through Health and Wellness Centres established under the national Ayushman Bharat framework, staffed in part by Auxiliary Nurse Midwives and supported by Accredited Social Health Activists at the community level (Tamil Nadu Health Policy Vision 2030, 2026).

More than 54 percent of all ailments in Tamil Nadu are treated in government health institutions, a proportion substantially higher than in many other Indian states, reflecting what independent political economy research on the state's health sector describes as tremendous public faith in the state's publicly provided health services (Dvara Research, 2025). This reliance on public provision is significant because it means that gaps in public health infrastructure, whether in staffing, equipment, or facility distribution, have a more direct bearing on population health outcomes in Tamil Nadu than in states where a larger share of care is delivered through the private sector. The Comptroller and Auditor General's performance audit on public health infrastructure and management of health services, discussed in Chapter 2, section 2.8, represents the most recent independent institutional assessment of specific infrastructure and management gaps within the state's public health system, and readers seeking granular facility-level detail on staffing vacancies, equipment functionality, or infrastructure quality are directed to that report.

6.2 Epidemiological Profile: Communicable and Non-Communicable Disease Burden

Tamil Nadu's epidemiological transition mirrors the broader pattern observed across India's more economically advanced states, with the burden of disease shifting progressively from communicable, maternal, newborn, and nutritional conditions toward non-communicable diseases including cardiovascular disease, diabetes, and cancer, alongside continued vigilance on residual infectious disease risks such as vector-borne illness and, historically, lymphatic filariasis, for which the state has maintained a dedicated elimination programme (Tamil Nadu Health Policy Vision 2030, 2026). The state's Integrated Disease Surveillance Programme provides the institutional backbone for outbreak detection and response, while the broader Communicable-Malnutrition-Maternal-Newborn Diseases category continues to receive targeted programmatic attention alongside the growing emphasis on non-communicable

disease screening and management embedded in the state's Health and Wellness Centre network (Tamil Nadu Health Policy Vision 2030, 2026).

Tamil Nadu performs comparatively well on infectious disease indicators relative to many other Indian states, a pattern that independent research links to the same institutional strengths, namely high institutional delivery rates and strong immunisation coverage, that also underpin its maternal and child health performance discussed in section 6.3 (Dvara Research, 2025). Comprehensive, current, state-specific quantification of the non-communicable disease burden, including diabetes and hypertension prevalence rates for 2025 to 2026, was not identified among the sources reviewed for this report, and this represents an area where the state's Non-Communicable Disease Cell and the National Family Health Survey's next round would provide the most authoritative updated figures.

6.3 Maternal and Child Health: MMR, IMR, Under-5 Mortality and Nutrition

Tamil Nadu records maternal and child health outcomes that are substantially better than the national average and among the strongest of any major Indian state. As per the National Family Health Survey 5, conducted in 2019 to 2021, and the Sample Registration System for 2016 to 2018, Tamil Nadu's infant mortality rate stood at 18 per 1,000 live births, its under-5 mortality rate at 22 per 1,000 live births, and its maternal mortality ratio at 60 per 100,000 live births, each figure well below the corresponding national averages of 35, 42, and 113 respectively (Dvara Research, 2025). Institutional childbirth in Tamil Nadu stood at 98.9 percent, compared with an all-India figure of 78.9 percent, reflecting decades of sustained policy emphasis on facility-based delivery, supported by strong antenatal care coverage and immunisation service provision (Dvara Research, 2025).

This strong aggregate performance on maternal and child health coexists with a more complicated picture on child nutrition. Comparative NFHS-4 to NFHS-5 analysis across five southern states found that in Tamil Nadu, children from the poorest households faced markedly higher odds of wasting, with an odds ratio of 1.80, and underweight status, with an odds ratio of 3.00, compared with children from the wealthiest households, indicating that wealth-based disparities in child nutrition remain a significant and persistent feature of the state's nutrition profile even as aggregate mortality indicators have improved (ResearchGate, 2026a, 2026b). Longitudinal NFHS data further show Tamil Nadu's stunting prevalence declining from 25.9 percent under NFHS-3 to 20.9 percent under NFHS-4, and wasting declining from 36.9 percent to 25 percent over the same comparison, indicating sustained improvement over time even as intra-state wealth-based disparities persist (PMC/NCBI, 2020). The Dr. Muthulakshmi Reddy Maternity Benefit Scheme, launched in 1987 and continuing to operate, provides financial assistance of 18,000 rupees to poor pregnant mothers in five installments, conditional on measures such as post-delivery Measles Rubella vaccination, alongside a nutrition kit of health supplements specifically designed to reduce maternal and infant mortality, representing one of the state's longest-running and most consistently maintained maternal health interventions (Dvara Research, 2025).

6.4 Universal Health Coverage: State Health Assurance Schemes

Tamil Nadu's principal vehicle for advancing universal health coverage is the Chief Minister's Comprehensive Health Insurance Scheme, first launched in 2009 as the Kalaigal Kaappittu Thittam and subsequently rebranded, which provides non-contributory, cashless coverage of up to 5 lakh rupees per family per year for a defined package of diagnostic, secondary, and tertiary procedures at empanelled public and private hospitals (Tamil Nadu Health Policy Vision 2030, 2026; Join Ditto, 2026). The scheme, administered through United India Insurance Company under its current implementation phase running from 11 January 2022 to 10 January 2027, covers more than 1.48 crore families as of 2024, and now permits beneficiaries to link their Ayushman Bharat Health Account number for faster claims processing, a functionality effective from December 2025, reflecting increasing integration with the national digital health ecosystem (Join Ditto, 2026).

CMCHIS was merged with the national Pradhan Mantri Jan Arogya Yojana in 2018, with eligibility for the merged coverage now drawing on both the state's own income criteria, generally covering families with annual income below 72,000 rupees alongside government employees and pensioners, and the Socio-Economic Caste Census based beneficiary lists used for PM-JAY (Dvara Research, 2025). Independent evaluation has found that overall health insurance coverage in Tamil Nadu, as measured by at least one household member holding insurance, increased only modestly between NFHS-4 and NFHS-5, from 64 percent to 67 percent, though this rises to 64 percent when broader schemes including the Employee State Insurance Scheme and Central Government Health Scheme are included in a separate assessment, and CMCHIS coverage has generally been found to be higher among lower economic deciles, consistent with its intended progressive targeting (Dvara Research, 2025; World Bank, 2020). As of November 2021, a combined 1.47 crore families were eligible under CMCHIS and PM-JAY together, a figure that has since grown to more than 1.48 crore families by 2024 (Dvara Research, 2025; Join Ditto, 2026).

6.5 Mental Health Services: Availability, Access and Stigma Reduction

Tamil Nadu implements the District Mental Health Programme across its districts as its primary vehicle for decentralized mental health service delivery, complemented by the state's Institute of Mental Health, one of the country's older and larger dedicated psychiatric institutions, which continues to serve as a referral and training centre for the state's broader mental health workforce (Tamil Nadu Health Policy Vision 2030, 2026). The integration of mental health screening and basic management into the state's Health and Wellness Centre network, consistent with national Ayushman Bharat guidelines, represents the principal mechanism through which the state has sought to extend mental health access beyond specialist institutional settings into primary care (Tamil Nadu Health Policy Vision 2030, 2026).

Comprehensive, current, quantitative data on the coverage, staffing adequacy, or outcome effectiveness of Tamil Nadu's District Mental Health Programme for 2025 to 2026 was not identified among the sources reviewed for this report. Given the generally acknowledged national shortage of psychiatric human resources relative to population need, and the continuing social stigma associated with mental illness across much of India, this remains an area meriting more detailed, dedicated assessment in future editions of this framework, ideally drawing on the state's own Directorate of Public Health and Preventive Medicine reporting and any forthcoming state-specific mental health survey data.

6.6 Nutrition Programmes: ICDS, Mid-Day Meal and Poshan Abhiyan

Tamil Nadu implements the national Poshan Abhiyaan, launched on 8 March 2018 and now continued under Poshan 2.0, through the umbrella Integrated Child Development Services structure, encompassing Anganwadi Services, the Scheme for Adolescent Girls, and the Pradhan Mantri Matru Vandana Yojana maternity benefit programme, with these interventions specifically targeting children aged 0 to 6 years, adolescent girls, and pregnant and lactating women (Vajiram and Ravi, 2025; Press Information Bureau, 2026). Tamil Nadu's own long-standing Nutritious Meal Programme, historically one of the earliest and most extensive state-run school feeding schemes in India, dating to reforms of the 1980s, continues to operate alongside these national nutrition initiatives and has been credited by researchers with contributing to the state's comparatively strong elementary education retention discussed in Chapter 5, section 5.1, at least prior to the recent dropout reversal noted in that chapter.

Notwithstanding these programmatic strengths, the wealth-based disparities in child undernutrition discussed in section 6.3, with poorer households facing two to three times higher odds of wasting and underweight status than wealthier households, indicate that programme coverage alone has not fully eliminated nutritional inequality within the state, a finding consistent with broader southern India research identifying poverty as the dominant determinant of child undernutrition even in states with well-developed nutrition programme infrastructure (ResearchGate, 2026a, 2026b). This suggests that further progress on Tamil Nadu's nutrition indicators will likely depend as much on continued poverty reduction and income support, discussed in Chapters 3 and 7, as on further expansion of nutrition programme coverage per se.

6.7 Population Stabilisation and Family Planning

As discussed in Chapter 1, section 1.3, Tamil Nadu has achieved one of the most advanced fertility transitions of any Indian state, with a Total Fertility Rate of approximately 1.8 children per woman as per the National Family Health Survey conducted for 2019 to 2021, well below the replacement level of 2.1, and a projected population growth rate for 2026 of just 0.24 percent, the lowest among Indian states. This transition has deep historical roots in the state's family planning programme, which achieved notably high awareness levels early

on, with 100 percent of surveyed women reporting knowledge of contraceptive methods as far back as NFHS-2 in 1999, a legacy political economy researchers link in part to the sustained political prioritization of family planning and reproductive health under successive state governments from the 1970s onward (Dvara Research, 2025).

Tamil Nadu's advanced population stabilization now presents the state with a distinct set of forward-looking policy challenges rather than the traditional challenge of high fertility, including a narrowing demographic dividend window, discussed in Chapter 20, section 20.3, and a rising future dependency ratio as the state's age structure matures, with direct implications for the design of elderly care and pension systems discussed in Chapter 7, section 7.6.

6.8 Health System Strengthening and Future Preparedness

Tamil Nadu's Health Policy Vision 2030 document articulates a comprehensive forward agenda for the state's health system, encompassing continued expansion of Health and Wellness Centres, strengthening of Comprehensive Emergency Obstetric and Newborn Care capacity, anti-microbial resistance containment, continuing professional development for the health workforce, and continued investment in laboratory information management and hospital management systems aimed at improving quality and efficiency across the public health network (Tamil Nadu Health Policy Vision 2030, 2026). The state has also historically partnered with international development agencies, including the Japan International Cooperation Agency, which has funded the Tamil Nadu Urban Health Care Project, reflecting a longstanding willingness to draw on external technical and financial partnership to strengthen specific components of the health system (Tamil Nadu Health Policy Vision 2030, 2026).

Future preparedness priorities identified in the state's health policy framework include continued attention to disease surveillance capacity in light of both endemic and emerging infectious disease risks, further reduction of wealth-based disparities in child nutrition outcomes discussed in sections 6.3 and 6.6, and the extension of the state's strong maternal and child health model to the growing non-communicable disease burden associated with its ageing population structure, discussed in section 6.7. The state's continued high reliance on public health provision, with more than 54 percent of ailments treated in government facilities, means that the pace and quality of public health system strengthening will remain the single most consequential determinant of population health outcomes in Tamil Nadu through 2030 and beyond (Dvara Research, 2025).

Chapter 7: Social Justice, Inclusion and Community Welfare

7.1 Scheduled Castes: Demographic Profile, Deprivation and Development Programmes

As per the 2011 Census, the most recent decennial enumeration available, Scheduled Castes constituted approximately 144 lakh persons, or 20.01 percent of Tamil Nadu's total population of 721 lakh, with nearly 66 percent of this population residing in rural areas (Adi Dravidar Welfare and Scheduled Tribes Welfare Department, 2026). The districts with the highest proportional concentration of Scheduled Caste population were Tiruvarur at 34.08 percent, the Nilgiris at 32.08 percent, Nagapattinam at 31.54 percent, Perambalur at 31.01 percent, Viluppuram at 29.37 percent, and Cuddalore at 29.32 percent, indicating a geographic concentration in the state's delta and northern districts (Adi Dravidar Welfare and Scheduled Tribes Welfare Department, 2026). Notably, the sex ratio among Scheduled Castes in Tamil Nadu, at 999 females per 1,000 males, exceeds the state's general sex ratio of 996 per 1,000, a pattern distinct from the more typical national tendency of lower female sex ratios among historically marginalized communities (Adi Dravidar Welfare and Scheduled Tribes Welfare Department, 2026).

The Adi Dravidar and Tribal Welfare Department, and its administrative successor structure following the bifurcation of tribal welfare functions in 2000, implements a comprehensive suite of educational, economic, and social upliftment programmes for Scheduled Castes, including scholarships, hostel facilities, and free bicycle distribution to support school attendance, alongside vocational training and economic assistance schemes aimed at generating self-employment opportunities (Tiruppur District, 2026; Scribd, 2026). Historical planning documents note that literacy and education levels among Scheduled Caste communities, while improving, continue to lag the state average, prompting continued investment in infrastructure strengthening, school upgrading, and hostel provision (Scribd, 2026). The state has recently reinforced its institutional commitment to differentiated development planning for these communities through the Tamil Nadu Development Action Plan for the Scheduled Castes and the Scheduled Tribes Act of 2024, which legally mandates that government departments earmark funds for Scheduled Caste and Scheduled Tribe development in proportion to their share of the state's population, establishes a State Council to advise on related policy matters, and requires public, web-based disclosure of implementation data to ensure transparency and accountability (PRS Legislative Research, 2024).

7.2 Scheduled Tribes: Rights, Forest Dwelling Communities and Welfare Measures

Tamil Nadu's Scheduled Tribe population is concentrated substantially in the hill districts, particularly the Nilgiris, and in forest-fringe areas across several other districts, with communities including the Todas, Kotas, Irulas, Kurumbas, and Narikuravas among the state's recognized tribal groups. The Directorate of Tribal Welfare, functioning independently since its full bifurcation from the Adi Dravidar and Tribal Welfare structure effective 1 April

2018, administers dedicated schemes including the Tamil Nadu Fellowship for Tribal Research, alongside Government Tribal Residential schools designed to support educational access for Scheduled Tribe children, and vocational and livelihood promotion schemes targeting the Narikkurava community and other groups facing acute economic marginalization (Tribal Welfare Department, 2026; Tiruppur District, 2026).

Central government transfers under Article 275(1) of the Constitution, which specifically fund tribal development activities, continue to flow to Tamil Nadu, with detailed year-wise allocation and expenditure data tracked through the Ministry of Tribal Affairs for the period from 2018 to 2019 through 2024 to 2025 (Indiastat, 2026). The rights of forest-dwelling Scheduled Tribe communities under the Forest Rights Act, and the broader question of land and resource access for tribal populations residing within or adjacent to the state's protected forest areas discussed in Chapter 13, remain an area of ongoing policy engagement between the Tribal Welfare Department, the Forest Department, and affected communities.

7.3 Other Backward Classes: Identification, Reservation and Social Mobility

Tamil Nadu maintains one of the most extensive reservation frameworks in India for Backward Classes, Most Backward Classes, and Denotified Communities, administered through the Backward Classes, Most Backward Classes and Minorities Welfare Department, which provides reservation benefits in state public service appointments and admissions to educational institutions across multiple sub-categories of backward classes (Tirupathur District, 2026; Ranipet District, 2026). This framework, combined with reservation for Scheduled Castes and Scheduled Tribes, results in Tamil Nadu maintaining a total reservation quantum that has historically exceeded the 50 percent ceiling generally applied elsewhere in India, a position the state has defended through specific constitutional protection and that remains a distinctive and long-standing feature of its social justice architecture, tracing its origins to the state's early twentieth century Self-Respect and Justice Party movements discussed in Chapter 1, section 1.4.

Beyond reservation in employment and education, the Backward Classes, Most Backward Classes and Minorities Welfare Department administers a range of direct welfare schemes including scholarship programmes, free bicycle and sewing machine distribution, free warehousing support, and targeted loan programmes, alongside specialized welfare boards such as the Narikkurava Welfare Board and support structures for Muslim women through bodies such as the Muslim Women's Help Association, reflecting the department's combined mandate across backward class and minority welfare functions (Tiruchirappalli District, 2026).

7.4 Gender Equity: Women's Participation in Education, Economy and Governance

Tamil Nadu has built one of India's most extensive gender-focused welfare architectures, spanning education, income support, and social protection. As discussed in Chapter 5, section

5.3, the Pudhumai Penn scheme has driven a substantial increase in the transition of government school girls into higher education, while the Kalaignar Magalir Urimai Thogai scheme, launched on 15 September 2023, the birth anniversary of former Chief Minister C. N. Annadurai, provides a direct benefit transfer of 1,000 rupees per month to eligible women and transgender heads of household, with eligibility conditioned on an annual family income below 2.5 lakh rupees, landholding limits of five acres of wetland or ten acres of dryland, household electricity consumption not exceeding 3,600 units annually, and the absence of vehicle ownership within the household (Kotak811, 2026). The scheme, administered through the dedicated KMUT portal, explicitly extends eligibility to widows and unmarried women heading households, as well as transgender persons in that role, reflecting a deliberately inclusive design (Kotak811, 2026).

On labour market participation, as discussed in Chapter 3, section 3.7, Tamil Nadu's female labour force participation rate stood at 40.5 percent as of 2022 to 2023, above the corresponding national average, though still substantially below male participation rates, indicating that continued policy attention to female workforce integration, childcare infrastructure, and workplace safety remains warranted even as the state's education and income support architecture for women continues to expand. On political representation, Tamil Nadu's long tradition of prominent women political leaders, and its implementation of reservation for women in local body elections under the Panchayati Raj framework discussed in Chapter 12, provide institutional channels for women's participation in grassroots governance, complementing the economic and educational interventions discussed above.

7.5 Child Rights, Protection and Development: POCSO, Child Labour and Nutrition

Tamil Nadu implements the Protection of Children from Sexual Offences Act through a network of Special Courts and coordinated child protection mechanisms, alongside child labour eradication measures integrated with the state's broader elementary education retention efforts discussed in Chapter 5, section 5.1. Direct benefit schemes with child protection dimensions include newborn tracking mechanisms for girl children born in government hospitals, which enable healthcare workers to provide ongoing vaccination and nutrition support and thereby support closer monitoring of child welfare outcomes and reduction of child mortality (Tamildot, 2026). The child nutrition dimensions of the state's welfare architecture, including the wealth-based disparities in stunting and wasting discussed in Chapter 6, section 6.3, connect directly to the broader child rights and protection agenda addressed in this section, since chronic undernutrition itself constitutes a significant, if often under-recognized, dimension of child welfare deprivation.

Free bus passes for children studying in government or aided schools, intended specifically to reduce dropout and improve attendance particularly in rural areas, represent a further child-focused welfare measure directly relevant to the school retention concerns raised in Chapter 5 (Tamildot, 2026).

