



STATE OF GOVERNMENT EFFICIENCY



FROM PRESIDENT TRUMP TO INDIAN STATES LOOK FOR EFFICIENCY TO CREATE FISCAL HEADROOM

SKOCH Governance Outcomes Index

STARS

- 1 MAHARASHTRA
- 2 GUJARAT
- 3 ODISHA
- 4 UTTARAKHAND
- 5 HARYANA

PERFORMERS

- 6 UTTAR PRADESH
- 7 TAMIL NADU
- 8 WEST BENGAL
- 9 ANDHRA PRADESH
- 10 TELANGANA

CATCHING-UP

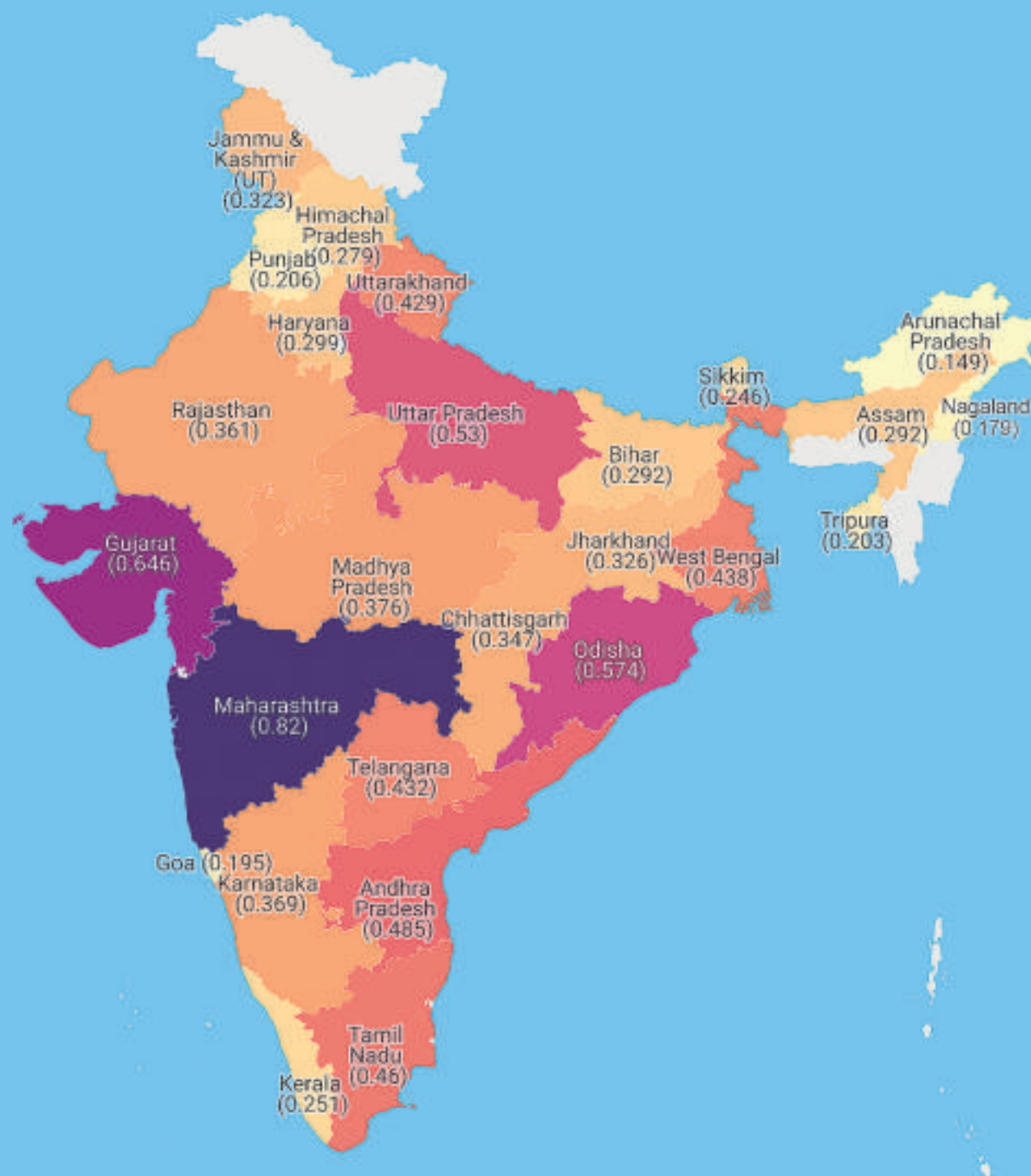
- 11 CHHATTISGARH
- 12 MADHYA PRADESH
- 13 JAMMU & KASHMIR
- 14 KARNATAKA
- 15 HIMACHAL PRADESH

The SKOCH Governance Outcomes Index is designed to ensure a rigorous and multi-layered evaluation process that reflects both the quality and impact of governance initiatives across Indian states. This index measures the quality of bureaucratic institutions, administrative responsiveness, and the capacity of the state to deliver essential services and public goods. This Index stands out as a groundbreaking approach to assessing the performance of Indian states through a robust, multi-layered evaluation mechanism rooted in both qualitative and quantitative analysis.

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State of Government Efficiency



Disclaimer: Map not to scale. For representation only.

