



## Regional Disparity in Maharashtra: Agriculture and Non-Agriculture Development

**Thete Kiran Ramdas, JNU Research Scholar**

**Abstract :**

The following study analyzes regional disparity within Maharashtra State. The association between Political representation, infrastructural development and income is compared to highlight regional differences. The study observes that Marathwada and Vidarbha region lags in development and therefore there is need of special focus on these two regions for balance regional development.

**Keywords: Agriculture, Credit, Infrastructure, Irrigation, Marathwada and Vidarbha.**

**Background**

The three Marathi speaking regions of Maharashtra were united with the acceptance of Nagpur Pact dated 28.09.1953, also known as Nagpur agreement. The state comprised of Marathi speaking regions of Greater Bombay, Marathwada and Vidarbha. There was great economic and social diversity in these three regions at the time of establishment of Maharashtra. The parts of Greater Bombay, known as Rest of Maharashtra (RoM), were more developed than Marathwada and Vidarbha. Mumbai district is excluded from the study since inclusion of it distorts the picture because of it's establishment as a financial capital of India. Mumbai is an urban region with its own characteristics.

**Table 1: The Region wise division of Maharashtra state.**

RoM excluding Mumbai	Marathwada	Vidarbha
Thane	Aurangabad	Buldhana
Raigad	Jalna	Akola
Ratnagiri	Parbhani	Washim
Sindhudurg	Hingoli	Amravati
Nashik	Beed	Yavatmal
Dhule	Nanded	Wardha
Nandurbar	Osmanabad	Nagpur
Jalgaon	Latur	Bhandara
Ahmednagar		Gondia
Pune		Chandrapur
Satara		Gadchiroli
Sangli		
Solapur		
Kolhapur		

Source: Government of Maharashtra

RoM is biggest region comprising of 14 districts followed by Vidarbha with 11 districts and Marathwada with 8 districts.

**Table 2: Share of regions in Area and Population (Excluding Mumbai)**

Region	Geographical Area ('00 ha)	Share in Area (%)	Population 2011	Share in Population (%)
Rest of Maharashtra	144893	47.4	58187537	58.2
Marathwada	64813	21.0	18731872	18.7
Vidarbha	97404	31.7	23012551	23.0
Maharashtra	307110	100	99931960	100

Source: Government of Maharashtra

The regions of Vidarbha and Marathwada were in fear of being underrepresented in the Maharashtra's economic and political decision making of the state. To prevent this situation, Nagpur pact was signed with important directive to the state functioning in the future which are stated as follows:-

- ❧ Special attention shall be given to promote balance regional development in the state.
- ❧ The composition of the Government shall reflect the proportion (and needs) of the population.
- ❧ *Fair and adequate facilities in proportion to that population* of these units shall be assured for admission to all educational institutions having training facilities in vocational and scientific professions or other specialized training.
- ❧ The emphasis on *decentralization* as an effective means of better associating administration with the citizens.

Even after more than 50 years of establishing Maharashtra State, Marathwada and Vidarbha have not witness promised policy, representation and budget allocation. The inequality between the regions of Maharashtra is evident in terms of per capita income, infrastructural development, educational institutions, health facilities and political representation. The problem has been aggravated to a level that the Maharashtra Governor had to direct state government to form a High Level Committee on Balanced Regional Development on 31<sup>st</sup> May 2011. The current region specific socio-economic-political conjuncture reflects the widening inequality in the region.

**Table 3- Ratio of PCI of the regions measured (at 2004-05 constant prices)**

Region	200-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>RoM</b>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Marathwada</b>	0.66	0.63	0.60	0.59	0.56	0.53	0.56	0.55	0.55	0.59
<b>Vidarbha</b>	0.82	0.77	0.78	0.75	0.75	0.69	0.72	0.70	0.68	0.76

Source- Based on DES data, Maharashtra government.

It is observed that the PCI of RoM has always been greater than other parts. Over the period, there has been decline in the PCI ratio of both Marathwada and Vidarbha region. During 2009-10, the PCI of Vidarbha was 24 percent lower than that of RoM. While, Marathwada PCI was lower by 40%. Besides, the rural population is higher in Marathwada and Vidarbha as compared to other parts. The growth in urban population has been slower in this two regions.