7.6 Welfare of Elderly Persons: Pension, Care Infrastructure and Policy

As discussed in Chapter 1, section 1.3, and Chapter 6, section 6.7, Tamil Nadu's advanced demographic transition implies a rapidly growing elderly population share, making the state's old age welfare architecture an increasingly consequential policy area. The state provides monthly old age pensions as part of its broader social security architecture, discussed further in section 7.9, with budgetary allocations for old age and widow pensions amounting to 5,156 crore rupees in the 2025 to 2026 Budget, as noted in Chapter 2, section 2.2 (Finance Department, Government of Tamil Nadu, 2026). Free travel passes on state transport services for seniors aged 60 and above further support elderly mobility and social participation, complementing the pension-based income support (Tamildot, 2026).

Given the state's population growth rate of just 0.24 percent projected for 2026, the lowest among Indian states, and its projected population peak around 2031, discussed in Chapter 1, section 1.3, the adequacy of the state's elderly care infrastructure, including institutional care facilities, home-based care support, and geriatric health services integrated into the primary care system discussed in Chapter 6, will require sustained and likely expanding investment over the period covered by this report's Vision 2047 horizon, discussed in Chapter 21.

7.7 Persons with Disabilities: Rights, Accessibility and Empowerment

Tamil Nadu provides a monthly disability pension to persons with disabilities under its social welfare scheme architecture, with additional assistance available for prostheses, assistive devices, and rehabilitation services (Tamildot, 2026). As discussed in Chapter 4, section 4.2, the state's Industrial Policy 2021 extends enhanced skilling subsidies of up to 6,000 rupees per worker per month specifically to persons with benchmarked disabilities, reflecting a degree of policy integration between disability welfare and industrial employment promotion. As noted in Chapter 5, section 5.7, comprehensive, disaggregated data on educational access and outcomes specifically for children with disabilities in Tamil Nadu was not identified among the sources reviewed for this report, and this remains an area where more detailed and current disclosure by the relevant state departments would strengthen future assessment of the state's disability inclusion performance across both education and employment.

7.8 Minority Communities: Development, Representation and Welfare

Tamil Nadu's religious minority communities, comprising Christians at approximately 6.1 percent and Muslims at approximately 5.9 percent of the state's population as per the 2011 Census, discussed in Chapter 1, section 1.4, are served through dedicated welfare provisions administered jointly by the Backward Classes, Most Backward Classes and Minorities Welfare Department, which extends scholarship, housing, and livelihood schemes to eligible minority community members alongside its backward classes mandate (Tirupathur District, 2026; Tiruchirappalli District, 2026). Specific institutional support structures include the Muslim Women's Help Association and coordination with religious community bodies referred to administratively as Ulamas committees, reflecting a degree of institutionalized

engagement between the state government and minority religious community organizations on welfare delivery (Tiruchirappalli District, 2026).

The state's minority welfare architecture operates within the broader context of Tamil Nadu's historically pluralistic religious and cultural landscape discussed in Chapter 1, section 1.4, and its distinctive approach to social justice policy rooted in the Dravidian movement's emphasis on social equity across caste and religious lines.

7.9 Social Security and Beneficiary-Linked Welfare Architecture

Tamil Nadu's social security system integrates a wide array of beneficiary-linked direct benefit schemes spanning marriage assistance, such as the Moovalur Ramamirtham Ammaiyar Marriage Assistance Scheme and related intercaste and widow remarriage incentive schemes that combine cash assistance with gold coin provision to encourage social integration and discourage child marriage, alongside income support schemes such as the Kalaignar Magalir Urimai Thogai scheme discussed in section 7.4, pension schemes for the elderly and disabled discussed in sections 7.6 and 7.7, and sector-specific welfare funds such as the Journalists Family Pension Scheme and Journalists Family Benefit Fund (Cuddalore District, 2026; Tamildot, 2026).

This dense, multi-layered welfare architecture, encompassing pensions, allowances, education incentives, marriage assistance, transport concessions, and livelihood support delivered predominantly through direct benefit transfer mechanisms and local panchayat or municipal administrative channels, is a defining institutional feature of what is widely referred to as the Tamil Nadu development model, discussed in Chapter 1, section 1.5, and Chapter 2, section 2.2. The fiscal sustainability of this architecture, given its substantial and growing share of the state budget, discussed in Chapter 2, remains directly linked to the state's ability to sustain the strong revenue and economic growth performance documented in Chapter 3, making the continued success of Tamil Nadu's social justice and welfare model closely interdependent with its broader economic trajectory through 2030 and beyond.

Chapter 8: Transport and Connectivity Infrastructure

8.1 Road Network: National Highways, State Highways and Rural Roads

Tamil Nadu maintains one of India's most extensive road networks, with a total road length of approximately 271,000 kilometres as of the most recent comprehensive assessment, comprising 5,324 kilometres of National Highways, 11,830 kilometres of State Highways, 46,496 kilometres of District Roads, and 149,446 kilometres of Rural Roads (Grokikipedia, 2026a; Investing in Tamil Nadu, 2026). This dense road network underpins the industrial corridor structure discussed in Chapter 3, section 3.9, and Chapter 4, section 4.4, connecting the state's manufacturing clusters to ports and consumption centres across its 130,058 square kilometre geography and supporting a population of approximately 78 million as of the 2025 estimate (Grokikipedia, 2026a).

Continued road capacity expansion remains a priority within the state's capital expenditure programme discussed in Chapter 2, section 2.3, with specific investments including flyover construction in Chennai and riverside and connectivity improvements across Tiruchirappalli, Madurai, Erode, Coimbatore, and Tirunelveli corporations budgeted for 2025 to 2026 (Tnpsethervupettagam, 2025). Rural road connectivity, delivered substantially through the Pradhan Mantri Gram Sadak Yojana in partnership with the Union Government, is addressed further in Chapter 12, section 12.5, in the context of the state's broader rural development and market linkage strategy.

8.2 Railways: Existing Network, Pending Projects and Expansion Proposals

Tamil Nadu's railway network spans approximately 4,038 kilometres of route length, managed primarily by Southern Railway, and forms a critical backbone for both passenger and freight movement across the state, linking the major industrial corridors discussed in Chapter 3 and Chapter 4 with the state's ports and interior production centres (Grokikipedia, 2026a). Within the Chennai Metropolitan Area, the Chennai Suburban Rail network and the Mass Rapid Transit System, the latter having opened its first elevated segment between Chennai Beach and Chepauk in 1995 as India's first elevated rail line, together continue to carry a substantial share of the metropolitan area's daily commuter traffic (Wikipedia, 2026a). The MRTS extension connecting Velachery to St. Thomas Mount, long delayed, was completed in March 2026, and Southern Railway has been progressively upgrading Chennai suburban services, including conversion to twelve-car rakes on key routes, to expand carrying capacity (Wikipedia, 2026a; Grokikipedia, 2026a).

A significant institutional development affecting the state's rail network is the planned integration of the MRTS into the Chennai Metro Rail Limited system, following in-principle approval granted by Southern Railway on 11 May 2022, under which the railway will hand over MRTS operations to CMRL upon completion of MRTS expansion works, enabling subsequent upgrading of tracks, security, ticketing, and rolling stock under unified metro

management (Wikipedia, 2026a). Looking further ahead, the proposed new greenfield airport at Parandur, discussed in section 8.3, has prompted proposals for new rail and metro connectivity linking the airport to the existing Chennai railway and metro network, illustrating the increasingly integrated planning approach the state is applying across transport modes.

8.3 Aviation: Airport Infrastructure and Air Connectivity

Tamil Nadu operates six functioning airports, with Chennai International Airport serving as the state's principal international and domestic gateway and the busiest airport in the network (Grokikipedia, 2026a). Reflecting the Chennai Metropolitan Area's continued population and economic growth, with the area's population projected to reach 12.5 million by 2026 under the Chennai Master Plan, the state government has advanced planning for a new greenfield airport at Parandur, intended to supplement Chennai's existing airport capacity and address long-term aviation demand growth (New Development Bank, 2026). Proposed metro rail extensions connecting the existing airport at Meenambakkam to the new Parandur site, expected to reduce travel time between the two airports to approximately one hour, illustrate the scale of integrated planning being applied to the state's aviation expansion (Wikipedia, 2026a).

Beyond Chennai, Tamil Nadu's other operational airports, including Coimbatore, Madurai, Tiruchirappalli, Tuticorin, and Salem, provide regional connectivity supporting the state's dispersed industrial corridors discussed in Chapter 3, section 3.9, and Chapter 4, section 4.4, though detailed, current passenger traffic and expansion plan data specific to each of these regional airports for 2025 to 2026 was not identified among the sources reviewed for this report.

8.4 Ports, Inland Waterways and Logistics Hubs

Tamil Nadu's maritime infrastructure is anchored by three major seaports under central government administration, Chennai Port, Kamarajar Port at Ennore, and V. O. Chidambaranar Port at Tuticorin, together with seventeen notified minor ports distributed along the state's coastline of approximately 1,069 to 1,076 kilometres (Grokikipedia, 2026a). In fiscal year 2024 to 2025, the combined throughput of Chennai and Kamarajar ports exceeded 100 million metric tonnes, and the three major ports collectively handled more than 140 million metric tonnes, with Tamil Nadu's ports facilitating a substantial share of India's eastern seaboard maritime trade by volume (Grokikipedia, 2026a).

Chennai Port, established in 1881 and managed by the Chennai Port Authority, functions as the state's primary container hub, operating twenty-four berths including four dedicated container terminals, with ongoing dredging maintaining navigable depths of up to 16.5 metres, and is reviving an 8,000 crore rupee outer harbour project intended to add deep-draft berths for mega-container vessels by 2031 (Grokikipedia, 2026a). Kamarajar Port at Ennore is

undergoing expansion including a new container terminal developed by Adani Ports, expected to increase capacity by 0.8 million twenty-foot equivalent units annually, alongside deep dredging works intended to allow the largest cape-size vessels to dock directly, supported by rail link enhancements for inland cargo evacuation (Grokikipedia, 2026a; GetTransport, 2025). V. O. Chidambaranar Port at Tuticorin is constructing a new multi-cargo berth, designated Berth No. 10, targeted for completion in 2026, to handle larger vessels and mineral cargo, alongside a 2,000 crore rupee ship repair facility partnership expected to increase port calls by approximately 25 percent and support the southern region's growing manufacture of large renewable energy components such as windmill blades (Grokikipedia, 2026a; GetTransport, 2025).

Collectively, investments exceeding 1.2 lakh crore rupees are planned across the three major ports, with Chennai Port Authority alone allocated approximately 42,000 crore rupees, reflecting its role supporting the state's automobile export network discussed in Chapter 3, section 3.4, while memoranda of understanding worth more than 24,000 crore rupees have been signed in connection with Kamarajar Port's bulk cargo capacity expansion (GetTransport, 2025). These investments are explicitly intended to enhance industrial competitiveness by deepening drafts, reducing vessel turnaround times, and improving multimodal connectivity linking the ports to the state's inland industrial corridors discussed in Chapter 4.

8.5 Urban Mass Transit: Metro, Bus Rapid Transit and Integrated Mobility

Chennai Metro, operated by Chennai Metro Rail Limited as a joint venture between the Government of India and the Government of Tamil Nadu, comprised as of December 2025 two operational lines spanning 54.1 kilometres across 41 underground and elevated stations (Wikipedia, 2026b). Chennai Metro Phase 2, approved by the Tamil Nadu government in 2019 and covering three corridors totalling approximately 116.1 to 118.9 kilometres across 128 stations, carries an estimated project cost that has been revised from an original 69,180 crore rupees down to approximately 61,843 crore rupees following station size reductions, with total project financial implications assessed by the Government of India at approximately 63,246 crore rupees (Metro Rail Guy, 2026; PM India, 2026). Of the Phase 2 network, a 52.01 kilometre priority section spanning the Madhavaram-Sholingnallur and Madhavaram-CMBT corridors is being partially funded through a Japan International Cooperation Agency Official Development Assistance loan, while the balance of approximately 66.89 kilometres is under discussion for funding from multilateral development banks including the Asian Development Bank, the Asian Infrastructure Investment Bank, and the New Development Bank (Chennai Metro Rail Limited, 2026; Metro Rail Guy, 2026). Phase 2 is expected to open in stages from 2026 onward, with the full network reaching approximately 173 kilometres upon completion, targeted for around 2030 (Metro Rail Guy, 2026).

Beyond Chennai, metro rail systems are under active planning and early implementation in Coimbatore and Madurai, reflecting the state's intention to extend urban mass transit infrastructure beyond the capital into its other major growth corridor cities discussed in Chapter 3, section 3.9 (Grokikipedia, 2026a). Complementary urban mobility investments include the deployment of 220 new electric micro-buses to enhance last-mile Chennai Metro connectivity, and continued extension proposals for the Metro network, including links from Koyambedu to Pattabiram, Poonamallee to Parandur, and Madhavaram to Ennore, the latter intended to improve connectivity to the expanding Ennore port complex discussed in section 8.4 (Wikipedia, 2026b).

8.6 Multimodal Logistics: Last-Mile Connectivity and Freight Corridors

Tamil Nadu's approach to multimodal logistics integration is exemplified by the coordinated planning connecting its port expansion programme discussed in section 8.4 with rail link enhancements at Ennore and dredging and berth expansion at Chennai and Tuticorin, intended collectively to reduce cargo turnaround times and strengthen the state's position within global supply chains, particularly for the automobile, defence, and renewable energy manufacturing sectors discussed in Chapter 3 and Chapter 4 (GetTransport, 2025). The state's industrial corridor programme, including the Chennai-Bengaluru Industrial Corridor's Ponneri node and the Tamil Nadu Defence Industrial Corridor discussed in Chapter 4, section 4.4, similarly depends on continued last-mile road and rail connectivity investment to link industrial parks with port gateways.

The scale of coordinated investment now underway across roads, railways, aviation, ports, and urban transit, collectively amounting to several lakh crore rupees in committed and planned expenditure across the sub-sectors discussed in this chapter, reflects the centrality of transport and logistics infrastructure to Tamil Nadu's broader ambition of sustaining its current growth trajectory and achieving the trillion dollar economy target discussed in Chapter 3, section 3.1, and Chapter 21.

Chapter 9: Energy, Power and Renewable Transition

9.1 Power Generation: Installed Capacity, Mix and Dependence Profile

Tamil Nadu's power sector has undergone a significant compositional shift in recent years, with renewable sources comprising 24.75 percent of the state's electricity generation mix in April 2025, up sharply from below 20 percent in April 2024 (Raina, 2025). Within this renewable mix, wind generation increased by 43 percent year on year, adding 630 million units, solar generation rose by 22 percent to 1,571.11 million units, small hydro output doubled, and large hydro generation increased by approximately 9 percent, reflecting broad-based growth across all major renewable categories (Raina, 2025). Tamil Nadu's installed power capacity has continued to expand, with reporting indicating an increase of approximately 3,000 megawatts added within a single recent year, according to sector commentary reviewed for this report (Grokikipedia, 2026b).

The state government has articulated an explicit target of raising renewable energy's share of the generation mix to 43 percent, according to public policy commentary reviewed for this report, alongside broader sector modernization plans (Grokikipedia, 2026b). Independent industry estimates suggest that Tamil Nadu will require investments of approximately 2 lakh crore rupees in its power sector over the next seven years to support this transition and to address the generation, transmission, and distribution capacity needs of its growing industrial and residential demand base discussed in Chapter 3 and Chapter 11 (Grokikipedia, 2026b).

9.2 Transmission and Distribution: Infrastructure, Losses and Reliability

The Tamil Nadu Generation and Distribution Corporation, TANGEDCO, together with the Tamil Nadu Transmission Corporation, TANTRANSCO, manage the state's transmission and distribution infrastructure. Historically, TANGEDCO has faced significant Aggregate Technical and Commercial loss challenges, with independent reporting placing the utility among the lower-ranked distribution companies nationally, cited as ranking forty-eighth among fifty-two Indian discoms in a comparative sector assessment reviewed for this report (Grokikipedia, 2026b). This is consistent with the longer-term financial stress in the state's power distribution sector discussed in Chapter 2, section 2.5, and Chapter 4, section 4.6, in relation to the utility's borrowings and its performance both before and after the implementation of the Ujwal DISCOM Assurance Yojana.

In February 2024, the state cabinet approved the restructuring of TANGEDCO to carve out separate entities for distribution, generation, and green energy operations, an institutional reform intended to improve operational efficiency and accountability without transferring ownership out of state government control, distinguishing this approach from full privatization models pursued in some other Indian states (Grokikipedia, 2026b). The state government has consistently opposed full privatization of distribution, with the responsible minister describing privatization as a distant prospect as of June 2025, citing concerns over

affordability and service continuity for low-income consumers, a position that has also been supported by trade unions representing power sector employees (Grokikipedia, 2026b).

9.3 Rural and Household Electrification: Coverage and Quality

Tamil Nadu achieved near-universal household electrification well ahead of many other Indian states, consistent with its broader infrastructure development trajectory discussed throughout this report. The state's electricity tariff structure includes free power for the first 100 units consumed by domestic households, a subsidy structure that, while supporting affordability for lower income households, has also been identified by industry analysts as reducing the financial incentive for households to invest in rooftop solar generation, since the marginal cost of grid electricity within the subsidized slab is effectively zero (Raina, 2025). Commercial tariffs, by contrast, were revised upward by 3.16 percent effective 1 July 2025 under Tariff Order Number 6 of 2025, issued by the Tamil Nadu Electricity Regulatory Commission in accordance with the methodology set out in Multi-Year Tariff Order Number 7 of 2022, raising rates from 8.55 to 8.80 rupees per unit for small commercial users and from 11.80 to 12.15 rupees per unit for larger commercial users (NoBroker, 2026; eClouds Energy, 2025). Industrial consumers pay a rate of approximately 7.50 rupees per unit under the same tariff order, while domestic consumers pay approximately 4.95 rupees per unit for consumption up to 100 units, with additional slabs applying at higher consumption levels (Scribd, 2026).

9.4 Renewable Energy Potential: Solar, Wind, Hydro and Biomass

Tamil Nadu possesses substantial renewable energy resource potential across wind, solar, small hydro, and biomass, and has translated this potential into leading national rankings in several categories. The state retained fourth place nationally in installed solar power capacity for the third consecutive year as of April 2025, with installed solar capacity of 10,153 megawatts, and added the second highest new wind capacity of any Indian state in fiscal year 2024 to 2025, at 1,136 megawatts, behind only Karnataka's 1,331 megawatts (Raina, 2025). The state's historical position as a wind energy pioneer, dating to some of India's earliest wind farm developments, continues to be reinforced through participation in the Government of India's Wind Energy Roadmap released on Global Wind Day, 15 June 2025, which identifies Tamil Nadu, alongside Gujarat, as a target geography for offshore wind tender rollout, with plans for 4 gigawatts of offshore wind capacity to be tendered between the two states (Raina, 2025).

Notwithstanding these strengths, the state has faced specific implementation challenges in its renewable transition. Tamil Nadu fell short of its Renewable Purchase Obligation target of 29.91 percent for 2024 to 2025 by approximately 3 percentage points, prompting the Tamil Nadu Electricity Regulatory Commission to propose amended RPO regulations that would raise the compliance trajectory progressively to 43.33 percent by 2029 to 2030, while introducing greater flexibility allowing entities to offset shortfalls in one renewable category,

such as wind, against surpluses in another, such as hydro (Raina, 2025). Grid curtailment has also emerged as a specific concern, with reporting indicating that approximately 70 million units of renewable energy were curtailed amid falling demand and rising RPO targets in a recent period, prompting a TNERC ruling that TANGEDCO must pay penalties for curtailing green energy generation (Raina, 2025; Grokipedia, 2026b). Rooftop solar adoption has also lagged behind the state's utility-scale renewable performance, with only 31,620 rooftop solar installations recorded compared with 106,925 in Kerala over a comparable period, a gap that industry analysts attribute to slow TANGEDCO processing times, a limited pool of only about 700 empanelled vendors, and the reduced financial incentive created by the free electricity slab for domestic consumers discussed in section 9.3 (Raina, 2025).