SKOCH Financial Prudence Index

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PERFORMERS

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- 7 JHARKHAND
- 8 UTTAR PRADESH
- 9 MADHYA PRADESH
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CATCHING-UP

- 11 MANIPUR
- 12 MEGHALAYA
- 13 RAJASTHAN
- 14 ASSAM
- 15 TRIPURA

The Financial Prudence Index captures a state's ability to raise revenues, manage expenditures, and ensure fiscal sustainability—core components of state capacity. The decentralisation of fiscal responsibilities is seen as a mechanism to improve allocative efficiency, presuming that subnational governments are better positioned to assess and address local preferences. The index not only reflects a state's technical competence in public financial management but also its institutional resilience in balancing autonomy with accountability. By assessing fiscal health through this triad—revenue generation, expenditure management, and long-term sustainability—the index serves as a proxy for measuring broader governance capabilities at the state level.

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Early 2025, the United States embarks on a daring governance experiment: President Donald Trump and visionary entrepreneur Elon Musk launch the Department of Government Efficiency (DOGE), a playful nod to Musk's cryptocurrency obsession. Their goal is audacious—streamline bureaucracy, curb waste and ensure every taxpayer dollar yields tangible benefits for Americans.

This pursuit of efficiency reverberates globally, finding a striking parallel in India, where the SKOCH State of Government Efficiency Index unveils how the nation's diverse states transform scarce resources into meaningful progress.

For India's citizens—millions of whom rely on state services—this index is more than a metric; it's a testament to the leaders who turn constraints into opportunities, a legacy significantly shaped by Prime Minister Narendra Modi's transformative vision.

Rooted in the principles of 'technical efficiency'—maximising outputs from available inputs—and 'allocative efficiency'—aligning resources with public priorities—this index redefines how we assess state performance. It moves beyond tracking budgets or policy rhetoric to measure real impact: how effectively do states convert administrative capacity and fiscal reserves into safer roads, better healthcare, or thriving schools? In India's federal mosaic, where states

navigate vast populations, tight finances and regional disparities, this lens highlights unsung successes and inefficiencies often obscured by conventional data. Much of this clarity owes itself to Modi's decade-long push for Digital India and administrative reforms, which have modernised governance and amplified state potential.

SKOCH State of Government Efficiency Index

The index balances two pillars: the SKOCH Governance Outcomes Index and the SKOCH Financial Prudence Index, each weighted equally. The former captures the human dimension—how innovative, scalable and effective public services are in transforming lives. Picture a farmer accessing subsidies via a mobile app or a student in a remote village learning through digital classrooms, both made possible by Modi's digital revolution. The latter enforces fiscal discipline, evaluating debt levels, revenue strategies, deficits and investments in sustainable growth. Together, they spotlight states that deliver results without compromising financial health, a synergy bolstered by Modi's emphasis on accountability and technology-driven transparency.

This methodology is robust and forward-thinking. By integrating administrative excellence with fiscal prudence, it celebrates states that achieve high-impact outcomes—think accessible healthcare or resilient

infrastructure—while safeguarding economic stability. It eschews short-term populism that burdens future generations, a trap Modi's reforms have deftly avoided by fostering a culture of efficiency. Data is normalised using min-max scaling for fairness—high debt lowers scores, smart spending elevates them—while governance assessments draw from expert analysis, peer reviews, field insights and public voices. This multidimensional approach reflects the administrative overhaul Modi has championed, enabling states to thrive within finite means.

Modi's Digital India

Across the globe, Trump and Musk's DOGE initiative echoes this ethos, aiming to optimise government resources in a way that aligns with India's efficiency journey. Musk, ever the innovator, might admire a state like Gujarat—Modi's former proving ground—where fiscal caution pairs with transformative governance, a model honed during the Prime Minister's tenure there. Indeed, India's efficiency gains owe much to Modi's Digital India initiative, launched in 2015, which digitised public services, slashed bureaucratic delays and empowered citizens with tools like Aadhaar and UPI. Coupled with administrative reforms streamlining decision-making, these efforts have turbocharged state capacity, making the index's insights possible.

For India's people, this Index tells a deep

human story. It's the teacher in a tribal hamlet whose classroom hums with digital lessons, thanks to Modi's connectivity push or the small entrepreneur whose business thrives because a state portal cut red tape. It recognises states that pioneer cost-effective, scalable solutions—innovations that endure because they're built on Modi's foundation of sustainable governance. For policymakers, it's a roadmap to replicate success, identifying states that stretch every rupee to serve their citizens, a principle Modi has ingrained in India's administrative DNA.

Reimagining Governance

As Trump and Musk reimagine American governance, India's states offer a masterclass in efficiency under pressure, much of it catalysed by Modi's foresight. The Prime Minister's decade of reforms—digitising services, digital transactions, enhancing accountability and fostering fiscal responsibility—has equipped states to do more with less, a philosophy the index quantifies and celebrates. States like Tamil Nadu or Uttar Pradesh, leveraging these tools, exemplify how technology and discipline can uplift millions. Their stories, grounded in data and lived experience, underscore a truth Modi has long championed: good governance isn't about abundance—it's about ingenuity.

The State of Government Efficiency Index doesn't just rank—it reveals resilience, creativity and the quiet triumphs of leaders

SKOCH DEVELOPMENT FOUNDATION

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servicing vast populations with limited resources. Thanks to Modi's vision, India's states are not merely coping but excelling, offering lessons that resonate from Delhi to Washington. Which states lead this charge? Their achievements, built on a decade of reform, prove that efficiency is the heartbeat of progress. ■