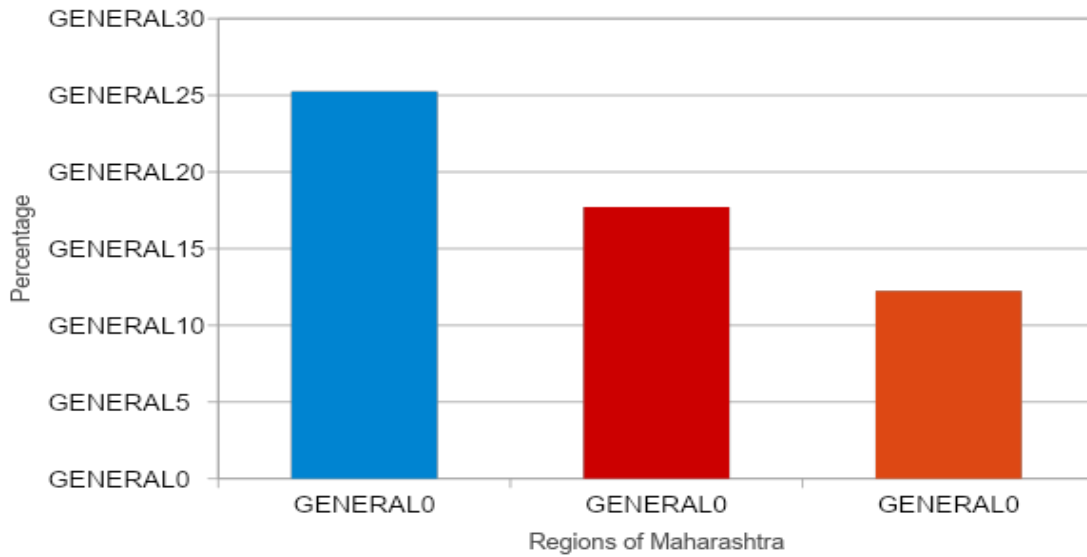
Marathwada and Vidarbha are regions with deficient rainfall and the irrigation has been not undertaken in this region on par with the potential level of this regions.

**Table 4: Region-wise share of Rural and Urban Population to total Population**

Region	2011		2001	
	% of Rural Population	% of Urban Population	% of Rural Population	% of Urban Population
<b>RoM</b>	56.7	43.3	61.6	38.4
<b>Marathwada</b>	64.9	35.1	67.9	32.1
<b>Vidarbha</b>	72.9	27.1	75.5	24.5
<b>Mahrashtra</b>	54.8	45.2	57.6	42.4