9.5 Energy Efficiency, Conservation and Demand-Side Management

Tamil Nadu's energy efficiency framework operates within the broader national Energy Conservation Act structure, with the Tamil Nadu Electricity Regulatory Commission empowered to apply penalties for non-compliance with Renewable Purchase Obligation and related regulatory requirements, as discussed in section 9.4 (Raina, 2025). The state government's announced allocation of 21,178 crore rupees for renewable energy strengthening, referenced in recent sector commentary, is understood to encompass measures intended to improve both generation capacity and grid integration efficiency, complementing demand-side interventions embedded in the state's broader industrial energy policy, including the electricity tax exemptions for captive renewable generation available under the Tamil Nadu Industrial Policy 2021 discussed in Chapter 4, section 4.2 (Grokipedia, 2026b; Investing in Tamil Nadu, 2026).

Comprehensive, current, quantified data on the state's overall energy intensity trends, industrial energy efficiency programme coverage, or demand-side management outcomes for 2025 to 2026 was not identified among the sources reviewed for this report, and this represents an area where more detailed disclosure by the Energy Department and the Bureau of Energy Efficiency's state designated agency function would strengthen future assessment.

9.6 State Electricity Regulatory Framework and Tariff Policy

The Tamil Nadu Electricity Regulatory Commission, established under Government Order dated 17 March 1999 and operating under the Electricity Act enacted with effect from 10 June 2003, regulates tariffs, grid codes, and renewable energy procurement across the state's power sector (TNERC, 2026). The Commission's net-metering and net feed-in mechanisms, governed under the Tamil Nadu Electricity Regulatory Commission Grid Interactive Solar PV Energy Generating Systems Regulations of 2021, establish the framework through which rooftop solar prosumers interconnect with the TANGEDCO grid, with bidirectional digital energy metering required to record both imported and exported energy (TANGEDCO Technical Branch, 2026).

The Commission's most recent tariff determination, Tariff Order Number 6 of 2025, effective 1 July 2025, applies a Consumer Price Index linked escalation methodology consistent with the Multi-Year Tariff Order framework established in 2022, an approach explicitly designed to balance the financial sustainability of TANGEDCO against the goal of predictable, moderate tariff increases that protect consumer interests (eClouds Energy, 2025). This regulatory approach, combined with the Commission's willingness to impose penalties on TANGEDCO for curtailment of renewable generation discussed in section 9.4, reflects an evolving regulatory posture that seeks to balance TANGEDCO's continuing financial recovery, discussed in Chapter 2, section 2.5, and Chapter 4, section 4.6, against the state's renewable energy transition ambitions and consumer affordability concerns, particularly for lower income domestic consumers protected by the free electricity slab discussed in section 9.3.

Chapter 10: Water, Sanitation and Solid Waste Management

10.1 Drinking Water Supply: Coverage, Quality and Infrastructure

Tamil Nadu's rural drinking water supply is administered jointly by the Tamil Nadu Water Supply and Drainage Board, known as the TWAD Board, which handles multi-village and composite schemes across the state excluding the Chennai Metropolitan Area, and the Rural Development and Panchayat Raj Department, which constructs single-village and intra-village water supply infrastructure subsequently maintained by local panchayats (Wikipedia, 2026a; WELL Labs, 2023). Under the national Jal Jeevan Mission, launched on 15 August 2019 with the goal of providing functional household tap connections to every rural household, Tamil Nadu's rural tap water coverage stood at 74.05 percent as of September 2023, a substantial increase from a national baseline of only 16.71 percent of rural households at the mission's launch, though still short of full universal coverage (PMC/NCBI, 2026; IBEF, 2026). A cross-sectional study of rural households in Tamil Nadu found that 71.5 percent of surveyed participants had piped water supply into their households, broadly consistent with the state-reported figures, with 82.5 percent of those with in-premises access relying on government water supply sources (PMC/NCBI, 2026).

Nationally, the Jal Jeevan Mission has been extended through fiscal year 2028 to 2029, with the Union Budget for 2025 to 2026 enhancing the mission's outlay to 70,163 crore rupees, and India as a whole reaching more than 81 percent rural household tap water coverage, or approximately 15.72 crore households, as of October 2025 (IBEF, 2026; Kapur & Rana, 2025). Community-level water quality monitoring has also been strengthened nationally, with 2,843 water testing laboratories testing 38.78 lakh water samples during 2025 to 2026 and 24.80 lakh women trained to conduct field-level water quality testing, a decentralized approach that Tamil Nadu's Village Water and Sanitation Committees participate in alongside panchayats in other states (Press Information Bureau, 2025). Field research in coastal Tamil Nadu villages, however, has documented persistent challenges even in villages certified as having achieved Har Ghar Jal status, including continued dependence on groundwater for both drinking and agricultural use, the absence of comprehensive plans to safeguard groundwater as piped water consumption rises, and the risk of seawater intrusion into coastal aquifers under conditions of excessive groundwater withdrawal, a concern directly relevant to the climate vulnerability themes discussed in Chapter 14 (WELL Labs, 2023).

10.2 Irrigation Infrastructure: Command Area, Efficiency and Water-Use Productivity

Tamil Nadu's irrigation system is anchored by the Cauvery delta network, discussed in Chapter 1, section 1.1, and Chapter 3, section 3.3, supplemented by a dense network of traditional irrigation tanks that has historically served as the backbone of water storage and distribution in the state's dryland and semi-arid districts. Under the National Water Mission's Jal Shakti Abhiyan, Catch the Rain 2025 campaign, Tamil Nadu's specific contribution was reported to focus on restoring traditional irrigation tanks, improving river channel

connectivity, and promoting fisheries culture at the district level, a locally adapted approach distinct from the more centralized groundwater management strategies pursued by some other states or the multi-departmental groundwater monitoring initiatives adopted elsewhere (IBEF, 2026). This tank restoration and river connectivity focus reflects the specific hydrological character of Tamil Nadu's terrain, discussed in Chapter 1, section 1.1, including its heavy reliance on the northeast monsoon and its network of relatively short, seasonal rivers outside the Cauvery basin.

Comprehensive, current, quantified data on Tamil Nadu's irrigation command area, canal versus groundwater irrigation shares, and water-use efficiency or productivity metrics for 2025 to 2026 specifically was not identified among the sources reviewed for this report, and this represents an area where more detailed disclosure by the Tamil Nadu Public Works Department's Water Resources Organisation would strengthen future assessment. What is clear from the broader agricultural performance discussed in Chapter 3, section 3.3, including the state's leading national ranking in ragi and sugarcane yields, is that the productivity of the state's irrigated agriculture, whatever its specific efficiency metrics, continues to translate into strong crop yield outcomes relative to other Indian states.

10.3 Sanitation and Open Defecation Free Status: Post-ODF Sustainability

Tamil Nadu, in common with most Indian states, achieved formal Open Defecation Free status under Phase 1 of the national Swachh Bharat Mission, implemented from 2014 to 2019, with the mission's second phase, running from 2021 to 2025, shifting emphasis toward ODF sustainability, solid and liquid waste management, and the deeper behaviour change work needed to convert toilet construction into consistent usage (PMC/NCBI, 2026). A cross-sectional study of rural households in Tamil Nadu found that despite good progress on water availability and toilet construction, sanitation and hand hygiene practices required continued improvement, with the study's authors noting that Tamil Nadu, like India as a whole, had not yet made considerable progress specifically on waste management despite advances in potable water and basic sanitation access (PMC/NCBI, 2026).

The same study emphasized that only repetitive, sustained health education interventions, rather than one-time toilet construction or infrastructure provision, are likely to bring about durable change in hand hygiene and sanitation practices, and recommended that behaviour change interventions be intensified from childhood through preschool and school education, a recommendation that connects directly to the school health and hygiene infrastructure discussed in Chapter 5, section 5.1, where the state's near-universal toilet infrastructure coverage in schools was noted (PMC/NCBI, 2026; Madhyamam Online, 2025). This finding underscores that Tamil Nadu's post-ODF sustainability challenge, consistent with the national experience under Swachh Bharat Mission Phase 2, lies less in physical infrastructure than in the harder and slower work of embedding consistent hygiene behaviour across the population.

10.4 Solid Waste Management: Municipal, Biomedical and Hazardous Waste

Municipal solid waste management represents an area of continuing policy investment for Tamil Nadu, discussed in Chapter 2, section 2.3, in connection with the state's capital expenditure programme for 2025 to 2026, which includes specific allocations for waste-to-energy and composting infrastructure development in Chennai (Tnpsctheruvupettagam, 2025). As noted in Chapter 4, section 4.7, waste-to-energy and integrated solid waste management projects planned for Chennai and Tambaram are being structured as public-private partnership initiatives, reflecting the state's broader strategy of leveraging private capital and technical expertise for large-scale urban infrastructure delivery.

Notwithstanding these investments, the cross-sectional research on rural Tamil Nadu discussed in section 10.3 explicitly identified waste management as an area where the state, in line with the national pattern, has made comparatively limited progress relative to its achievements on water access and basic sanitation infrastructure, suggesting continued scope for expanded investment in decentralized solid waste segregation, collection, and processing infrastructure, particularly in the state's rapidly urbanizing peri-urban areas discussed in Chapter 11 (PMC/NCBI, 2026). Comprehensive, current, state-specific data on biomedical and hazardous waste management infrastructure and compliance for Tamil Nadu was not identified among the sources reviewed for this report, and readers seeking such data are directed to the Tamil Nadu Pollution Control Board, discussed further in Chapter 13, section 13.5.

10.5 Liquid Waste and Sewerage: Urban and Peri-Urban Treatment Infrastructure

The TWAD Board's mandate extends beyond drinking water supply to encompass sewerage scheme implementation across the state excluding the Chennai Metropolitan Area, which is served by a separate metropolitan water and sewerage authority (Wikipedia, 2026a). Field research in coastal rural Tamil Nadu has highlighted the specific sewerage and liquid waste management gap facing many villages, with one documented case village lacking drainage lines entirely despite some households having installed soak pits for wastewater collection, a combination the researchers warned could give rise to a future sanitation crisis as piped water consumption, and consequently household wastewater generation, continues to rise under the Jal Jeevan Mission (WELL Labs, 2023).

This pattern, of water supply infrastructure expanding faster than corresponding sewerage and liquid waste disposal infrastructure, represents a structural sequencing challenge common across much of rural and peri-urban India, and one that Tamil Nadu's continued urbanization, discussed in Chapter 1, section 1.3, and Chapter 11, is likely to intensify unless liquid waste management investment is scaled up in tandem with continued expansion of piped water access. The convergence of Jal Jeevan Mission water supply investment with Swachh Bharat Mission Phase 2's solid and liquid waste management component, discussed in section 10.3, together with Finance Commission tied grants to rural and urban local bodies specifically

earmarked for water and sanitation during the 2021 to 2022 through 2025 to 2026 period, provides the principal financing architecture through which Tamil Nadu's local bodies, discussed further in Chapter 11 and Chapter 12, are expected to close this sewerage infrastructure gap (Jal Jeevan Mission, 2026).

Chapter 11: Urban Development, Housing and Smart Cities

11.1 Urbanisation Trends and Urban Governance Architecture

As discussed in Chapter 1, section 1.3, Tamil Nadu recorded an urban population share of 48.4 percent as per the 2011 Census, and this proportion has almost certainly risen further with continued migration into Chennai, Coimbatore, and Madurai, positioning Tamil Nadu among India's more urbanized major states. Tamil Nadu's urban governance is structured through a formal hierarchy of city corporations, municipalities, and town panchayats, with the state's Asian Development Bank supported urban infrastructure programme identifying 158 urban local bodies in total, comprising 20 corporations and 138 municipalities, each required to prepare City Water Balance Plans under the AMRUT 2.0 framework discussed in section 11.4 (Grokikipedia, 2026c).

This urban governance system operates within a national context in which, as broader research on Indian urbanisation has documented, India's top ten cities hold roughly 9 percent of the national population but contribute close to 28 percent of GDP, and flagship national programmes such as the Smart Cities Mission and AMRUT have tended to concentrate investment and governance capacity in larger metro-centric cities, leaving smaller towns and rapidly emerging census towns with comparatively fragmented infrastructure and weaker institutional capacity (Urban Studies Institute, 2025). Tamil Nadu's own experience mirrors this pattern to a degree, with the state's twelve Smart Cities Mission cities, Chennai, Coimbatore, Dindigul, Erode, Madurai, Salem, Thanjavur, Thoothukudi, Tiruchirappalli, Tirunelveli, Tiruppur, and Vellore, receiving concentrated national attention while governance capacity in smaller municipalities and town panchayats has historically lagged (Grokikipedia, 2026c).

11.2 Urban Local Bodies: Financial Health, Capacity and Service Delivery

Independent assessment of Tamil Nadu's urban infrastructure challenges, prepared in connection with the Asian Development Bank's Tamil Nadu Urban Flagship Investment Program, identifies a consistent set of structural weaknesses facing the state's urban local bodies, including acute infrastructure deficits amid rapid urbanization, expanding slum populations, pollution of waterways, weak institutional capacity to plan and implement projects, and mixed performance on key governance indicators such as local revenue generation, financial management, and municipal administration (Asian Development Bank, 2026a). The same assessment notes that despite Tamil Nadu's strength in manufacturing and IT-enabled services discussed in Chapters 3 and 4, managing rapid urbanization effectively is vital to sustaining the state's economic growth, alleviating poverty, and maintaining urban livability going forward (Asian Development Bank, 2026a).

Water-related risks compound these institutional challenges, with the same assessment noting that Tamil Nadu's urban areas face recurring droughts occurring once every 2.5 years on

average, alongside catastrophic urban floods linked to climate change, both aggravated by high water losses in older distribution networks and drainage systems inadequate to more intense monsoon rainfall, themes returned to in the climate vulnerability discussion in Chapter 14 (Asian Development Bank, 2026a). The ADB-financed programme, spanning cities including Ambur, Chennai, Coimbatore, Cuddalore, Rajapalayam, Thoothukkudi, Tiruchchirappalli, Tirunelveli, Tiruppur, and Vellore, incorporates explicit pro-poor, socially inclusive, and gender-responsive design features, including community water and sanitation committees with equal representation of women in slum areas, reflecting a deliberate effort to address the institutional capacity gaps identified above (Asian Development Bank, 2026b).

11.3 Housing: Demand Assessment, Affordability and Flagship Schemes

Housing for the urban poor represents one of Tamil Nadu's most significant urban development challenges. Tamil Nadu is among five Indian states that together host 62 percent of the country's slum population, with the state itself home to 5.8 million slum residents, representing 17 percent of its urban population and 8.9 percent of India's total slum population, figures reported in connection with the Asian Development Bank's Inclusive, Resilient, and Sustainable Housing for Urban Poor Sector Project (Asian Development Bank, 2026c). Most of these slum residents belong to economically weaker sections and lower income groups, and the large shortage of housing meeting their needs, including proximity to jobs and urban services, has historically forced many to reside in hazardous, flood-prone, or otherwise unsuitable areas, or to bear heavy transportation costs to access livelihoods (Asian Development Bank, 2026c).

The state's principal housing delivery institutions are the Tamil Nadu Housing Board, which develops formal public housing, and the Tamil Nadu Slum Clearance Board, which focuses on slum clearance, in-situ rehabilitation, and provision of basic amenities to uplift the living conditions of the urban poor, operating alongside the central Pradhan Mantri Awas Yojana (Coohom, 2025). As discussed in Chapter 2, section 2.3, the 2025 to 2026 Budget allocated 3,500 crore rupees for the construction of one lakh houses under the Kalaigiar Kanavu Illam scheme, reflecting continued state-level investment in affordable housing delivery alongside central schemes (Tnpscshervupettagam, 2025). Nationally, under the Pradhan Mantri Awas Yojana, Tamil Nadu was among the states reporting a housing construction completion rate above 80 percent as of July 2024, a notably stronger implementation performance than several other large states, though the Standing Committee on Housing and Urban Affairs has separately flagged a national concern that a meaningful share of completed houses under certain scheme verticals remain unoccupied, an outcome-versus-output distinction relevant to assessing the true impact of housing delivery figures (PRS Legislative Research, 2025).

11.4 Smart Cities Mission and AMRUT: State-Level Implementation Review

Tamil Nadu participated actively in both the national Smart Cities Mission and the Atal Mission for Rejuvenation and Urban Transformation, with twelve of its cities selected under

the Smart Cities Mission across its various selection rounds between 2015 and 2016, all of which also qualified as AMRUT cities given their status as municipal corporations or large urban local bodies (Grokikipedia, 2026c; Coimbatore Smart City, 2026). Nationally, the Smart Cities Mission was officially closed on 31 March 2025, having completed 7,479 of 8,058 tendered projects and utilized approximately 1,500.05 billion rupees of the total allocated 1,643.68 billion rupees, though independent post-mission assessment found that smart city projects nationally had in some cases neglected ecological planning in favour of aesthetic or technological infrastructure, with documented instances of encroachment on wetlands, tree cover destruction, and cases where low-income groups and informal settlements were left out of planning and benefit-sharing processes (Wikipedia, 2026b).

AMRUT 2.0, launched on 1 October 2021 with Tamil Nadu receiving a central allocation of 4,935 crore rupees from the national outlay, prioritizes universal household water supply through functional taps, complete underground sewerage scheme coverage across the state's 28 designated AMRUT cities, water body rejuvenation, and treated wastewater reuse to support a circular water economy (Grokikipedia, 2026c). Implementation, however, has faced significant delays, with state officials reporting as of May 2025 a five-month wait for central government guidelines on the AMRUT 2.0 extension scheme, a delay that halted progress on approved water and sewerage initiatives across at least 28 cities and towns encompassing projects valued at 14,688 crore rupees, including 4,942 crore rupees in central assistance (Grokikipedia, 2026c). This administrative lag has, according to state officials, exacerbated challenges in replacing ageing British-era sewer infrastructure prone to reverse flow amid rapid urbanization, while in Madurai specifically, AMRUT-sanctioned road works have been stalled by execution issues that local councillors have attributed to poor planning, contractor lapses, and shortages of labour and vehicles (Grokikipedia, 2026c).

11.5 Heritage Cities, Cultural Landscapes and Urban Tourism

Several of Tamil Nadu's Smart Cities Mission and AMRUT cities, notably Thanjavur, Madurai, and Vellore, combine contemporary urban infrastructure investment with the preservation and promotion of significant heritage assets, including the UNESCO World Heritage listed Brihadeeswarar Temple discussed in Chapter 1, section 1.4. City-level smart infrastructure initiatives have, in some cases, been explicitly designed to complement heritage and ecological assets, as illustrated by Coimbatore's Periyakulam Lake People Promenade project, which combined lake bund beautification, cycle tracks, and recreational infrastructure with slum rehabilitation along the lake's fringes, reflecting an integrated approach to combining urban livability, heritage or natural asset preservation, and inclusive slum redevelopment within a single city-level intervention (Coimbatore Smart City, 2026).

Detailed, current, state-wide data quantifying urban tourism footfall, heritage site visitor numbers, or heritage conservation investment specific to Tamil Nadu's cities for 2025 to 2026 was not identified among the sources reviewed for this chapter, and this theme is addressed in

greater depth from a sector-wide perspective in Chapter 19, which is dedicated specifically to tourism, culture, and the creative economy.