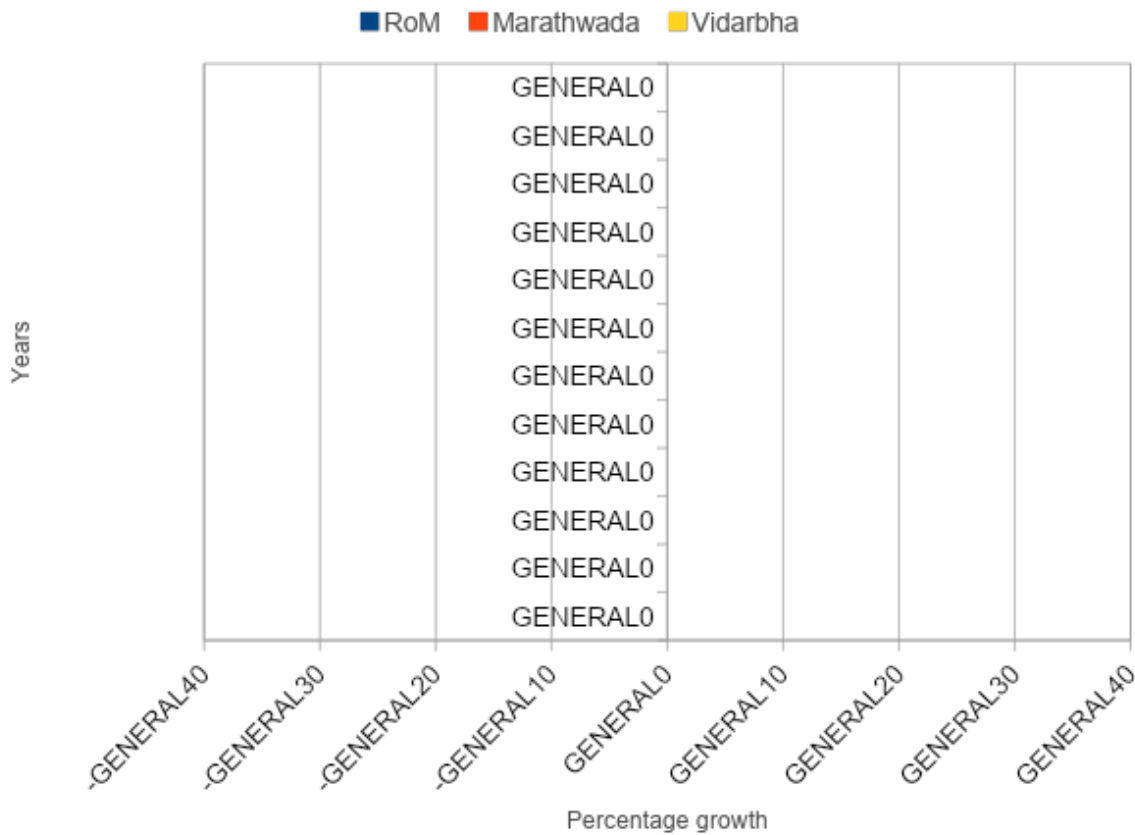
Source- Authors calculation from 2011 census report.

**Figure 1: Region-wise share of irrigation in culturable land, 2011**



source- Irrigation Status Report, 2012.

**Figure 2: Comparison of CAGR in Agricultural income YoY growth in GDP**



Source: Department of Economics and Statistics, Maharashtra



From 2001 to 2012, the agricultural income in Marathwada and Vidarbha have seen greater fluctuations and negative growth as compared to RoM. Marathwada and Vidarbha region have experienced negative growth in Agricultural income which has led to region being mired in agrarian crisis from long time.

Review of Literature:

Maharashtra is one of the leading states in terms of PCI and is also one of the most developed state in India.. The regional disparity in Maharashtra is alarming. With the exclusion of Mumbai and Pune, Maharashtra's' economic indicators would be relatively closer Bihar, Madhya Pradesh and Uttar Pradesh states in India.

Based on data from 1993-94 to 2002-03m, Shaban (2006) examined regional trends across sectors for Maharashtra state. The study revealed that Konkan division accounted for 50% of state income. The western Maharashtra was next highest contributor followed by Vidarbha and Marathwada. In terms of District, the urbanized areas of Greater Mumbai, Pune, Thane and Nagpur accounted for about half of the total state income. Also, these districts share in tertiary sector income was close to 60%. This shows that Maharashtra economy is highly driven by this metropolitan enclaves. The study also found that the benefits of greater investment and development had spillover effect in the adjoining regions of Konkan and western Maharashtra.