11.6 Urban Poverty, Slum Rehabilitation and In-Situ Upgradation

Slum rehabilitation represents one of the more advanced and well-documented components of Tamil Nadu's urban development programme. The Tamil Nadu Slum Clearance Board has constructed more than 10,800 tenements under the Basic Services for Urban Poor and Pradhan Mantri Awas Yojana programmes, and Coimbatore's city-level smart city proposal specifically sought to make the city completely free of slums within five years by prioritizing rehabilitation of households residing in ecologically sensitive, objectionable slum locations along lake fringes, followed by phased rehabilitation of all remaining slum households in the area, with civic and social service provision, mobility improvements, and livelihood skill training as central components of the rehabilitation effort (Coimbatore Smart City, 2026). The successful relocation of slum households along Coimbatore's Valankulam Lake and the associated recovery of encroached wetland has been cited as evidence of the institutional capacity of the Coimbatore City Municipal Corporation and the Tamil Nadu Slum Clearance Board to translate this rehabilitation vision into practice, both at that specific site and potentially city-wide (Coimbatore Smart City, 2026).

Notwithstanding these achievements, the scale of Tamil Nadu's slum population, at 5.8 million residents as of the most recent Asian Development Bank assessment reviewed for this report, means that in-situ upgradation and rehabilitation efforts to date, while methodologically significant, have addressed only a fraction of the total need, and continued large-scale investment, of the kind envisioned under the ADB-financed Inclusive, Resilient, and Sustainable Housing for Urban Poor Sector Project, will be required to meaningfully reduce the share of Tamil Nadu's urban population living in slum conditions over the period to 2030 (Asian Development Bank, 2026c). The interlinkage between this urban poverty and housing challenge and the broader social welfare architecture discussed in Chapter 7, section 7.9, underscores that Tamil Nadu's urban development trajectory and its social justice agenda are, in this domain as in several others addressed in this report, mutually reinforcing rather than separable policy concerns.

Chapter 12: Rural Development and Decentralised Governance

12.1 Panchayati Raj Institutions: Structure, Devolution and Capacity

Tamil Nadu's rural governance operates through the standard three-tier Panchayati Raj structure introduced in Chapter 1, section 1.2, comprising village panchayats, panchayat unions or block panchayats, and district panchayats, administered under the Rural Development and Panchayat Raj Department at the state level, with a corresponding hierarchy of state, district, block, and village level administrative units (Rural Development and Panchayat Raj Department, 2026). Village panchayats function as the primary implementing agency for a wide range of central and state schemes at the grassroots level, including the rural employment guarantee programme discussed in section 12.2 and rural housing schemes discussed in section 12.3, with households required to register with their local gram panchayat to access entitlements under most rural development programmes (Tiruvallur District, 2026).

The devolution of functions, finances, and functionaries to these institutions, consistent with the constitutional mandate under the 73rd Amendment, continues to be mediated through Finance Commission tied grants, state-level budgetary transfers discussed in Chapter 2, and central scheme funding, with the panchayat structure serving as the principal administrative interface through which the state's extensive social welfare architecture discussed in Chapter 7, section 7.9, is delivered to rural households.

12.2 VB-G RAM-G (MGNREGA): Coverage, Wage Trends and Livelihood Outcomes

Tamil Nadu has historically been recognized as one of India's best-performing states under the rural employment guarantee programme established by the Mahatma Gandhi National Rural Employment Guarantee Act of 2005, which guaranteed up to 100 days of unskilled manual wage employment annually to every rural household demanding work, with registration through the local gram panchayat and issuance of a Job Card as the entitlement mechanism (Tiruvallur District, 2026; Grokipedia, 2026d). The daily wage rate for unskilled manual work in Tamil Nadu was revised to 336 rupees effective 1 April 2025, an increase of approximately 5.33 percent over the prior year's rate of 319 rupees, itself an increase from 294 rupees at the start of the 2024 to 2025 financial year, with wages set uniformly for both genders and supplemented by a 10 percent travel allowance where worksites are located five kilometres or further from a worker's residence (Collegesearch, 2025). More than 90 percent of wage payments in Tamil Nadu are made within the mandated 15-day window following completion of a work period, reflecting comparatively strong payment discipline relative to many other states, notwithstanding a national pattern in which total workdays generated per household declined somewhat during fiscal year 2025 (Collegesearch, 2025).

A significant structural change affecting this programme took effect on 1 July 2026, with the replacement of MGNREGA by the Viksit Bharat-Guarantee for Rozgar and Ajeevika

Mission, Gramin, or VB-G RAM-G Act of 2025, a new statutory framework explicitly aligned with the Government of India's Viksit Bharat 2047 vision (The Federal, 2026b; Vikaspedia, 2025). Under the new Act, wage rates were notified nationally in a range of 300 to 409 rupees per day, but southern states including Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana received wage increases of only around 3 percent or less, considerably smaller than the increases of more than 15 percent granted to several northern and northeastern states, a disparity that has triggered protests across Tamil Nadu among workers and activists concerned that the new funding model could weaken what is widely regarded as the country's most successful rural employment programme over the long term (The Federal, 2026b).

More consequentially, the funding ratio underpinning the programme shifted from a structure in which the Union Government bore 100 percent of unskilled labour costs and 75 percent of material costs, with states contributing only 10 to 25 percent of material costs, to a new 60:40 funding ratio under which states must now contribute 40 percent of total programme expenditure (The Federal, 2026b). For Tamil Nadu specifically, officials estimate the state government will need to contribute 5,057 crore rupees against a Union Government share of 7,585 crore rupees, for a total programme outlay of 12,642 crore rupees, a substantially higher state fiscal burden than under the previous MGNREGA funding arrangement (The Federal, 2026b). Labour rights advocates have further noted that the new Act shifts the programme from a demand-driven framework, in which allocations expanded to meet actual labour demand, to a supply-driven scheme with allocations capped within a fixed Union Government determined budget, a change with potentially significant implications for the programme's historical function as an open-ended employment guarantee, and one directly relevant to the Centre-state fiscal relations discussed in Chapter 2, section 2.9 (The Federal, 2026b).

12.3 Rural Housing: PMAY-Gramin and State Schemes

The Pradhan Mantri Awas Yojana-Gramin provides financial assistance of 1.20 lakh rupees in plain areas and 1.30 lakh rupees in hilly or Integrated Action Plan districts to eligible rural families for the construction of pucca houses, with beneficiaries drawn from the Socio-Economic and Caste Census 2011 list and, from 2025 onward, from the newer Awaas Plus 2024 self-survey mechanism designed to enrol previously uncounted eligible families (SMC Insurance, 2026). Nationally, as of March 2026, 2.99 crore houses had been completed under PMAY-G against a cumulative target of 4.95 crore units extended through 2029, with Tamil Nadu among the states, alongside Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, Telangana, and Uttar Pradesh, recording a scheme completion rate above 80 percent as of July 2024, a comparatively strong implementation performance relative to states completing less than half of their targets (SMC Insurance, 2026; PRS Legislative Research, 2025). PMAY-G beneficiaries are additionally entitled to 90 days of unskilled labour wages, or 95 days in hilly and Integrated Action Plan districts, under the rural employment guarantee programme discussed in section 12.2, a convergence feature that allows eligible households to access total construction support of approximately 1.50 to 1.65 lakh rupees when housing

assistance, Swachh Bharat Mission-Gramin toilet assistance, and MGNREGA labour wages are combined (SMC Insurance, 2026).

State-specific schemes, including the Kalaignar Kanavu Illam programme discussed in Chapter 2, section 2.3, and Chapter 11, section 11.3, supplement this central housing assistance architecture, reflecting Tamil Nadu's characteristic pattern, discussed throughout this report, of layering state-funded welfare schemes atop national programmes to accelerate coverage and address gaps in central scheme eligibility criteria.

12.4 Livelihood Promotion: SHGs, Cooperatives and Rural Enterprise

Tamil Nadu's rural livelihood promotion architecture is anchored by Mahalir Thittam, a socio-economic empowerment programme for women implemented by the Tamil Nadu Corporation for Development of Women Limited, built on the Self Help Group model and distinguished by systematic, structured training provided to SHG members and office bearers intended to build capacity, foster group cohesion, and improve effective functioning (Nilgiris District, 2026). Since 2012 to 2013, this work has been carried out under the Tamil Nadu State Rural Livelihoods Mission, funded jointly by the Government of India and the state government in a 60:40 ratio, with the explicit objective of building strong and vibrant institutional platforms for the rural poor that enable them to increase household incomes through livelihood enhancement and improved access to financial and other services (Nilgiris District, 2026).

This state-level effort operates within the broader national Deendayal Antyodaya Yojana-National Rural Livelihoods Mission framework, which had mobilized 10.05 crore rural women nationally into 90.87 lakh self-help groups by November 2024, fostering 1.15 crore so-called Lakhpati Didis, women achieving annual household incomes exceeding 1 lakh rupees through enterprise promotion and improved financial inclusion, with SHG bank linkages enabling expanded credit access for rural micro-enterprises (Grokikipedia, 2026d). Tamil Nadu's SHG ecosystem, one of the longest-running and most institutionally mature in the country, connects directly to the state's broader gender equity architecture discussed in Chapter 7, section 7.4, and its MSME development strategy discussed in Chapter 4, section 4.2, providing an important pathway through which rural women access both income support and enterprise development opportunities.

12.5 Rural Infrastructure: PMGSY, Connectivity and Market Linkages

Rural road connectivity in Tamil Nadu, delivered substantially through the Pradhan Mantri Gram Sadak Yojana in partnership with the Union Government, forms a critical complement to the state's broader road network discussed in Chapter 8, section 8.1, which recorded 149,446 kilometres of rural roads as of the most recent comprehensive assessment. This rural connectivity infrastructure underpins market access for the agricultural produce discussed in Chapter 3, section 3.3, and Chapter 18, linking farm gate production in the state's delta and

dryland districts to regional and urban markets, and supports the livelihood diversification activities promoted through Mahalir Thittam and related SHG-based enterprise programmes discussed in section 12.4.

Comprehensive, current, state-specific data on PMGSY implementation progress, road quality, or all-weather connectivity coverage for Tamil Nadu specifically in 2025 to 2026 was not identified among the sources reviewed for this report, and readers seeking granular, habitation-level connectivity data are directed to the Rural Development and Panchayat Raj Department's PMGSY implementation cell for current figures.

12.6 Community-Based Development Institutions and Participatory Planning

Tamil Nadu's rural development architecture relies on a dense network of community-based institutions operating alongside the formal Panchayati Raj structure discussed in section 12.1, including Self Help Groups organized under Mahalir Thittam, Village Water and Sanitation Committees responsible for the operation and maintenance of drinking water infrastructure discussed in Chapter 10, section 10.1, and Job Card holder groups organized for implementation of the rural employment guarantee programme discussed in section 12.2. This layered institutional architecture, combining elected panchayat representatives with functional community-based organizations focused on specific development sectors, represents a participatory planning model that state officials and independent development researchers have credited with contributing to Tamil Nadu's comparatively strong implementation performance across multiple centrally sponsored schemes discussed throughout this chapter, from PMAY-G housing completion rates to MGNREGA wage payment timeliness.

The transition from MGNREGA to VB-G RAM-G discussed in section 12.2, with its associated shift toward a supply-driven, centrally capped funding model and increased state fiscal burden, represents a significant test of this participatory governance architecture's resilience, since sustaining the responsiveness and coverage that community-based institutions have historically delivered under a demand-driven employment guarantee will now depend more heavily on the state government's own fiscal capacity to supplement reduced central flexibility, a concern directly connected to the broader Centre-state fiscal relations discussion in Chapter 2, section 2.9.

Chapter 13: Environment and Natural Resource Governance

13.1 Forest Cover, Biodiversity and Wildlife Conservation

According to the India State of Forest Report 2023, prepared biennially by the Forest Survey of India, Tamil Nadu's forest cover expanded from 24,245.21 square kilometres to 26,450.22 square kilometres between the 2021 and 2023 assessment cycles under one measurement basis, though a district-level analysis of the same report found a modest net loss of approximately 61 square kilometres of forest cover specifically between 2021 and 2023, partly offset by a gain of 47 square kilometres of tree cover outside forest areas, leaving the state's total green cover, encompassing both forest and tree cover, at approximately 24.47 percent of its geographical area, marginally lower than the 24.48 percent recorded in 2021 (Tnpsctheruvupettaam, 2026; DT Next, 2024). Of this total green cover, forest cover alone contributes 20.34 percent and tree cover outside forests contributes 4.13 percent, with the Tamil Nadu Forest Department's own reporting placing the state's recorded forest area at 22,643 square kilometres, or 17.4 percent of the state's geographic area, using a stricter recorded-forest-area definition distinct from the broader satellite-based forest cover measure used in the ISFR (DT Next, 2024; Wikipedia, 2026c).

Over the longer decadal period from 2013 to 2023, Tamil Nadu added 2,205.01 square kilometres of forest cover, a 9.09 percent increase, indicating that the state's longer-term trajectory has been one of net forest cover gain even as the most recent two-year assessment window showed a marginal decline (DT Next, 2024). This aggregate gain, however, masks significant sub-regional losses within the state's ecologically most sensitive areas: all seven districts falling within the Western and Eastern Ghats, with the sole exception of Dindigul, lost forest cover between 2013 and 2023, with the Nilgiris district alone losing 123.44 square kilometres and Coimbatore and Kanniyakumari districts losing 50.01 and 44.29 square kilometres respectively (DT Next, 2024). Only 2.76 percent of the state's total area, or 3,586.19 square kilometres, is classified as very dense forest, and even within the Ghats region, where very dense forest area has expanded, moderately dense and open forest categories have contracted, a compositional shift with potential implications for the ecological integrity of these globally significant biodiversity hotspot areas discussed in Chapter 1, section 1.1 (Tnpsctheruvupettaam, 2026; DT Next, 2024).

District-level forest cover in Tamil Nadu varies enormously, from 66.55 percent in the Nilgiris, the state's highest, and 60.13 percent in Kanniyakumari, down to just 2.77 percent in Mayiladuthurai and 3.15 percent in Tiruvarur, both located within the Cauvery delta region discussed in Chapter 1, section 1.1, where every district records less than 10 square kilometres of forest cover, reflecting the fundamentally different land use character of the state's intensively cultivated delta plains compared with its forested hill and Ghats districts (DT Next, 2024). The state's protected area network, managed by the Tamil Nadu Forest Department, comprises five National Parks, eighteen wildlife sanctuaries, five elephant

reserves under Project Elephant, five tiger reserves under Project Tiger, seventeen bird sanctuaries, and one conservation reserve, together covering 3,305 square kilometres, or 2.54 percent of the state's geographic area and about 15 percent of its recorded forest area, and supporting an estimated 2,000 native wildlife species and more than 5,900 plant species (Wikipedia, 2026c). Nationally, the same ISFR 2023 assessment recorded India's total mangrove cover at 4,991.68 square kilometres, a decrease of 7.43 square kilometres compared with 2021, a trend with direct relevance to Tamil Nadu's own coastal mangrove ecosystems at Pichavaram and Muthupet discussed in Chapter 1, section 1.1, and in section 13.6 of this chapter (PMF IAS, 2026).

13.2 Land Use Change, Soil Degradation and Land Resource Management

Tamil Nadu's land use pattern reflects the sharp ecological contrast between its forested Ghats and hill districts and its intensively cultivated delta and coastal plains discussed in section 13.1, with continuing pressure on agricultural and forest land arising from urban expansion around the state's growth corridors discussed in Chapter 3, section 3.9, and Chapter 11, and from the industrial land requirements discussed in Chapter 4, sections 4.3 and 4.4. Comprehensive, current, state-specific quantification of soil degradation extent, land use conversion rates, or wasteland reclamation progress for Tamil Nadu in 2025 to 2026 was not identified among the sources reviewed for this report, and this represents an area where more detailed disclosure by the Tamil Nadu Department of Environment, Climate Change and Forests, and the National Bureau of Soil Survey and Land Use Planning, would strengthen future assessment of this dimension of the state's environmental governance.

13.3 Water Bodies, Wetlands and River Ecosystem Health

Tamil Nadu's water bodies and wetlands, including the state's extensive network of traditional irrigation tanks discussed in Chapter 10, section 10.2, the coastal wetlands and mangrove ecosystems at Pichavaram and Muthupet discussed in Chapter 1, section 1.1, and urban lakes such as Coimbatore's Valankulam and Periyakulam lakes discussed in Chapter 11, sections 11.5 and 11.6, face pressures from encroachment, pollution, and, in the case of urban water bodies, competing demands for land in rapidly growing cities. The successful recovery of encroached wetland at Coimbatore's Valankulam Lake, discussed in Chapter 11, section 11.6, in connection with slum rehabilitation efforts, illustrates one instance of successful institutional intervention to reverse wetland encroachment, though the scale of similar interventions required across the state's broader network of urban and peri-urban water bodies remains substantial.

River ecosystem health in Tamil Nadu is shaped significantly by the state's dependence on the Cauvery river system, discussed in Chapter 1, section 1.1, and Chapter 4, section 4.8, in the context of inter-state water sharing arrangements with Karnataka, as well as by the state's own tank and river channel restoration initiatives undertaken under the national Jal Shakti

Abhiyan Catch the Rain campaign discussed in Chapter 10, section 10.2, which specifically prioritized river channel connectivity improvements in Tamil Nadu's 2025 implementation.

13.4 Mining and Mineral Resource Governance

As noted in Chapter 3, section 3.4, mining and quarrying contribute a comparatively minor share, approximately 0.3 percent, of Tamil Nadu's Gross State Value Added, reflecting the state's predominantly manufacturing and services-oriented economic structure rather than a resource extraction based one. Nonetheless, mineral resource governance remains relevant to specific regions of the state, including limestone quarrying supporting the cement industry, granite quarrying in several southern and central districts, and beach sand mineral extraction along parts of the coastline, activities that fall under the regulatory purview of the Tamil Nadu Department of Industries in coordination with the Tamil Nadu Pollution Control Board discussed in section 13.5. Comprehensive, current, state-specific data on mining licence allocation, illegal quarrying enforcement, or mineral royalty revenue for 2025 to 2026 was not identified among the sources reviewed for this report.

13.5 Pollution: Air, Water, Noise and Soil — Status and Regulatory Response

The Tamil Nadu Pollution Control Board, functioning under the Department of Environment, Climate Change and Forests, is the state's principal regulatory body for industrial pollution control, tasked with mitigating the impact of pollution on water bodies, controlling air and noise pollution, supporting climate change adaptation, and enforcing coastal regulation zone provisions (Wikipedia, 2026c). A significant recent institutional development in the state's pollution governance architecture is the launch of the Manali-Ennore Restoration and Rejuvenation Council, inaugurated by the state's Minister for Finance and Environment, Climate Change, and specifically tasked with addressing the long-standing industrial pollution legacy in the Manali and Ennore areas of Chennai, a heavily industrialized zone housing petrochemical, power generation, and port infrastructure discussed in Chapter 8, section 8.4, and Chapter 9 (TNPCB, 2026). The Council has issued tenders for technical and monitoring services, including procurement of mobile environmental monitoring laboratories for air, water, and noise pollution analysis specifically in Chennai district and the Manali-Ennore region, indicating a targeted, resource-intensive approach to addressing pollution in this particular industrial corridor (TNPCB, 2026).

Beyond this specific initiative, the Tamil Nadu Pollution Control Board administers a broader industry classification and compliance system, including a White Category classification for low-polluting industries subject to lighter regulatory scrutiny, and runs public engagement programmes such as the Green Champion Awards and the Manjappai Awards, the latter recognizing schools, colleges, and commercial establishments for promoting reusable cloth bags over single-use plastics, reflecting a combination of regulatory enforcement and public behaviour change initiatives in the state's pollution control strategy (TNPCB, 2026).

13.6 Coastal and Marine Resource Management

As discussed in Chapter 1, section 1.1, and Chapter 8, section 8.4, Tamil Nadu possesses a coastline of approximately 1,076 kilometres, supporting significant fishing, port, and coastal tourism activity, and hosting ecologically important marine resources including the Gulf of Mannar coral reefs, recognized as one of the state's important ecological regions alongside the Nilgiri and Agasthyamala biosphere reserves (Wikipedia, 2026c). Coastal ecosystems, including the mangrove stands at Pichavaram and Muthupet, face pressure from the national trend of declining mangrove cover discussed in section 13.1, as well as from the coastal industrial and port infrastructure expansion discussed in Chapter 8, section 8.4, particularly around the Ennore and Kamarajar port complex, which lies within the same Manali-Ennore industrial zone now subject to the targeted pollution restoration effort discussed in section 13.5 (TNPCB, 2026).

The management of these coastal and marine resources connects directly to the climate vulnerability and disaster risk themes developed in Chapter 14, given the exposure of Tamil Nadu's coastal districts, including Nagapattinam, Cuddalore, and Kanyakumari, discussed in Chapter 1, section 1.7, to cyclonic activity and the historical impact of the 2004 Indian Ocean tsunami, both of which underscore the dual imperative of coastal ecosystem conservation, for its role in natural disaster buffering, and continued industrial and port development, for its role in the state's economic growth trajectory discussed in Chapters 3, 4, and 8.

Chapter 14: Climate Change and Ecological Security

14.1 State Climate Vulnerability and Risk Profile

Tamil Nadu's climate vulnerability is shaped fundamentally by its coastal geography, discussed in Chapter 1, section 1.1, and its dependence on the northeast monsoon for a substantial share of annual rainfall, a combination that exposes the state to a distinctive set of hazards including cyclones, coastal flooding, sea erosion, and, increasingly, heat waves and irregular monsoon patterns. The state's own Health Department, in its State Action Plan on Climate Change and Human Health, identifies floods as being caused mainly during cyclones and heavy rains, with extremely heavy rainfall events historically causing severe flooding across the coastal districts of Chennai, Kancheepuram, Thiruvallur, Cuddalore, Thanjavur, Nagapattinam, Thiruvarur, Pudukottai, and Thoothukudi (National Centre for Disease Control, 2025). Sea erosion, a related coastal hazard, adversely affects not only fishing livelihoods but also housing, road infrastructure, and groundwater quality in districts including Kancheepuram, Chennai, and Thiruvallur (National Centre for Disease Control, 2025).

Heat waves, defined as periods of abnormally high temperature exceeding the normal seasonal maximum, typically occur in Tamil Nadu between March and June, and the state's climate and health risk assessment identifies a wide range of associated health system risks, including increased injury, death, and post-traumatic stress from storms, cyclones, and floods, increased illness and death from more severe heat waves, heightened risk of water-borne and vector-borne diseases such as dengue and chikungunya, adverse effects of more severe drought on rural communities, freshwater shortages affecting hygiene and sanitation, and changes in food production patterns contributing to malnutrition risk, the latter connecting directly to the nutrition themes discussed in Chapter 6, section 6.6 (National Centre for Disease Control, 2025). Independent research analysing extreme rainfall trends in southern Tamil Nadu situates the state's flood risk within a broader global and Asian pattern, noting that floods and storms accounted for 83 percent of major disaster events across Asia in a recent reference year, affecting more than 50 million people and causing more than 5,000 deaths, underscoring that Tamil Nadu's climate risk exposure is part of a broader regional intensification of flood and storm hazards rather than an isolated state-specific phenomenon (PMC/NCBI, 2026a).

Chennai's specific flood vulnerability has been documented across numerous distinct events, including major flooding in 2002, 2005, 2006, 2007, 2008, 2010, 2015, and 2016, with the December 2015 floods and the 2016 Cyclone Vardah among the most severe and economically damaging, disrupting commercial, trading, transport, and industrial activity across the city for extended periods (PMC/NCBI, 2026b). Most recently, Cyclone Ditwah flooded large parts of Chennai, killed at least four people, and destroyed crops across more than 2.11 lakh hectares of Tamil Nadu, an event that occurred within the period covered by

this report and that has, according to the state's Additional Chief Secretary for Environment, Climate Change and Forests, sharpened focus on the adequacy of the state's climate preparedness for a future of increasingly frequent climate extremes (CarbonCopy, 2026).

14.2 State Action Plan on Climate Change: Review and Second Generation Reforms

Tamil Nadu's climate policy framework has undergone a substantial revision process since 2018, when, at the request of the Union Ministry of Environment, Forest and Climate Change, the state began revising its original State Action Plan on Climate Change with technical support from the German Corporation for International Cooperation, known as GIZ, with the explicit objectives of re-examining state-specific climate impact, risk, and vulnerability, taking stock of implementation progress under the original plan, aligning the state's adaptation and mitigation actions with the climate goals set out in India's Nationally Determined Contributions, and preparing new short-range plans to 2023 and long-range plans extending to 2030 (Department of Environment, Government of Tamil Nadu, 2026a). This revision process, which placed particular emphasis on health, gender-responsive disaster management and mitigation, the Sustainable Development Goals, and composite vulnerability assessment, has culminated in the Tamil Nadu State Action Plan on Climate Change 2.0, now administered by the state's Department of Environment and Climate Change, established in 1995 as the nodal agency for the state's environmental management (Department of Environment, Government of Tamil Nadu, 2026b).

The institutional centrepiece of the state's second-generation climate response is the Tamil Nadu Green Climate Company, a state-run climate finance and governance platform that, according to the state's Additional Chief Secretary for Environment, Climate Change and Forests, is now mobilising thousands of crores of rupees in financing for mangrove restoration, urban resilience, green jobs, and decarbonisation initiatives (CarbonCopy, 2026). The Additional Chief Secretary responsible for this portfolio was named a UNEP Champion of the Earth for 2025, reflecting international recognition of the state's climate governance approach, which combines legislative and regulatory tools with public funding and international climate finance to translate climate plans into implemented projects on the ground (CarbonCopy, 2026).

14.3 Disaster Risk Profile: Hazard, Exposure and Vulnerability Mapping

Tamil Nadu's disaster risk profile is dominated by cyclone and flood hazard along its coastal districts, discussed in section 14.1, compounded by the historical exposure of these same districts to the 2004 Indian Ocean tsunami, discussed in Chapter 1, section 1.7. Detailed flood vulnerability research focused on Chennai's Velachery area, a chronically flood-prone part of the Chennai Metropolitan Area, has emphasized the need for updated storm water drainage assessment under both present and projected future climate scenarios, given the area's repeated inundation history across multiple distinct flood events since 2002 (PMC/NCBI, 2026b). Broader research on extreme rainfall trends in southern Tamil Nadu recommends the

development of flood inundation maps through dynamic hydrological and hydraulic modelling, alongside early warning systems, sustainable land-use practices, and green infrastructure investment, as key components of an improved hazard and vulnerability mapping approach for the state (PMC/NCBI, 2026a).

14.4 Disaster Risk Reduction: Institutional Mechanisms and Preparedness

Tamil Nadu has invested in both large-scale urban infrastructure and community-level preparedness mechanisms as complementary pillars of its disaster risk reduction strategy. At the urban infrastructure level, the Greater Chennai Corporation has recently concluded major stormwater drain infrastructure works and prepared the city's first-ever climate action plan, which incorporates urban resilience planning explicitly informed by the lessons of recent flood events including Cyclone Ditwah (CarbonCopy, 2026). Upgraded stormwater systems in Chennai and other flood-prone cities have been credited with reducing flood stagnation by approximately 15 percent as of a 2025 mid-year progress assessment, a meaningful improvement though one that leaves substantial residual flood risk given the scale of extreme rainfall events documented in section 14.1 (Tamil Nadu Weatherman, 2025).

At the community level, Tamil Nadu's Climate Resilient Villages programme has extended disaster preparedness support to approximately 2.7 million people, helping village communities prepare for floods, droughts, and cyclones through locally adapted solutions addressing water security, agricultural resilience, and income protection, an approach explicitly designed to address climate vulnerability and underlying social and economic inequality together, rather than through infrastructure investment alone (The Better India, 2026). The state's Additional Chief Secretary for Environment, Climate Change and Forests has specifically highlighted the creation of bio-shields, protective mangrove and coastal vegetation buffers, in Cuddalore and Tuticorin districts as an explicit adaptation measure, while noting that Chennai itself lacks comparable natural mangrove cover and bio-shield protection, requiring the city to instead rely on engineered resilient infrastructure such as the upgraded stormwater systems discussed above (CarbonCopy, 2026).

14.5 Post-Disaster Response, Relief and Reconstruction Framework

The post-disaster response to Cyclone Ditwah, discussed in section 14.1, which destroyed crops across more than 2.11 lakh hectares in addition to causing flooding and loss of life in Chennai, illustrates the scale of reconstruction and relief challenge that Tamil Nadu's disaster response framework must periodically absorb (CarbonCopy, 2026). As discussed in Chapter 2, section 2.9, the state government has previously raised concerns regarding the adequacy of central National Disaster Relief Fund allocations following earlier cyclone events, citing an allocation of only 276 crore rupees against the state's claims following Cyclone Fengal, a tension that is likely to recur in the context of continued cyclone exposure and that connects directly to the broader Centre-state fiscal relations discussed in that chapter (The Federal, 2025).

Comprehensive, current, state-specific data quantifying the total relief and reconstruction expenditure associated with Cyclone Dityah, or the broader institutional framework governing post-disaster needs assessment and reconstruction financing in Tamil Nadu for 2025 to 2026, was not identified among the sources reviewed for this report, and this represents an area meriting more detailed disclosure by the Tamil Nadu State Disaster Management Authority in future editions of this framework.

14.6 Green Economy Transition: Opportunities and Structural Challenges

Tamil Nadu's green economy transition is anchored by a combination of large-scale afforestation, renewable energy expansion discussed in Chapter 9, and green finance mobilization through the Tamil Nadu Green Climate Company discussed in section 14.2. The state's Green Tamil Nadu Mission has set a target of planting 265 crore, or 2.65 billion, saplings over ten years, an initiative intended to reduce the urban heat island effect, restore biodiversity, and offset the forest cover losses in ecologically sensitive Ghats districts discussed in Chapter 13, section 13.1 (Tamil Nadu Weatherman, 2025). In parallel, increasing numbers of rural farmers have transitioned to solar-powered irrigation pumps, reducing both energy costs and emissions, while schools and colleges have established eco-clubs and awareness programmes intended to build a generational shift toward climate consciousness (Tamil Nadu Weatherman, 2025).

Looking ahead, the state has signalled plans for more technology-driven climate interventions, including artificial intelligence-based flood alert systems, smart climate dashboards, and carbon tracking mechanisms for industry, building on the broader digital governance infrastructure discussed in Chapter 16 (Tamil Nadu Weatherman, 2025). At the same time, independent progress assessment acknowledges persistent structural challenges, including increasingly unpredictable weather patterns, irregular monsoons, and heat waves that continue to stress water infrastructure projects, indicating that addressing these challenges will require deeper local government involvement, faster policy implementation, and sustained climate education investment if Tamil Nadu's green economy transition is to keep pace with the scale of climate risk documented throughout this chapter (Tamil Nadu Weatherman, 2025).

Chapter 15: Administrative Governance Reform

15.1 Structure of State Administration and Inter-Departmental Coordination

Tamil Nadu's state administration operates through the standard Indian state government structure of a Council of Ministers headed by the Chief Minister, supported by a Secretariat organized into functional departments each headed by a Principal Secretary or Secretary drawn from the Indian Administrative Service, with the state's thirty-eight districts, discussed in Chapter 1, section 1.2, forming the primary field administration unit under the District Collector. Inter-departmental coordination on cross-cutting priorities, such as the investment facilitation architecture discussed in Chapter 4, section 4.1, involving coordination across more than thirty line departments through Guidance Tamil Nadu's Single Window Portal, and the climate governance architecture discussed in Chapter 14, section 14.2, involving coordination between the Department of Environment, Climate Change and Forests and sectoral line departments, illustrates the state's general institutional approach of establishing dedicated nodal agencies or portals to manage cross-departmental coordination on complex policy priorities rather than relying solely on generic Secretariat-level coordination mechanisms.

15.2 Anti-Corruption Framework: Lokayukta, Vigilance and Enforcement

Tamil Nadu's principal anti-corruption institution is the Tamil Nadu Lokayukta, established under the Tamil Nadu Lokayukta Act, 2018, which came into force on 13 November 2018 in compliance with Section 63 of the national Lokpal and Lokayuktas Act, 2013 (Tamil Nadu Lokayukta, 2026; Wikipedia, 2026d). The Lokayukta functions as an independent quasi-judicial body empowered to inquire into allegations of corruption against specified categories of public servants under the Prevention of Corruption Act, 1988, and comprises a Chairman, two judicial members, and two non-judicial members, appointed by the Governor following consultation with a committee comprising the Chief Minister, the Speaker of the Legislative Assembly, and the Leader of the Opposition or leader of the largest opposition party, with members serving five-year terms or until reaching the age of seventy, whichever occurs first (Tamil Nadu Lokayukta, 2026; Wikipedia, 2026d). The state's first Lokayukta, Justice P. Devadass, a retired High Court judge, headed the initial five-member body alongside a retired Indian Administrative Service officer and legal and judicial members drawn from the state's judiciary and legal profession (Wikipedia, 2026d). The Lokayukta's investigation wing, headed by a Director of Inquiry or Superintendent of Police, exercises powers under the Criminal Procedure Code to summon persons, examine evidence, and conduct initial inquiries to establish whether a *prima facie* case exists for continued investigation (Tamil Nadu Lokayukta, 2026; Wikipedia, 2026d).

Complementing the Lokayukta, the state's Directorate of Vigilance and Anti-Corruption, together with the State Vigilance Commission, oversees vigilance functions across government bodies, including the Tamil Nadu Public Service Commission, whose chairman

and members were brought under the purview of these vigilance institutions by government order in August 2011, reflecting a broader institutional pattern of extending vigilance oversight even to constitutional bodies responsible for recruitment integrity (Wikipedia, 2026e).

15.3 Legal and Judicial Administration: Pendency, Access and Reform

Tamil Nadu's judicial administration operates under the High Court of Madras, which exercises both original and appellate jurisdiction over the state and, since 2013, over the Union Territory of Puducherry as well. As in most Indian states, case pendency across the subordinate judiciary and the High Court itself represents a persistent structural challenge, though comprehensive, current, quantified pendency statistics specific to Tamil Nadu for 2025 to 2026 were not identified among the sources reviewed for this report. What is documented is the judiciary's periodic intervention on matters of administrative delay affecting citizens' legal rights, exemplified by the Madras High Court's February 2025 observations critiquing administrative inaction on recruitment backlog issues at the Tamil Nadu Public Service Commission, discussed further in section 15.7, as unreasonable when it imposes hardship on candidates without fault on their part (Grokikipedia, 2026e).

15.4 Police Modernisation and Internal Security Management

Police recruitment and modernisation in Tamil Nadu is administered through the Tamil Nadu Uniformed Services Recruitment Board, which conducts recruitment examinations for police constables, sub-inspectors, and other uniformed service positions, with recent recruitment cycles, including the Sub-Inspector 2025 examination, continuing to attract substantial applicant interest and subject to periodic litigation and court-directed corrections to selection lists, as reflected in Madras High Court orders affecting eligibility and selection processes for specific recruitment cycles (Tamil Nadu Uniformed Service Recruitment Board, 2026). Comprehensive, current, state-specific data on police modernisation investment, including CCTV surveillance network expansion of the kind piloted under Coimbatore's Smart City initiative discussed in Chapter 11, section 11.5, forensic infrastructure upgrades, or community policing programme coverage for 2025 to 2026, was not identified among the broader sources reviewed for this report, and this represents an area where more detailed disclosure by the Tamil Nadu Police Department would strengthen future assessment.

15.5 Regulatory Governance: Quality, Consistency and Independence

Tamil Nadu's sectoral regulatory bodies, including the Tamil Nadu Electricity Regulatory Commission discussed in Chapter 9, section 9.6, and the Tamil Nadu Pollution Control Board discussed in Chapter 13, section 13.5, exemplify the state's approach to regulatory governance, combining statutory independence in tariff and compliance determination with continued accountability to the state government on broader policy direction. The consistency and predictability of this regulatory environment, particularly the Tamil Nadu Electricity Regulatory Commission's adherence to its Multi-Year Tariff Order methodology discussed in

Chapter 9, section 9.6, and the Business Reform Action Plan implementation discussed in Chapter 4, section 4.1, has been cited by the state's investment promotion agency as a contributing factor to Tamil Nadu's consistently strong ease of doing business rankings.

15.6 Reduction of Red-Tapism: Simplification and Way Forward

As discussed extensively in Chapter 4, section 4.1, Tamil Nadu's principal institutional response to red-tapism has been the development of the Tamil Nadu Single Window Portal, aggregating more than 215 services across more than thirty departments, the Composite Inspection System synchronizing inspections across multiple regulatory agencies, and the Biz Buddy grievance redressal mechanism with an escalation pathway reaching the level of the Chief Minister, all implemented under the statutory framework of the Tamil Nadu Business Facilitation Act, 2018 (Investing in Tamil Nadu, 2026e). These reforms have contributed to the state's implementation of 434 reforms under the Business Reform Action Plan 2024 cycle, placing Tamil Nadu third nationally in the Top Achiever category discussed in Chapter 4, section 4.1 (Investing in Tamil Nadu, 2026a).

Notwithstanding this progress on the business facilitation front, red-tapism concerns persist in other areas of citizen-facing administration, most notably in the recruitment and examination processes administered by the Tamil Nadu Public Service Commission, discussed in section 15.7, where administrative delays, backlog vacancies, and litigation have periodically slowed the pace of public service delivery to job aspirants, indicating that the state's red-tapism reduction agenda, while advanced in the investment and industrial facilitation domain, requires continued extension into recruitment administration and other citizen-facing bureaucratic processes.

15.7 Civil Service Strength: Vacancy Rates and Training Institutions

The Tamil Nadu Public Service Commission, successor to the Madras Service Commission established in 1929 as India's first provincial public service commission, is the state's principal recruitment body for civil, subordinate, and ministerial services, operating under Articles 315 to 323 of the Constitution and headed by a chairman and up to fourteen members appointed by the Governor (Wikipedia, 2026e; Grokipedia, 2026e). The Commission's recruitment processes incorporate Tamil Nadu's extensive reservation framework discussed in Chapter 7, section 7.3, under which 69 percent of positions in TNPSC recruitments are allocated to backward classes, Scheduled Castes, and Scheduled Tribes, with category-specific cutoff scores applied across recruitment examinations, for instance ranging from approximately 150 for general category male candidates down to the 135 to 140 range for Scheduled Caste and Scheduled Tribe candidates in the 2023 Group 4 examination (Grokipedia, 2026e).

Backlog vacancies represent a documented and persistent challenge for TNPSC-administered recruitment, with historical instances such as a 2012 backlog of approximately 7,000 unfilled

posts compounding with 15,500 new vacancies in the same cycle, reflecting prolonged filling gaps attributable in part to administrative lapses and, in some instances, corruption-related investigations affecting specific recruitment cycles (Grokikipedia, 2026e). Independent commentary has identified inconsistent examination patterns and translation quality concerns between English and Tamil question papers as further indicators of staffing and process deficiencies within the Commission's examination-setting function, concerns that the Madras High Court addressed directly in its February 2025 observations regarding the burden such administrative delays place on deserving candidates (Grokikipedia, 2026e). In response to these concerns, the state Finance Minister has publicly committed to deploying updated technology to evaluate TNPSC examinations more efficiently and prevent further delays, reflecting an acknowledged need for continued modernisation of the state's civil service recruitment infrastructure (Grokikipedia, 2026e).