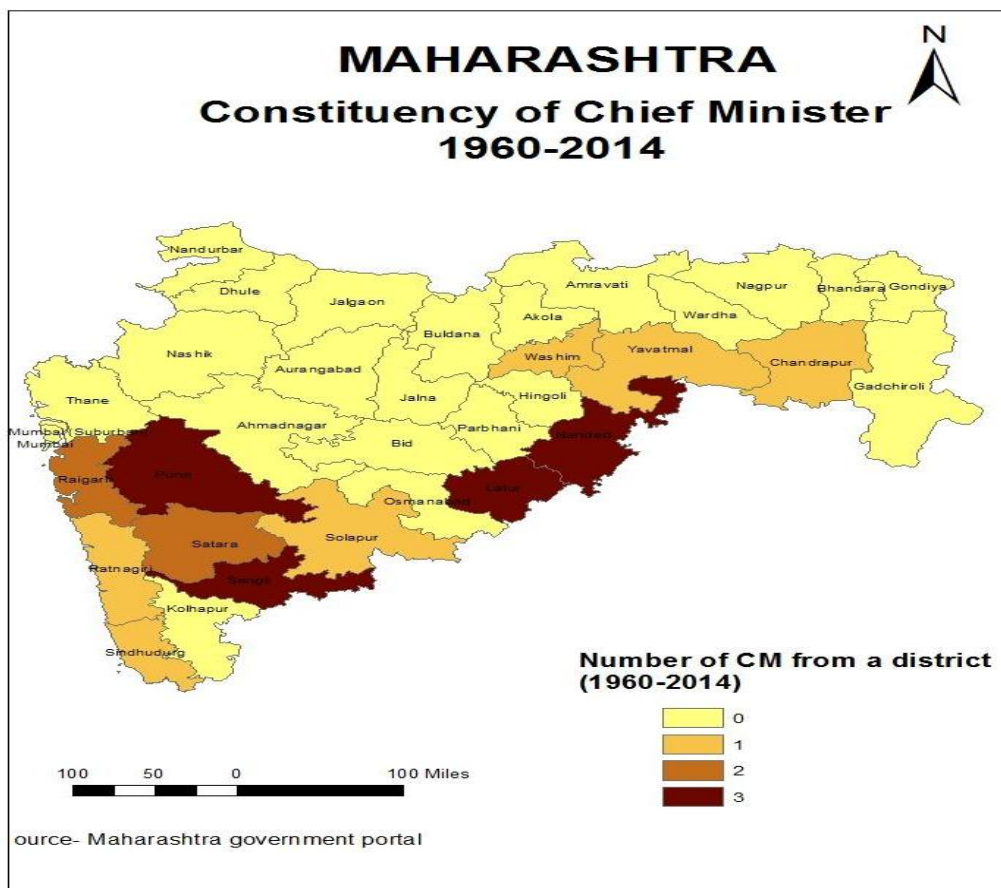
Mohanty (2009) studied the reasons for disparity in the regional development in Maharashtra. His analysis suggests that Vidarbha and Marathwada regions failed to grab the proportionate share in development because of the absence of a well articulated structure of factions and alliances. The Marathwada was found to do better than Vidarbha because of the socio-economic proximity of its local elite with those of western Maharashtra.

The Maharashtra Governments Planning Department (2013) report necessary steps required to attain balanced regional development in Maharashtra. In terms of socio-economic indicators, the study observed a clear region-wise disparity and hence focused on decentralized policy approach based on regional characteristics. The RoM was biggest beneficiary of the state budget and private sector investment. While, the Marathwada region was performing slightly better than Vidarbha region at aggregate level. The Department report notes that the 'one size fits all' policy, disproportionate and discriminatory resource allocation have led to concentration of wealth and assets in few regions of the state. The development of RoM has provided it advantage in attracting capital and industries in last two decades. Importantly, there are few regions within RoM which are lagging in terms of development. The measure suggested by the planning department report includes decentralization of economic policies, increase in allocation to underdeveloped regions of Maharashtra, investment in infrastructural development in the backward regions. The incentives and projects funding need to take into consideration agro-climatic qualities. This would provide comparative advantage to regions and help in sustainable development. Based on this recommendation, Marathwada region needs to be promoted for Solar farming and Tourism industry.

## Data Analysis and Observations

The regional disparity can be analyzed with indicators such as per capita income, electricity consumption, agricultural income, irrigation facilities, agricultural credit and industrial development, etc. In this study I have tried to establish association between these indicators and the regional disparity in Maharashtra.