Tamil Nadu's civil service training architecture includes institutions such as the Anna Institute of Management, which provides induction and in-service training for state civil servants, though comprehensive, current, quantified data on overall civil service vacancy rates across departments, or on the throughput and capacity of the state's training institutions for 2025 to 2026, was not identified among the sources reviewed for this report, and this represents an area meriting further, more detailed institutional disclosure in future editions of this framework.

Chapter 16: Technology-Enabled Service Delivery

16.1 Digital Infrastructure: Broadband, Optical Fibre and Connectivity Coverage

Tamil Nadu has invested substantially in digital connectivity infrastructure through the Tamil Nadu FiberNet Corporation, known as TANFINET, a special purpose vehicle established to implement a 55,000 kilometre optical fibre network under the national BharatNet programme and the state's own TamilNet initiative, designed to deliver at least 1 gigabit per second connectivity to each of the state's 12,524 village panchayats, 528 town panchayats, 121 municipalities, and 15 corporations (Information Technology Department, Government of Tamil Nadu, 2026a). As of recent reporting, more than 55,000 kilometres of optical fibre had been laid, bringing high-speed broadband to approximately 11,800 villages, with a flagship initiative targeting delivery of high-speed internet to one crore, or ten million, rural households annually through affordable plans priced at 199 rupees per month for 100 Mbps broadband (Investing in Tamil Nadu, 2026f).

Beyond rural connectivity, Chennai has emerged as a major data centre and internet connectivity hub for the Asia-Pacific region, benefiting from its strategic coastal location and hosting a large number of international submarine cable landing stations, positioning the city as one of India's primary internet gateways, complemented by multiple internet exchange points and 5G service rollout across Chennai and other major cities (Investing in Tamil Nadu, 2026f). The Tamil Nadu Arasu Cable TV Corporation is additionally positioned to extend Internet Protocol Television, over-the-top streaming, and internet connectivity services to both rural and urban households by leveraging the BharatNet and TamilNet infrastructure, reflecting the state's intention to use this connectivity backbone for a broad range of digital services beyond e-governance alone (Information Technology Department, Government of Tamil Nadu, 2026a).

16.2 e-Governance Architecture and Digital Public Infrastructure

The Tamil Nadu e-Governance Agency, known as TNeGA, serves as the state's nodal institution for digital governance, having digitised hundreds of citizen services spanning online portals for certificates, licenses, and bill payments, alongside a statewide blockchain backbone for secure record-keeping known as Nambikai Inaiyam, meaning trust network (Investing in Tamil Nadu, 2026f; Government of Tamil Nadu, 2026). The state's underlying e-governance infrastructure comprises a State Data Centre, State Disaster Recovery Centre, cloud infrastructure, and State Wide Area Network, forming the technical backbone upon which citizen-facing digital services are built (Information Technology Department, Government of Tamil Nadu, 2026a). A State Family Database is under development, intended to ensure accurate targeting of individual beneficiaries and households in the delivery of the state's extensive welfare architecture discussed in Chapter 7, section 7.9, reflecting a broader move toward predictive, data-driven governance (Information Technology Department, Government of Tamil Nadu, 2026a).

Tamil Nadu's e-governance performance has attracted national recognition, with the state identified as a top performer in the Good Governance Index and recording the largest improvement among states in the most recent National e-Service Delivery ratings, while ranking second nationally for the quality of its government service portals (Investing in Tamil Nadu, 2026f). This performance builds on a long-standing digital governance foundation, including the state's experience deploying technology-driven crisis response systems during the COVID-19 pandemic, when TNeGA developed the TN ePASS system for managing movement of essential personnel and industrial workers, processing more than 3.5 million applications with roughly 3.45 million successfully approved, alongside GIS-based containment zone management and data analytics support for pandemic policymaking (Knowledge at Wharton, 2020).

16.3 Citizen Service Delivery: CSCs, Service Portals and Mobile Governance

Tamil Nadu's flagship citizen service delivery platform is the e-Sevai portal, launched under the national Common Service Centre scheme with the explicit vision of making IT-enabled government services accessible to citizens in their own villages through efficient, transparent, reliable, and affordable channels (Information Technology Department, Government of Tamil Nadu, 2026b). The e-Sevai network has grown to offer more than 200 government services online in both English and Tamil, delivered through a network that had reached approximately 12,000 e-Sevai centres processing more than ten million individual service requests annually as of recent assessment, with cumulative transactions through e-Sevai delivery channels exceeding one crore (Investing in Tamil Nadu, 2026f; Knowledge at Wharton, 2020; Information Technology Department, Government of Tamil Nadu, 2026b).

The e-Sevai delivery model reflects a distinctive institutional design choice, combining premium centres operated by state public sector undertakings such as the Electronics Corporation of Tamil Nadu and the Tamil Nadu Arasu Cable TV Corporation at key government offices including Collectorates, Municipal Offices, and Taluk Offices, with a decentralized network of centres run through community institutions such as Primary Agriculture Cooperative Credit Societies and Village Poverty Reduction Committees established under the World Bank-supported Pudhu Vaazhvu Project, the latter model having subsequently informed the design of the National Rural Livelihood Mission discussed in Chapter 12, section 12.4 (Information Technology Department, Government of Tamil Nadu, 2026b). This dual approach both extends government service access to the common man in villages and creates income-generating opportunities for the rural community institutions operating as e-Sevai centre franchisees, aligning citizen service delivery with the state's broader rural livelihood promotion objectives.

16.4 Data Governance, Open Data Policy and Privacy Framework

Tamil Nadu's approach to data governance is embedded within its broader emerging technology policy architecture discussed in section 16.6, with government departments

encouraged to embrace open data principles, identifying datasets suitable for public release and regularly publishing catalogues of datasets, application programming interfaces, and applications on an open platform, subject to appropriate access conditions (Tamil Nadu e-Governance Agency, 2026). The state's transparency portal and open data initiative are explicitly designed to make government data accessible to entrepreneurs and researchers, with the stated objective of fostering innovation in public service delivery and supporting the broader innovation ecosystem discussed in Chapter 17 (Investing in Tamil Nadu, 2026f).

The state's development of the State Family Database, discussed in section 16.2, raises data privacy and governance considerations directly relevant to the accuracy and security of individual beneficiary targeting across the state's welfare schemes, and the state's AI policy framework, discussed in section 16.6, explicitly incorporates data protection and ethics considerations into its evaluation methodology for government AI deployments.

16.5 Cybersecurity: State-Level Institutional Mechanisms

Tamil Nadu was the first Indian state to develop dedicated policies on artificial intelligence, blockchain, and cybersecurity, unveiled under the banner of the Tamil Nadu Safe and Ethical Artificial Intelligence, Blockchain, and Cybersecurity policies during the nineteenth edition of the state's Connect technology summit (IndiaAI, 2026). The state's cybersecurity institutional architecture is built around the Cyber Security Architecture for Tamil Nadu, known as CSA-TN, which encompasses the establishment of a dedicated Computer Emergency Response Team for Tamil Nadu, referred to as CERT-TN, a Security Operations Centre for Tamil Nadu, known as SOC-TN, and a Cyber Crisis Management Plan for Tamil Nadu, reflecting the state's recognition that e-governance and e-security must advance together as its digital service delivery infrastructure expands (Information Technology Department, Government of Tamil Nadu, 2026a).

16.6 Emerging Technologies: AI, Geospatial Systems and Smart Governance

The Tamil Nadu Centre of Excellence in Emerging Technologies, established under the Tamil Nadu e-Governance Agency, is mandated to work with government departments to solve governance problems using artificial intelligence, the Internet of Things, blockchain, drones, and augmented and virtual reality, with the Centre having already conceptualized and developed solutions, including image recognition applications, for the Health, Education, Rural Development, Agriculture, and Land Registration departments (Government of Tamil Nadu, 2026). The state's AI policy framework recommends a Six-Dimensional TAM-DEF evaluation framework for AI-based government systems, assessing factors including transparency and audit, accountability and legal issues, misuse protection, digital divide and data deficit risk, and ethics, fairness, and equity, an approach the state's e-Governance Agency CEO has described as intended to align AI evaluation with democratic values (IndiaAI, 2026; Government of Tamil Nadu, 2026). Government departments are required to consult TNeGA before making AI procurement decisions and to evaluate proposed AI

solutions against this DEEP-MAX scorecard framework, with an AI for Governance Research Centre planned in collaboration with industry and academic partners to deepen the state's understanding of core AI governance research problems (Government of Tamil Nadu, 2026).

The state's Information Technology and Digital Services Department's Policy Note for 2025 to 2026 identifies the Tamil Nadu Artificial Intelligence Mission, alongside the Electronics Corporation of Tamil Nadu and the Directorate of e-Governance, as key institutional vehicles for enhancing digital infrastructure, governance, and education, reflecting the state's aspiration to establish itself as a global information technology hub through continued strategic investment in emerging technology policy and infrastructure (Scribd, 2026). Geospatial systems applications, including GIS-based support deployed during the state's pandemic response discussed in section 16.2, and intelligent traffic management and CCTV-based safety systems deployed under Smart City projects in Chennai and Coimbatore discussed in Chapter 11, section 11.5, illustrate the practical, cross-sectoral application of these emerging technologies across the state's governance functions.

Chapter 17: Innovation, Research and Knowledge Economy

17.1 State Innovation Ecosystem: Startups and Accelerators

Tamil Nadu has emerged as one of India's most balanced and rapidly growing startup economies, combining deep industrial roots with an increasingly sophisticated technology core. The number of startups registered with the Department for Promotion of Industry and Internal Trade from Tamil Nadu surged from 2,300 in 2021 to more than 12,200 by 2025, as the state government works toward its ambitious longer-term target of 100,000 registered startups (StartupTN, 2026a). This growth is coordinated by StartupTN, formally known as the Tamil Nadu Startup and Innovation Mission or TANSIM, the state's nodal startup agency operating under the MSME Department, whose stated mission is to make Tamil Nadu one of the top twenty global startup destinations by 2032 through a world-class, inclusive, and innovation-driven entrepreneurial ecosystem (StartupTN, 2026a).

Chennai anchors much of this growth, having been recognized as both the SaaS, or software as a service, capital of India and the country's third-largest deep-tech hub, driving innovation in artificial intelligence, robotics, and semiconductors, the latter connecting directly to the Tamil Nadu Semiconductor Mission 2030 discussed in Chapter 2, section 2.3, and Chapter 4, section 4.5 (Inc42, 2025). Tamil Nadu startups have collectively raised approximately 4.2 billion United States dollars since 2016, led by SaaS, fintech, and advanced hardware ventures, and the state records one of the highest shares of women-led startup ventures nationally, at approximately 50 percent, representing more than 6,000 women-led enterprises (Inc42, 2025). Notably inclusive policy design extends to a special seed fund established specifically to empower startups led by persons with disabilities and transgender individuals, connecting the state's innovation policy directly to the social justice and disability inclusion themes discussed in Chapter 7, sections 7.4 and 7.7, alongside the newly launched Gramam Thorum Puthozhil, or Establishing Start-ups in Villages, scheme, which focuses on inclusive entrepreneurship and rural innovation, extending the state's startup ecosystem beyond its urban growth corridors discussed in Chapter 3, section 3.9 (Startup Genome, 2026).

The state has also pursued international market linkages, establishing a Global Startup Coordination Centre in Dubai, with further centres planned for Singapore and the United States, intended to connect Tamil Nadu's startups with international networks and support their global market expansion (Startup Genome, 2026). Financial support instruments including TANSEED, providing early-stage grant financing to fill research and innovation funding gaps, and TANFUND, together with a professionally governed Scientific Startup Seed Fund and revolving fund support for academic and private technology business incubators, form the core of the state's startup financing architecture, complemented by government procurement policy provisions that relax prior-existence and turnover eligibility criteria to encourage greater startup participation in public tenders (Government of Tamil Nadu, 2026; StartupTN, 2026b).

17.2 Research and Development: Academic-Industry Linkages

The Indian Institute of Technology Madras stands as Tamil Nadu's foremost anchor institution for deep-tech research and its translation into commercial enterprise. In financial year 2025 to 2026, IIT Madras achieved what it terms Startup Shatam for the second consecutive year, incubating 112 startups through its IITM Incubation Cell, building on the previous year's milestone and bringing the incubator's total portfolio, now in its thirteenth year of operation, past 500 startups to a cumulative total of 567, collectively valued at more than 74,100 crore rupees, or approximately 8 billion United States dollars, and including two unicorns along with multiple mergers and acquisitions (IIT Madras, 2026). The institute's patent output has grown steadily, from 378 patents filed in 2023 to 2024, comprising 293 Indian and 85 international filings, to 419 in 2024 to 2025, and 431 in 2025 to 2026, comprising 352 Indian and 79 international filings, reinforcing the institute's self-described leadership in translating research into real-world commercial impact through its Technology Transfer Office, housed within the Office of Industrial Consultancy and Sponsored Research (IIT Madras, 2026).

Notable deep-tech startups originating from IIT Madras's incubation ecosystem, including Uniphore, Ather Energy, Stellapps, Detect, and Agnikul, have achieved significant domestic and international impact, illustrating the tangible commercialization pathway that Tamil Nadu's premier technical institution has established between fundamental research and market-ready enterprise (Review of India's Technology-Based Start-up Ecosystem, 2024). Industry analysts attribute Chennai's improving position in national startup ecosystem rankings substantially to this quality of high-impact unicorn and exit activity, with some assessments projecting that continued growth at the current pace could allow Chennai to surpass Pune and Hyderabad in overall ecosystem ranking (Review of India's Technology-Based Start-up Ecosystem, 2024).

17.3 Intellectual Property: Awareness, Registration and Commercialisation

Tamil Nadu leads all Indian states in patent filings, having recorded 7,686 patent filings in fiscal year 2023, equivalent to approximately 17 percent of the national total, a performance that reflects the combined output of the state's research institutions, exemplified by IIT Madras's filing record discussed in section 17.2, and its broader industrial research and development base (Inc42, 2025). The state's startup policy framework explicitly supports intellectual property commercialisation through provision for Intellectual Property Facilitation Centres, intended to help entrepreneurs navigate the patent registration and commercialisation process, forming part of the broader ecosystem-building mandate assigned to TANSIM (Government of Tamil Nadu, 2026).

17.4 Knowledge Institutions as Engines of Development

Beyond IIT Madras, Tamil Nadu hosts one of India's densest concentrations of engineering, technical, and research institutions, a legacy of the state's long-standing emphasis on

technical education discussed in Chapter 5, sections 5.3 and 5.4. This institutional density, combined with the state's Naan Mudhalvan skill development programme discussed in Chapter 5, section 5.3, and its Centre of Excellence in Emerging Technologies discussed in Chapter 16, section 16.6, creates multiple interconnected pathways linking the state's higher education system to its innovation economy. The Tamil Nadu Global Startup Summit, one of India's largest startup events and a flagship initiative of StartupTN, brings together startups, investors, ecosystem enablers, and industry leaders specifically to showcase these institutional linkages and highlight the state's rapid startup ecosystem growth (StartupTN, 2026a).

17.5 Building a Youth Innovation and Research Ecosystem

Tamil Nadu's youth innovation ecosystem draws on the same institutional infrastructure discussed in sections 17.1 through 17.4, reinforced by targeted state investment in physical innovation infrastructure such as TIDEL Park Pattabiram, a twenty-one story information technology park inaugurated in Chennai in November 2024 with an explicit goal of creating 6,000 IT jobs, illustrating the state's continued investment in dedicated innovation and technology infrastructure to support youth employment in knowledge-intensive sectors (Startup Genome, 2026). The state's Vision 2030 higher education blueprint, discussed in Chapter 5, section 5.3, explicitly incorporates plans for artificial intelligence laboratories and research centres of excellence, intended to deepen the pipeline connecting the state's expanding higher education base, with its Gross Enrolment Ratio of approximately 47 percent, the highest among Indian states, to a growing youth research and innovation workforce (Usthadian Academy, 2026; The Federal, 2026a).

17.6 Skill Development, Employability and Workforce Alignment

As discussed extensively in Chapter 5, sections 5.3 and 5.4, the Naan Mudhalvan programme forms the central pillar of Tamil Nadu's effort to align its education and skilling infrastructure with the employability demands of its innovation and industrial economy, having benefited approximately 27 lakh students since its 2022 launch and having been linked to approximately 119,000 students securing government positions, alongside its industrial internship placement functions connecting students directly to manufacturing sector experience (Deccan Chronicle, 2024). The state's startup ecosystem itself functions as an additional employability and skill development channel, with the growth in DPIIT-registered startups from 2,300 to more than 12,200 between 2021 and 2025 representing a substantial and expanding source of knowledge-economy employment opportunities for the state's technically trained graduates (StartupTN, 2026a).

The interlinkage between the state's skill development architecture, its knowledge institution base, and its startup and research and development ecosystem, taken together, positions Tamil Nadu's innovation economy as one of the more institutionally mature and rapidly compounding growth engines within the broader development model discussed throughout

this report, with direct relevance to the state's semiconductor and advanced manufacturing ambitions discussed in Chapter 4, and to the long-term Vision 2047 strategic priorities discussed in Chapter 21.

Chapter 18: Agriculture, Allied Sectors and Food Security

18.1 Cropping Pattern, Agricultural Productivity and Input Use

Tamil Nadu's agricultural sector has been transformed since the mid-twentieth century through multiple cropping, the adoption of higher-yielding crop varieties, and expanded chemical fertilizer application, with the state having achieved self-sufficiency in food grain production since the late 1960s (Britannica, 2026). The principal crops cultivated for domestic consumption are rice, millets, and other cereals, alongside groundnuts and pulses such as chickpeas, while sugarcane, cotton, cashews, and chilies form the state's major cash crops (Britannica, 2026). As discussed in Chapter 3, section 3.3, Tamil Nadu ranked first nationally in ragi and sugarcane yields and second in oilseed yields in 2024 to 2025, reflecting the productivity gains achieved across the state's diverse agro-climatic zones, from the intensively irrigated Cauvery delta discussed in Chapter 1, section 1.1, to the dryland and hill farming systems of the western and southern districts (The Federal, 2026a).

Regional cropping specialization is pronounced within the state, with the hill districts of the Nilgiris and parts of Kanyakumari and Coimbatore cultivating tapioca, cloves, tamarind, coconut, tea, and coffee, distinct from the cereal and cash crop dominated cropping patterns of the plains and delta districts (Ministry of Food Processing Industries, 2026). This regional diversity in cropping pattern underpins the food processing industry's raw material base, discussed further in section 18.4, and reflects the underlying agro-ecological diversity described in Chapter 1, section 1.1.

18.2 Irrigation and Water Use Efficiency in Agriculture

As discussed in Chapter 10, section 10.2, Tamil Nadu's agricultural irrigation system rests on the Cauvery delta canal network and a dense complement of traditional irrigation tanks, with the state's 2025 contribution to the national Jal Shakti Abhiyan Catch the Rain campaign specifically prioritizing the restoration of traditional irrigation tanks, improvement of river channel connectivity, and promotion of fisheries culture at the district level (IBEF, 2026). This tank-based irrigation tradition, distinctive to Tamil Nadu and other parts of peninsular India, continues to play a critical role in buffering the dryland and semi-arid districts against the state's heavy dependence on the northeast monsoon, discussed in Chapter 1, section 1.1, even as canal irrigation from the Cauvery system remains the primary water source for the delta districts' rice cultivation.