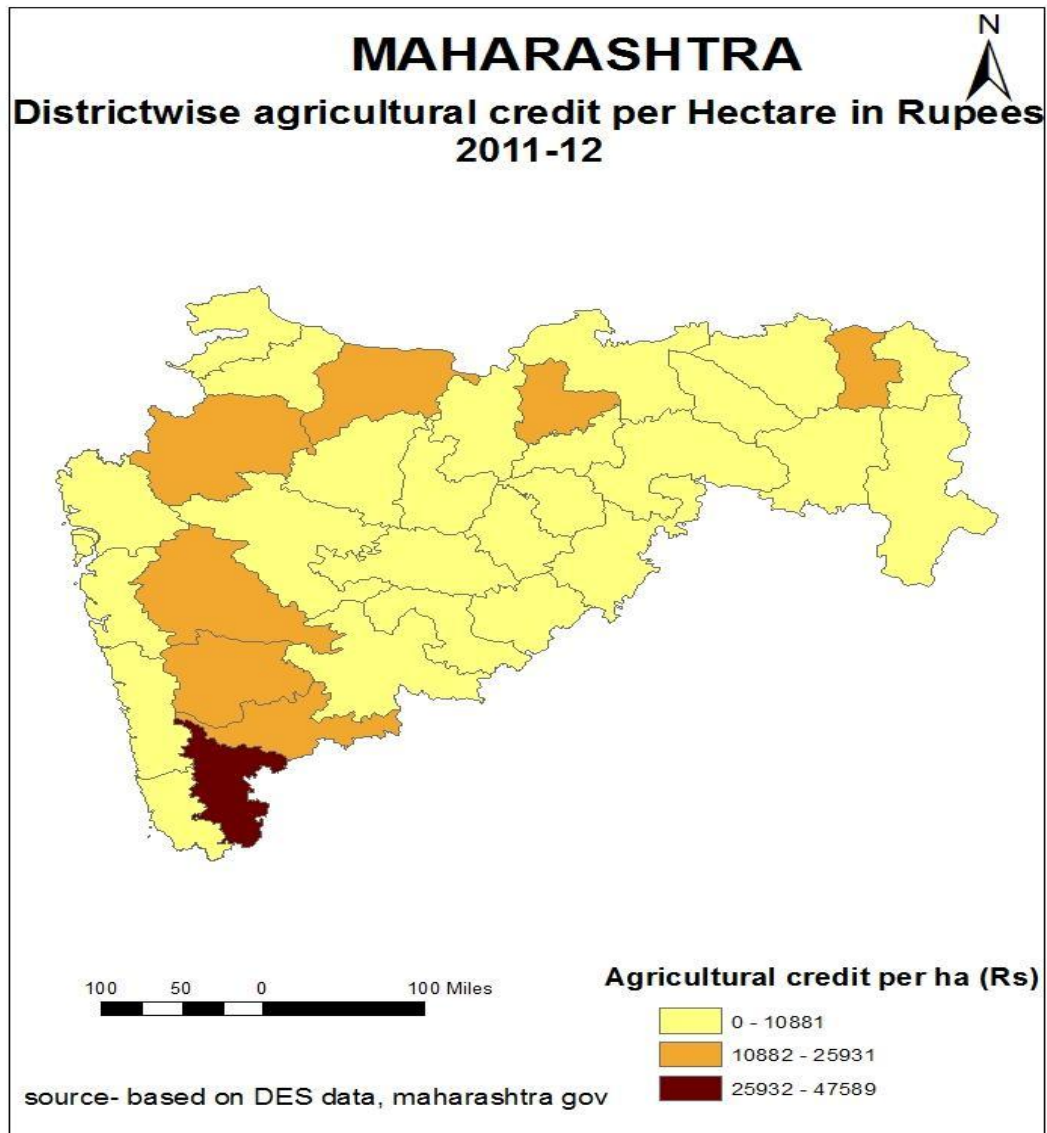
### 1) Political Representation



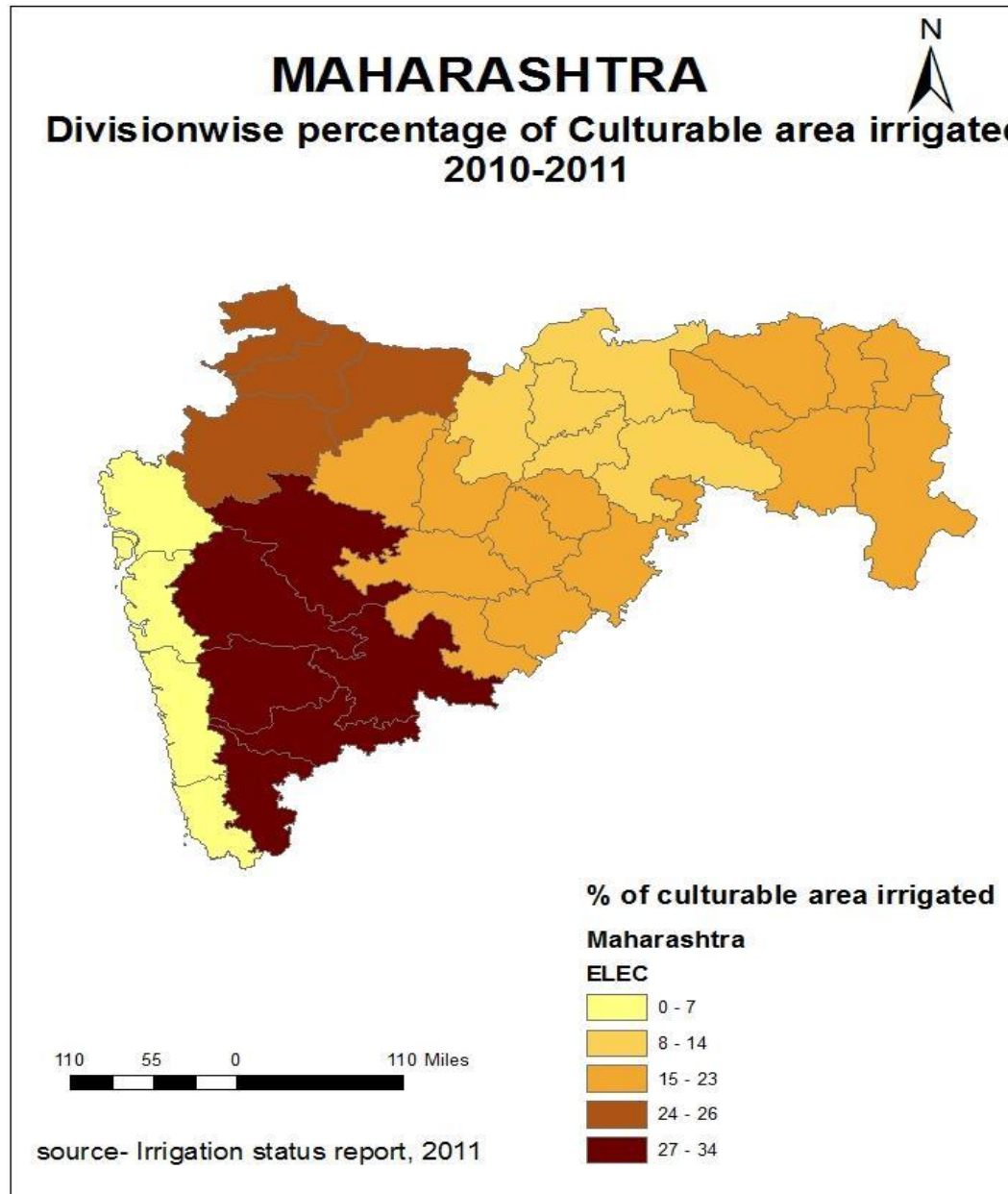
Out of the 22 Chief Minister (CM) of Maharashtra from 1960 to 2014, 13 CM belonged to the RoM region. Marathwada have been successful to grab CM seat only 6 times and Vidarbha have been successful only 3 times. Even in case of Central government portfolios, RoM have dominated the share of seats. Similar pattern have been observed in case of seats of cabinet ministers and other important portfolios. RoM also accounts for a greater share of government employees in the state. The domination of RoM on important seats have direct relation to its development and resource mobilisation.

## 2) Agriculture and allied activities-

The agricultural crisis have affected Maharashtra in a disproportionate manner.



The amount of credit disbursement per hectare was higher for districts in RoM. The only exception to this were two districts from Vidarbha, Akola and Nagpur. The Marathwada and Konkan region had



very low amount of credit per hectare for all districts.