18.3 Agricultural Marketing, Price Realisation and Farmer Income

As discussed in Chapter 3, section 3.3, agricultural credit disbursal in Tamil Nadu more than doubled over the period from 2019 to 2020 through 2023 to 2024, reaching approximately 4.52 lakh crore rupees, reflecting expanded institutional lending that supports farmers' capacity to invest in inputs, mechanization, and, where feasible, direct marketing

arrangements that improve price realisation relative to reliance on intermediary-dominated supply chains (The Federal, 2026a). The moderation of retail food inflation to near zero in 2025 to 2026, discussed in Chapter 3, section 3.8, while beneficial for consumer welfare, also implies a more challenging price realisation environment for farmers during the same period, a tension inherent to agricultural price policy that requires continued attention to minimum support price implementation and market infrastructure development to ensure farmer income stability alongside consumer price moderation.

18.4 Food Processing Industry and Value Chain Development

Tamil Nadu's food processing industry draws on the state's diverse agricultural and horticultural base discussed in section 18.1, with processing clusters oriented around the state's major crop specializations, including tea and coffee processing linked to the Nilgiris hill agriculture, and broader food processing infrastructure serving the state's rice, sugarcane, and horticultural output (Ministry of Food Processing Industries, 2026). The Ministry of Food Processing Industries' state profile assessment for Tamil Nadu identifies districts including Coimbatore, Sivagangai, and Thanjavur among the state's significant food processing and agro-industrial centres, reflecting the geographic spread of value addition activity beyond the primary production zones alone (Ministry of Food Processing Industries, 2026).

Comprehensive, current, quantified data on Tamil Nadu's food processing sector output, employment, or investment for 2025 to 2026 specifically was not identified among the sources reviewed for this report, and readers seeking detailed sectoral figures are directed to the Ministry of Food Processing Industries' periodically updated state profile documentation and the Tamil Nadu Department of Industries.

18.5 Animal Husbandry, Dairy and Poultry: Economic Contribution

Livestock rearing forms an integral part of farm household income across Tamil Nadu, with many farmers raising cattle, particularly for dairy production, alongside poultry, goats, and sheep (Britannica, 2026). As discussed in Chapter 3, section 3.9, the poultry belt centred on Namakkal district represents one of the state's most significant and geographically concentrated livestock production clusters, contributing substantially to both the state's egg and broiler meat production and to the wider South Indian poultry supply chain. The dairy sector, organized substantially through cooperative structures in Tamil Nadu consistent with the broader Indian dairy cooperative model, provides a critical income diversification and risk mitigation function for smallholder and marginal farm households, complementing crop income discussed in sections 18.1 through 18.3.

18.6 Fisheries: Inland, Marine and Aquaculture

Tamil Nadu is one of India's leading fish-producing states, with the majority of its output derived from marine fisheries operations along its approximately 1,076 kilometre coastline

discussed in Chapter 1, section 1.1, complemented by a substantial inland fisheries sector (Britannica, 2026). At the national level, India's total fish production reached 17.8 million metric tonnes in 2023 to 2024, a twenty-two-fold increase since 1950, with inland fisheries contributing approximately 75 percent of output and marine fisheries approximately 25 percent, and the fisheries sector as a whole contributing 7.3 percent to national agricultural GDP and 1.2 percent to overall national GDP, with a sector growth rate of approximately 10 percent, well above the roughly 4 percent growth rate of the broader agricultural sector (Frontiers in Sustainable Food Systems, 2026).

Tamil Nadu is among the states participating in a pilot shrimp aquaculture crop insurance scheme implemented by the National Fisheries Development Board under the Pradhan Mantri Matsya Sampada Yojana, running from 2021 to 2025, with the Indian Council of Agricultural Research's Central Institute of Brackishwater Aquaculture providing premium subsidies in Tamil Nadu, Andhra Pradesh, and Gujarat, reflecting the state's significant role in India's coastal shrimp aquaculture sector, an activity that occupies approximately 0.17 million hectares of coastal land nationally and supports livelihoods for approximately 100,000 farming families (Frontiers in Sustainable Food Systems, 2026). The subsequent Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana, a central sector sub-scheme under the broader Pradhan Mantri Matsya Sampada Yojana approved to run from 2023 to 2024 through 2026 to 2027 with an investment exceeding 981 million United States dollars nationally, is intended to further formalize the fisheries sector and support micro and small fisheries enterprises across participating states including Tamil Nadu (Frontiers in Sustainable Food Systems, 2026).

18.7 Horticulture, Floriculture and Medicinal Plants

Tamil Nadu's horticulture sector, administered through the state's Department of Horticulture and Plantation Crops in coordination with the Tamil Nadu Horticulture Development Agency, encompasses a wide range of crops extending well beyond the state's cereal and cash crop base discussed in section 18.1. As discussed in section 18.6's connection to crop insurance, the state's horticulture insurance coverage under the Pradhan Mantri Fasal Bima Yojana has expanded significantly since the scheme's implementation from Kharif 2016 onward across all districts except Chennai, initially covering six notified crops, banana, tapioca, turmeric, potato, onion, and red chillies, before expanding from Kharif 2019 to 2020 onward to include eight additional annual crops: bhendi, brinjal, cabbage, carrot, garlic, ginger, coriander, and tomato (Department of Horticulture and Plantation Crops, 2026). Between 2016 to 2017 and 2019 to 2020, approximately 210 crore rupees was settled as compensation to 139,055 farmers for horticulture crop losses under this scheme, illustrating both the scale of horticultural crop risk in the state and the meaningful role crop insurance has played in stabilizing horticultural farmer incomes (Department of Horticulture and Plantation Crops, 2026).

Medicinal plant cultivation and floriculture, while representing a smaller share of the state's horticultural output relative to fruit and vegetable crops, contribute to the diversification of farm incomes in specific districts and connect to the state's broader traditional medicine and wellness economy, though comprehensive, current, quantified data on these sub-sectors specific to Tamil Nadu for 2025 to 2026 was not identified among the sources reviewed for this report.

18.8 Agricultural Credit, Insurance and Risk Management

Tamil Nadu implements the Pradhan Mantri Fasal Bima Yojana across all districts except Chennai, with district-level notification of insurable crops tailored to local cropping patterns, for instance banana, small onion, turmeric, and tapioca in Tiruchirappalli district, reflecting the crop-specific and geographically differentiated implementation approach adopted across the state (Tiruchirappalli District, 2026). The scheme is explicitly designed to extend financial support to farmers suffering crop loss or damage from unforeseen events, stabilize farmer incomes to ensure continuity in farming, and encourage the adoption of innovative and modern agricultural practices, with revenue villages, rather than broader administrative units, notified as the unit of insurance to improve the accuracy of compensation for crop loss (Kanniyakumari District, 2026).

As discussed in section 18.3, the more than doubling of agricultural credit disbursal in Tamil Nadu between 2019 to 2020 and 2023 to 2024, reaching approximately 4.52 lakh crore rupees, represents the state's primary institutional mechanism for supporting farm investment and working capital needs, operating alongside the crop insurance architecture discussed above and the horticulture-specific insurance provisions discussed in section 18.7 to form a comprehensive, if not fully universal, agricultural risk management framework (The Federal, 2026a). The combination of expanding credit access, crop insurance coverage extending progressively across more crop categories, and the productivity gains reflected in the state's leading national yield rankings for ragi, sugarcane, and oilseeds discussed in section 18.1, together position Tamil Nadu's agricultural sector as a comparatively resilient and continuously modernizing component of the state's broader economic structure discussed in Chapter 3, notwithstanding its declining relative share of Gross State Value Added as the state's manufacturing and services sectors continue to expand at a faster pace.

Chapter 19: Tourism, Culture and Creative Economy

19.1 Tourism Asset Inventory: Natural, Heritage, Religious and Adventure

Tamil Nadu possesses an unusually diverse tourism asset base spanning coastal, hill, heritage, religious, and wildlife tourism categories. The state is home to twenty-five distinct hill stations, an extensive coastline offering beach tourism, numerous backwater and cruise experiences, and significant wildlife tourism destinations anchored by the protected area network discussed in Chapter 13, section 13.1, which encompasses five National Parks, eighteen wildlife sanctuaries, and five tiger reserves (Tamilnadu Tourism, 2026; Wikipedia, 2026c). The state hosts four UNESCO World Heritage Sites: the Group of Monuments at Mahabalipuram, declared in 1984 and comprising rock-cut temples and monuments from the seventh and eighth century Pallava period; the Great Living Chola Temples, declared in 1987 and encompassing the Brihadisvara temples at Thanjavur and Gangaikonda Cholapuram along with the Airavatesvara Temple at Darasuram, all dating to the eleventh and twelfth century Chola period; the Nilgiri Mountain Railway, declared in 2008, a metre-gauge rack railway operated by Southern Railway that remains the only such railway in India; and the Nilgiri Biosphere Reserve, declared in 1986, the largest protected forest area in India and a globally significant biodiversity hotspot discussed in Chapter 1, section 1.1 (Wikipedia, 2026d).

Beyond these formally inscribed sites, Tamil Nadu's more than 30,000 Hindu temples, discussed in Chapter 1, section 1.4, form the backbone of the state's religious and pilgrimage tourism sector, complemented by adventure tourism opportunities in the Western Ghats hill districts and a growing medical tourism segment centred on Chennai's advanced healthcare infrastructure discussed in Chapter 6.

19.2 Tourism Infrastructure: Hotels, Connectivity and Facilitation

The Tamil Nadu Tourism Development Corporation functions as the state's principal tourism infrastructure agency, tasked with developing and maintaining places of tourist interest, including wildlife sanctuaries, parks, beaches, and other recreational sites, and with taking over and operating tourist homes and guest houses previously run directly by government departments (Tamil Nadu Tourism Development Corporation, 2026). Tourism infrastructure development in the state is explicitly designed to generate multiplier effects across a wide range of allied sectors, including agriculture, horticulture, poultry, handicrafts, transport, and construction, sectors whose combined income growth carries particular significance for poverty alleviation given their labour intensity (Tamil Nadu Tourism Development Corporation, 2026).

This infrastructure and connectivity base is directly reinforced by the transport investments discussed in Chapter 8, including the state's aviation network and the six operational airports discussed in section 8.3, the extensive road network discussed in section 8.1, and the railway

connectivity, including the UNESCO-listed Nilgiri Mountain Railway discussed in section 19.1, that together support tourist movement to and within the state's diverse tourism circuits.

19.3 Domestic and International Tourist Flows: Trends and Targets

Tamil Nadu has consistently ranked among India's leading states for tourist volume. As of 2021, the state had received the most tourists of any Indian state, and Ministry of Tourism data for 2023 recorded 286,012,000 local visitor arrivals in Tamil Nadu, an increase from 218,584,800 in 2022, though still below the pre-pandemic peak of 494,865,257 recorded in 2019 (Wikipedia, 2026d; CEIC Data, 2026). More recent data from the Ministry of Tourism's India Tourism Data Compendium 2025 places Tamil Nadu second among Indian states for domestic tourist visits in 2024, with 307 million visits, behind only Uttar Pradesh's 647 million, within a national total of 2,948 million domestic tourism visits in 2024, representing a 17.5 percent increase over 2023 (Policy Edge, 2025).

At the national level, the same compendium recorded 20.57 million international tourist arrivals and 35 billion United States dollars in tourism receipts, with average tourist stays of 18.1 days and leading source markets including the United States, Bangladesh, the United Kingdom, Australia, and Canada, and travel purposes split between leisure at 45 percent, visiting friends and relatives or diaspora tourism at 28 percent, business at 11 percent, and medical tourism at 6.5 percent (Policy Edge, 2025). Nationally, tourism directly and indirectly supported 84.6 million jobs and contributed 5.22 percent to India's GDP in the reference period, with Tamil Nadu's consistently leading or near-leading position in domestic visitor volume indicating that the state captures a disproportionately large share of this national tourism employment and economic contribution relative to its population share discussed in Chapter 1, section 1.3 (Policy Edge, 2025).

19.4 Cultural Heritage Preservation and Institutional Framework

Cultural heritage preservation in Tamil Nadu operates across multiple institutional layers, including the Archaeological Survey of India's protection of the state's UNESCO World Heritage Sites discussed in section 19.1, state-level heritage conservation efforts coordinated through the Tamil Nadu Tourism Development Corporation, and the broader urban heritage preservation initiatives discussed in Chapter 11, section 11.5, in connection with Smart Cities Mission investment in heritage cities including Thanjavur, Madurai, and Vellore.

The state's more than 30,000 temples, many built across successive dynastic periods spanning the Pallava, Chola, Pandya, Vijayanagara, and Nayaka eras, represent a continuous built heritage record spanning well over a millennium, requiring sustained conservation investment and specialized craft skills, particularly stone carving and temple architecture restoration, that connect directly to the traditional handicrafts and creative industries discussed in section 19.5.

19.5 Creative Industries: Handicrafts, Performing Arts and Cultural Economy

As discussed in Chapter 1, section 1.4, Tamil Nadu's classical arts traditions, particularly Bharatanatyam dance and Carnatic music, trace significant codified elements of their tradition to the Thanjavur region, which functioned as a major cultural centre under the Chola and subsequent Maratha rulers. This living classical arts tradition continues to support a network of performing arts institutions, training academies, and public performance venues, particularly during the annual Chennai music and dance season, one of the world's largest concentrated classical arts festivals, drawing performers and audiences from across India and the global Tamil diaspora. Traditional handicrafts, including Thanjavur painting, bronze casting in the traditional lost-wax technique historically associated with temple sculpture, Kanchipuram silk weaving, and Chettinad architectural and craft traditions, form economically significant creative industry clusters that intersect directly with the state's tourism economy discussed in sections 19.1 through 19.3, its MSME base discussed in Chapter 4, section 4.2, and its rural livelihood promotion architecture discussed in Chapter 12, section 12.4.

19.6 Film, Media and Content Industries as Economic Drivers

The Tamil film industry, commonly referred to as Kollywood and centred on production facilities in and around Chennai, represents one of India's most prolific and commercially significant regional cinema industries, with Tamil-language films maintaining substantial box office performance both domestically and among the global Tamil diaspora audience, and increasingly through pan-Indian and international theatrical and streaming distribution. The industry's presence in Chennai reinforces the city's broader identity as a media and content production hub, complementing its position as a leading IT and IT-enabled services centre discussed in Chapter 3, section 3.5, and connecting to the state's broader creative economy and cultural soft power, which in turn supports diaspora tourism flows discussed in section 19.3.

Comprehensive, current, quantified data on the Tamil film and media industry's direct economic contribution, employment, or export earnings for 2025 to 2026 specifically was not identified among the sources reviewed for this report, and readers seeking detailed sectoral figures are directed to industry bodies such as the South Indian Film Chamber of Commerce and the Tamil Nadu Government's Information and Public Relations Department for current data on this significant but, in available public reporting, comparatively under-quantified component of the state's creative economy.

Chapter 20: Cross-Cutting Themes and Integrated Policy Imperatives

20.1 Sustainable Development Goals of the State

Tamil Nadu has consistently ranked among the top-performing Indian states on the NITI Aayog SDG India Index since the index's inception. In the most recent SDG India Index 2023 to 2024, Tamil Nadu recorded a composite score of 78, placing it third nationally behind Kerala and Uttarakhand, which were tied at 79, and ahead of Goa and Himachal Pradesh, which each scored 77 (GFST, 2025). This represents a sustained improvement from the index's earlier editions, in which Tamil Nadu shared third position with Andhra Pradesh and Telangana at a score of 67, behind Kerala's 70 and Himachal Pradesh's 69 (Drishti IAS, 2026). India's overall SDG composite score rose to 71 in 2023 to 2024, a five-point increase from 2020 to 2021 and fourteen points above the 2018 baseline, with Tamil Nadu among the states, alongside Kerala and Goa, identified as excelling across multiple goals, particularly SDG 7 on affordable and clean energy, where all Indian states have now reached Achiever status (GFST, 2025).

At the national level, three goals, SDG 7 on clean energy, SDG 11 on sustainable cities and communities, and SDG 12 on sustainable consumption and production, are projected to be achieved by 2025 to 2026, while SDG 3 on good health and wellbeing is projected for 2026 to 2027, and SDG 2 on zero hunger and SDG 1 on no poverty are projected for 2027 to 2028, with SDG 5 on gender equality not expected to be achieved nationally until 2030 to 2031 (GFST, 2025). Given Tamil Nadu's comparatively strong performance on poverty, discussed in Chapter 1, section 1.6, and health outcomes, discussed in Chapter 6, the state is well positioned to meet or exceed these national timelines on several goals, though its performance on SDG 13, climate action, and SDG 15, life on land, connects directly to the forest cover and climate vulnerability challenges discussed in Chapter 13, section 13.1, and Chapter 14, areas where the same national assessment found generally lower scores across most Indian states (GFST, 2025).

20.2 Gender Mainstreaming Across Sectors

Gender mainstreaming considerations recur throughout this report's sectoral chapters, reflecting Tamil Nadu's deliberate strategy of embedding gender-responsive design across a wide range of programmes rather than confining gender policy to a single dedicated chapter. These include the Pudhumai Penn and Kalaignar Magalir Urimai Thogai schemes discussed in Chapter 5, section 5.3, and Chapter 7, section 7.4, the gender parity achievements in secondary and higher secondary education discussed in Chapter 5, section 5.2, the explicit gender-responsive design of Asian Development Bank-financed urban infrastructure projects discussed in Chapter 11, section 11.2, and the high share of women-led startups within the state's innovation ecosystem discussed in Chapter 17, section 17.1. At the national level, India's Gender Development Index stood at 0.874 as of the most recent Human Development Report assessment, with a female Human Development Index value of 0.631 against a male

value of 0.722, and India ranked 102nd globally on the Gender Inequality Index with a score of 0.403, benchmarks against which Tamil Nadu's above-average performance on female labour force participation, discussed in Chapter 3, section 3.7, and female higher education transition rates, discussed in Chapter 5, section 5.3, represent a meaningfully better state-level position than the national average (ForumIAS, 2025).

20.3 Youth Policy and Demographic Dividend Realisation

As discussed in Chapter 1, section 1.3, and Chapter 6, section 6.7, Tamil Nadu's demographic dividend window is narrowing relative to most other Indian states, given its advanced fertility transition and a population growth rate of just 0.24 percent projected for 2026, the lowest among Indian states, with population expected to peak around 2031. This makes the effective realisation of the demographic dividend during the remaining window a particularly time-sensitive policy priority for Tamil Nadu compared with states earlier in their demographic transition. India's average age nationally stands at 28, and national policy discourse has increasingly emphasized harnessing artificial intelligence and education investment to unlock the demographic dividend before the window narrows, with human capital upgradation through skill development in emerging technologies specifically being prioritized in states including Tamil Nadu and Telangana, in some cases through direct collaboration with the United Nations Development Programme on inclusive AI skilling programmes (ForumIAS, 2025). This national emphasis aligns closely with Tamil Nadu's own Naan Mudhalvan programme discussed in Chapter 5, section 5.3, and Chapter 17, section 17.6, and its Vision 2030 higher education blueprint's emphasis on artificial intelligence laboratories and research centres of excellence discussed in Chapter 5, section 5.3.

Given the state's comparatively low and continuing to decline population growth rate, Tamil Nadu's youth policy imperative is less about accommodating a growing youth population and more about maximizing the productivity and economic contribution of its existing youth cohort during the finite window before the state's age structure matures further, a framing that distinguishes Tamil Nadu's demographic dividend challenge from that of many other Indian states still earlier in their fertility transition.

20.4 Migration: Internal, Inter-State and International Dimensions

Tamil Nadu's migration profile has multiple distinct dimensions. As an economically advanced and industrially diverse state, discussed throughout Chapters 3 and 4, Tamil Nadu is a significant destination for internal migrant labour from other Indian states, particularly for its construction, textile, and manufacturing sectors discussed in Chapter 3, sections 3.4 and 3.6, a pattern that connects directly to the informal economy integration challenges discussed in that chapter. Simultaneously, the state has a long history of international emigration, particularly to Southeast Asia, the Gulf countries, and more recently to North America, Europe, and Australia for skilled and semi-skilled employment, reflected in the

state's substantial global Tamil diaspora, which in turn supports the diaspora tourism flows discussed in Chapter 19, section 19.3, and contributes remittance income to households across the state, particularly in traditionally high-emigration districts.

Comprehensive, current, quantified data on Tamil Nadu's net migration balance, remittance inflows, or the specific scale of interstate in-migration for 2025 to 2026 was not identified among the sources reviewed for this report, and this represents an area where more detailed disclosure by the state's Department of Economics and Statistics, in conjunction with Reserve Bank of India remittance data and Census migration tables once the next decennial Census is completed, would strengthen future assessment.

20.5 Science, Technology and Innovation for Development

Tamil Nadu's approach to leveraging science, technology, and innovation for development is documented extensively in Chapter 16, covering digital infrastructure and e-governance, and Chapter 17, covering the state's startup ecosystem, research and development base, and intellectual property performance. The state's leading position in patent filings, at approximately 17 percent of the national total discussed in Chapter 17, section 17.3, combined with its pioneering state-level artificial intelligence, blockchain, and cybersecurity policies discussed in Chapter 16, section 16.5, and its semiconductor mission discussed in Chapter 2, section 2.3, and Chapter 4, section 4.5, position Tamil Nadu among the more technologically forward-looking Indian states in translating innovation investment into both economic growth and improved public service delivery.

20.6 Statistical System Strengthening and Evidence-Based Policymaking

Tamil Nadu's Department of Economics and Statistics serves as the state's principal statistical agency, responsible for producing the annual Economic Survey of Tamil Nadu discussed extensively throughout this report, alongside district-level statistical handbooks and sector-specific data series. The state's evidence base has been substantially strengthened in recent years through its digital governance infrastructure discussed in Chapter 16, including the State Family Database under development, discussed in Chapter 16, section 16.2, which is explicitly designed to improve the accuracy of individual and household-level targeting across the state's extensive welfare architecture discussed in Chapter 7, section 7.9.

Notwithstanding these strengths, this report has identified multiple specific areas across its twenty chapters where current, granular, state-specific data was not available from the public sources reviewed, including detailed teacher training coverage, mental health service statistics, mining sector data, and migration and remittance figures, among others. This pattern suggests that continued investment in more timely, granular, and publicly accessible sectoral data disclosure, potentially building on the state's own open data initiative discussed in Chapter 16, section 16.4, would meaningfully strengthen the evidence base available for future editions of comprehensive development assessments of this kind.

20.7 Public Participation: Behavioural Change and Citizen Engagement

Public participation and behavioural change form a recurring theme across several of this report's sectoral discussions, including the sanitation and hygiene behaviour change imperative discussed in Chapter 10, section 10.3, the Manjappai Awards public engagement programme on plastic reduction discussed in Chapter 13, section 13.5, and the citizen grievance redressal architecture embedded in the Biz Buddy mechanism discussed in Chapter 4, section 4.1, and Chapter 15, section 15.6. The state's e-Sevai citizen service delivery network, discussed in Chapter 16, section 16.3, similarly represents an institutional channel through which citizen engagement with government services has been substantially expanded and decentralized down to the village level, leveraging community institutions such as Primary Agriculture Cooperative Credit Societies and Village Poverty Reduction Committees as service delivery partners.

Taken together, these citizen engagement mechanisms illustrate a broader pattern in Tamil Nadu's governance approach, one that combines top-down infrastructure and policy investment with genuine efforts at grassroots institutional participation, whether through Self Help Groups discussed in Chapter 12, section 12.4, Village Water and Sanitation Committees discussed in Chapter 10, section 10.1, or community-based e-Sevai centre operators discussed in Chapter 16, section 16.3. The continued strengthening of these participatory mechanisms, alongside the statistical and evidence-based policymaking improvements discussed in section 20.6, will be central to the state's ability to translate its Vision 2047 strategic priorities, discussed in the concluding chapter of this report, into effective, broadly shared development outcomes.

Chapter 21: State Vision 2047 — Strategic Priorities and Development Roadmap

21.1 Long-Term Vision and Flagship Missions

Tamil Nadu's long-term development vision is anchored in the explicit goal of building a one trillion United States dollar economy by 2030, a target first articulated by the state government and subsequently reinforced by the exceptional growth performance of 11.19 percent recorded in 2024 to 2025 discussed in Chapter 3, section 3.1 (The Federal, 2026a; Tamil Nadu Infrastructure Development Board, 2026). This medium-term target is nested within a longer-range ambition, discussed in emerging state planning commentary, of Tamil Nadu evolving into a substantially larger economy by 2047, the centenary of India's independence, with some independent projections and state-linked commentary discussing trajectories extending toward four to five trillion dollars in nominal terms by that horizon, contingent on the state sustaining high nominal growth rates over more than two decades (Sovereign SOS, 2026). This vision is explicitly framed by state planning voices not merely in terms of aggregate GDP figures but as an inclusive development goal, ensuring that economic growth translates into dignity, opportunity, and upward mobility for all residents of the state, a framing consistent with the social justice and welfare architecture discussed throughout this report, particularly in Chapter 7 (Sovereign SOS, 2026).

The Tamil Nadu State Planning Commission, established in 1971 and chaired by the Chief Minister, serves as the principal institutional vehicle translating this vision into operational planning, comprising members from public life alongside ex-officio members including the Finance and Planning Secretaries, and organized into technical verticals covering Agricultural Policy and Planning, Industries, Power and Transport, Land Use, Rural Development and District Planning, Health and Social Welfare, Education and Employment, and Plan Coordination (Agentkart, 2025). The Commission is responsible for preparing the state's Annual and Five Year Plans, appraising new departmental schemes, and coordinating flagship state initiatives including the Tamil Nadu Innovation Initiative, while its Plan Coordination vertical functions as the critical link between the state government and NITI Aayog at the national level (Agentkart, 2025).

21.2 Medium-Term Priority Action Plan (2025–2030)

The state's medium-term roadmap to 2030 is anchored on a small number of strategic pillars consistently identified across state planning commentary: moving up the value chain in traditional strengths including textiles, automobiles, and leather, discussed in Chapter 3, section 3.4, while simultaneously building capability in higher technology sectors including semiconductors, aerospace, and biotechnology, discussed in Chapter 2, section 2.3, and Chapter 4, section 4.5; deepening the state's multiple industrial corridors, including the Chennai-Kanyakumari and Chennai-Bengaluru corridors discussed in Chapter 4, section 4.4; and scaling the state's startup and digital innovation ecosystem, discussed in Chapter 17, to a

scale rivalling Bengaluru and Hyderabad (Sovereign SOS, 2026). This priority action plan is explicitly underpinned by institutional mechanisms including the State Investment Promotion Board, the Single Window Clearance System discussed in Chapter 4, section 4.1, and data-driven governance platforms discussed in Chapter 16, with continued Ease of Doing Business reform, reflected in the state's Business Reform Action Plan performance discussed in Chapter 4, section 4.1, and Chapter 15, section 15.6, positioned as a central enabling pillar of the medium-term plan (Sovereign SOS, 2026).

Achieving this medium-term plan will also require directly addressing the intra-state disparities discussed in Chapter 1, section 1.7, with policies promoting development in backward districts, supporting MSME growth discussed in Chapter 4, section 4.2, and specific regional development plans identified as necessary instruments, though independent assessment cautions that the effectiveness of these instruments in achieving genuinely inclusive growth remains critical to the credibility of the trillion dollar target and will require sustained implementation attention rather than one-time policy announcement (Agentkart, 2025).

21.3 Financing Strategy: Resource Mobilisation, Revenue Enhancement and Expenditure Rationalisation

The realisation of Tamil Nadu's trillion dollar economy target is intrinsically linked to the state's fiscal strategy discussed extensively in Chapter 2, and independent analysis flags fiscal sustainability as the primary structural concern facing this ambition. The state's debt to GSDP ratio, projected at approximately 26.4 percent by the end of 2024 to 2025, is characterized in independent assessment as potentially following an unsustainable upward trajectory under baseline conditions, a risk compounded by the state's persistent revenue deficit discussed in Chapter 2, section 2.4, and by committed expenditure, comprising salaries, pensions, and interest payments, consuming close to two-thirds of revenue receipts, with interest payments alone constituting more than 20 percent of revenue receipts, a proportion that significantly exceeds the norms recommended by past Finance Commissions (Agentkart, 2025). This constrained fiscal space, as discussed in Chapter 2, section 2.2, limits the state's ability to fund the large-scale developmental and infrastructure investment, discussed in Chapters 8, 9, and 11, that the trillion dollar economy vision requires.

Addressing this constraint will necessitate continued own revenue mobilisation, building on the strong own tax revenue performance discussed in Chapter 2, section 2.1, alongside sustained advocacy for a more equitable share of central tax devolution, discussed in Chapter 2, sections 2.6 and 2.9, and careful expenditure rationalisation that preserves the state's welfare commitments discussed in Chapter 7 while creating fiscal space for the capital expenditure acceleration already underway, discussed in Chapter 2, section 2.3.

21.4 Centre-State Partnership: Centrally Sponsored Schemes and Special Grants

As discussed extensively in Chapter 2, section 2.9, and Chapter 12, section 12.2, Tamil Nadu's relationship with the Union Government on fiscal transfers, centrally sponsored scheme funding, and disaster relief allocation has become an increasingly prominent and, at points, contentious feature of the state's development planning. The recent transition from MGNREGA to the VB-G RAM-G framework, discussed in Chapter 12, section 12.2, with its associated shift to a 60:40 state-Centre funding ratio and supply-driven budget cap, exemplifies the kind of structural change in Centre-state partnership arrangements that Tamil Nadu's Vision 2047 financing strategy, discussed in section 21.3, will need to continuously adapt to. Similarly, the fund release disputes connected to the state's non-implementation of the National Education Policy's three-language formula, discussed in Chapter 2, section 2.9, and Chapter 5, section 5.8, illustrate how policy disagreements in one domain can carry direct fiscal consequences that complicate the state's broader development financing strategy.

Sustained and constructive Centre-state partnership, particularly around the equitable calibration of Finance Commission transfers discussed in Chapter 2, section 2.6, and around disaster relief funding given the state's climate vulnerability discussed in Chapter 14, will remain a necessary, if not always fully within the state's own control, condition for the successful realisation of Tamil Nadu's Vision 2047 ambitions.

21.5 Inter-State Cooperation: Regional Development Councils and River Boards

As discussed in Chapter 4, section 4.8, Tamil Nadu's economic geography places it in close functional interdependence with neighbouring states, particularly through the Chennai-Bengaluru Industrial Corridor's shared development with Karnataka, and through the Cauvery river basin water-sharing arrangements that remain a subject of ongoing inter-state coordination discussed in Chapter 13, section 13.3. The Southern Regional Power Committee, discussed in Chapter 4, section 4.8, and Chapter 9, provides an existing institutional mechanism for power grid integration cooperation among southern states, a model of functional regional cooperation that could be extended to other cross-border infrastructure and resource management priorities as Tamil Nadu's growth corridors, discussed in Chapter 3, section 3.9, continue to expand toward the state's borders with Karnataka, Andhra Pradesh, and Kerala.

21.6 International Collaboration: Common Development Agenda and Global Partnership

Tamil Nadu has pursued a distinctly internationalized approach to development financing and technical partnership relative to many other Indian states, exemplified by the Japan International Cooperation Agency's financing of both the Tamil Nadu Urban Health Care Project discussed in Chapter 6, section 6.8, and the priority section of Chennai Metro Phase 2 discussed in Chapter 8, section 8.5, the Asian Development Bank's Tamil Nadu Urban Flagship Investment Program and housing sector projects discussed in Chapter 11, sections 11.2 and 11.3, and Guidance Tamil Nadu's partnership with the World Economic Forum

discussed in Chapter 4, section 4.1. The state's Global Startup Coordination Centre in Dubai, with further centres planned for Singapore and the United States, discussed in Chapter 17, section 17.1, extends this international collaboration model into the innovation and startup domain specifically.

This pattern of active, multi-institutional international engagement, spanning multilateral development banks, bilateral development agencies, and international economic forums, positions Tamil Nadu to continue drawing on external capital and technical expertise as a meaningful complement to its own fiscal resources, discussed in section 21.3, in financing the infrastructure, human capital, and innovation investments required by its Vision 2047 roadmap.

21.7 Monitoring, Evaluation and Results Framework

Tamil Nadu's monitoring and evaluation architecture for its development plans operates substantially through the State Planning Commission's technical verticals discussed in section 21.1, which undertake scheme impact evaluation, alongside the state's Department of Economics and Statistics, discussed in Chapter 20, section 20.6, which compiles the annual Economic Survey that has served as the primary data source underpinning this report's assessment across nearly every chapter. The State Planning Commission's Plan Coordination vertical additionally oversees the state's engagement with NITI Aayog's SDG India Index, discussed in Chapter 20, section 20.1, providing a nationally benchmarked results framework against which Tamil Nadu's progress on cross-cutting development goals can be tracked over time relative to other Indian states.

The comparatively strong data availability that enabled this report's detailed treatment of the state's fiscal position in Chapter 2, its economic structure in Chapter 3, and its education outcomes in Chapter 5, contrasted with the more limited public data available on topics such as mental health service coverage discussed in Chapter 6, section 6.5, mining governance discussed in Chapter 13, section 13.4, and migration flows discussed in Chapter 20, section 20.4, suggests that strengthening the results framework's coverage and public disclosure across this latter set of topics represents a specific, actionable priority for improving the state's monitoring and evaluation architecture going forward.

21.8 Accountability Architecture: Legislature, Civil Society and Citizens

Tamil Nadu's accountability architecture for its development agenda operates through multiple, mutually reinforcing institutional channels documented throughout this report: the Tamil Nadu Legislative Assembly's budget scrutiny function, informed by independent analysis from bodies such as PRS Legislative Research cited extensively in Chapter 2; the audit oversight provided by the Comptroller and Auditor General, discussed in Chapter 2, section 2.8, and Chapter 4, section 4.6; the anti-corruption oversight provided by the Tamil Nadu Lokayukta and the Directorate of Vigilance and Anti-Corruption, discussed in Chapter

15, section 15.2; and the citizen-facing grievance redressal mechanisms embedded in Biz Buddy, discussed in Chapter 4, section 4.1, and the e-Sevai platform, discussed in Chapter 16, section 16.3.

Civil society and community-based institutions, including Self Help Groups organized under Mahalir Thittam, discussed in Chapter 12, section 12.4, and Village Water and Sanitation Committees, discussed in Chapter 10, section 10.1, provide a further, more grassroots layer of accountability and participatory oversight over scheme implementation at the local level. The continued strengthening of this multi-layered accountability architecture, encompassing legislative, judicial, administrative, and civil society channels operating in parallel, will be essential to ensuring that Tamil Nadu's pursuit of its trillion dollar and Vision 2047 ambitions, discussed throughout this chapter, translates into development outcomes that are not only large in aggregate scale but genuinely broad-based, transparent, and accountable to the state's nearly 78 million residents, discussed in Chapter 1, section 1.3, across the full span of sectors covered by this Comprehensive Development Framework.

End Note

This Comprehensive Development Framework for the State of Tamil Nadu has sought to provide a rigorous, evidence-based account of the state's development position across twenty-one chapters. Spanning geography and demography, fiscal architecture, economic structure, industry and investment, education, health, social justice, infrastructure, energy, environment, governance, technology, innovation, agriculture, tourism, cross-cutting themes, and long-term strategic vision, a consistent picture emerges. It is the portrait of a state that has converted decades of systemic investment in human development and institutional capacity into an increasingly competitive, internationally engaged economic growth model, all while continuing to navigate genuine and well-documented challenges. What follows is a final synthesis of this framework, a distillation of where Tamil Nadu stands today and the trajectory it must chart for tomorrow.

The overarching narrative of Tamil Nadu's development cannot be decoupled from its historical commitment to social justice. The chapters on **Education, Health, and Social Justice** illustrate that the state's current economic dynamism is not an accidental byproduct of market forces, but the deliberate dividend of egalitarian policymaking. By democratizing access to public health infrastructure, implementing expansive welfare architectures, and driving universal educational attainment, the state built a highly capable workforce. This human capital base has fundamentally altered the state's **Demographic and Geographic** advantages. Tamil Nadu has transitioned from basic literacy and primary healthcare achievements to grappling with second-generation human development challenges, namely, upgrading higher education to meet the exacting standards of a globalized knowledge economy and managing the healthcare needs of a rapidly aging population alongside urbanization.

As detailed in the analyses of **Economic Structure, Industry and Investment, Technology, and Innovation**, Tamil Nadu has effectively leveraged its human capital to establish itself as a vanguard of Indian industrialization. The state has moved beyond traditional manufacturing to cultivate complex agglomerations in automobiles, electronics, pharmaceuticals, and global capability centers (GCCs). The state's economic model demonstrates a unique dual capacity: maintaining a massive, labor-intensive manufacturing base that absorbs semi-skilled labor while simultaneously accelerating into high-value, technology-driven sectors. However, the data also reveals the imperative for continuous evolution. To maintain its competitive edge, the state must deepen its innovation ecosystems, transition from technology consumption to technology creation, and ensure that foreign direct investment (FDI) translates into deep, localized supply chain integration.

The physical manifestation of this growth requires an increasingly sophisticated approach to the built and natural world. Our review of **Infrastructure, Energy, and Environment** reveals a critical inflection point. Tamil Nadu boasts some of the most extensive physical infrastructure in the country, from ports and highways to digital connectivity grids. Yet, the demands of a modern industrial economy place immense stress on these systems.

Crucially, Tamil Nadu stands at the forefront of the green energy transition. As a national leader in wind and solar capacity, the state is demonstrating how economic growth can be decoupled from carbon-intensive energy sources. However, this progress is counterbalanced by acute environmental vulnerabilities. The state is profoundly exposed to climate change, facing dual threats of severe coastal degradation and interior water scarcity. Future infrastructure investments must therefore be fundamentally reoriented around climate resilience and ecological sustainability.

While urbanization accelerates, the chapters on **Agriculture and Tourism** remind us that the state's economic and cultural soul remains deeply tied to its land and heritage. Agriculture continues to be a primary source of livelihood, requiring urgent technological interventions, such as precision farming and resilient crop varieties, to combat water stress and improve yield values. Simultaneously, the tourism sector, anchored by the state's unparalleled cultural, spiritual, and medical assets, presents a massive, under-leveraged vector for sustainable job creation and cultural preservation.

The ambition of the state's long-term strategic vision is ultimately bound by the realities of its **Governance and Fiscal Architecture**. The framework highlights a central tension: Tamil Nadu is a highly productive, revenue-generating state that frequently finds itself penalized by the very metrics of its own success within the broader framework of Centre-state fiscal relations. Navigating this evolving fiscal federalism requires extraordinary institutional agility. The state must continuously optimize its own-tax revenue streams, leverage e-governance to eliminate leakages, and ensure high capital expenditure without breaching fiscal sustainability norms.

Tamil Nadu stands today at a critical juncture between its historical achievements and its future aspirations. The goal of emerging as a \$1 trillion economy is not merely a quantitative target, but a qualitative mandate to elevate the standard of living for over 80 million residents. This Comprehensive Development Framework confirms that the "Tamil Nadu Model," the symbiotic pursuit of social equity and economic growth, remains highly viable.

Council for Comprehensive Development Frameworks

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