The RoM have better irrigation and credit facilities as compared to Marathwada and Vidarbha. This



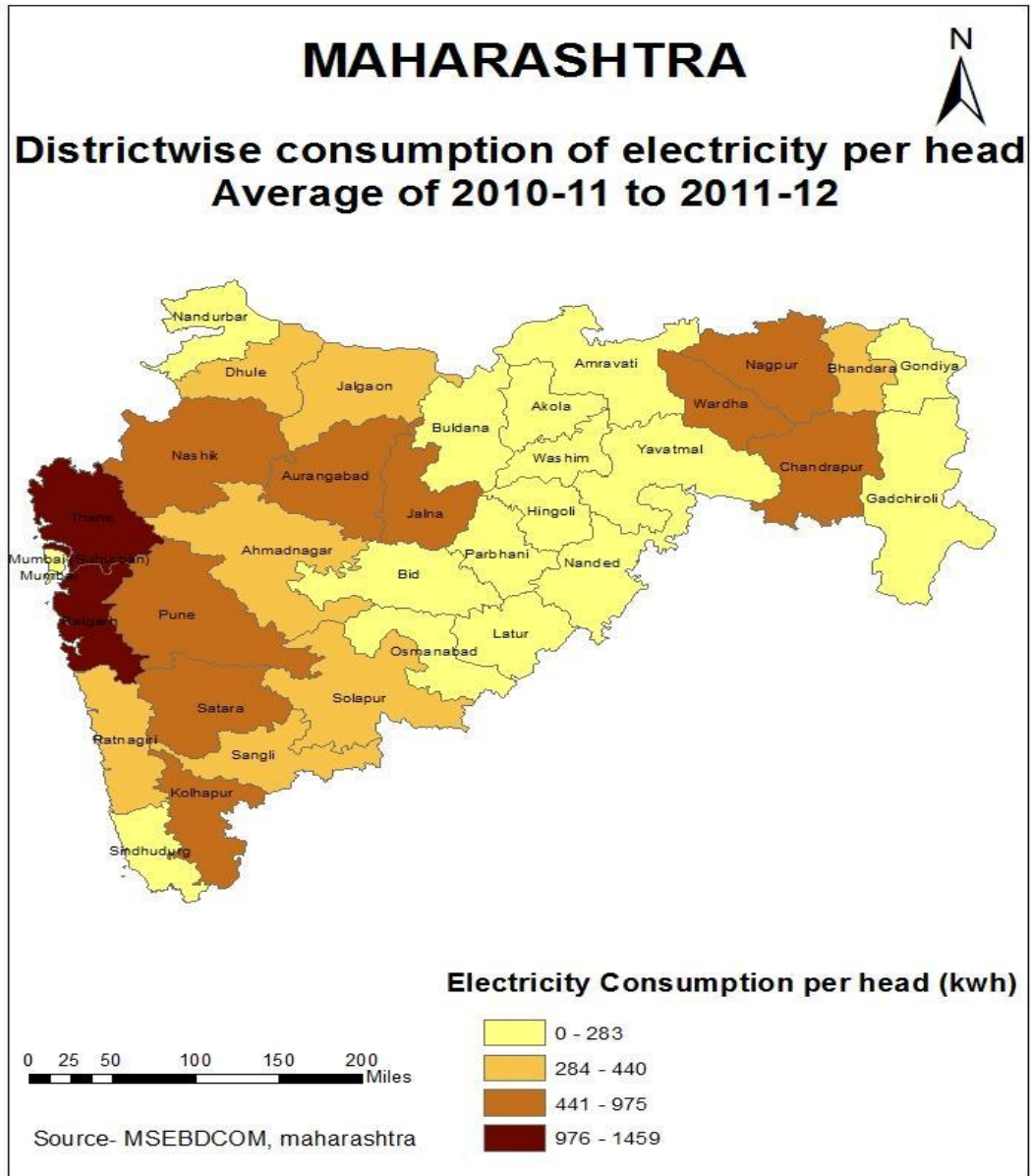


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insures RoM from the agricultural vagaries and promotes greater investment in Agriculture. The Percentage share of area irrigated was very high in Pune and Nashik division. Both this regions are in western Maharashtra region and also have high credit disbursement per hectare. Since 2010-11, not a single irrigation project has been completed in the state. As many as 64 irrigation projects in the state have turned into dead investments. There is no progress on these projects which incurred a cumulative investment of Rs. 175.6 billion.

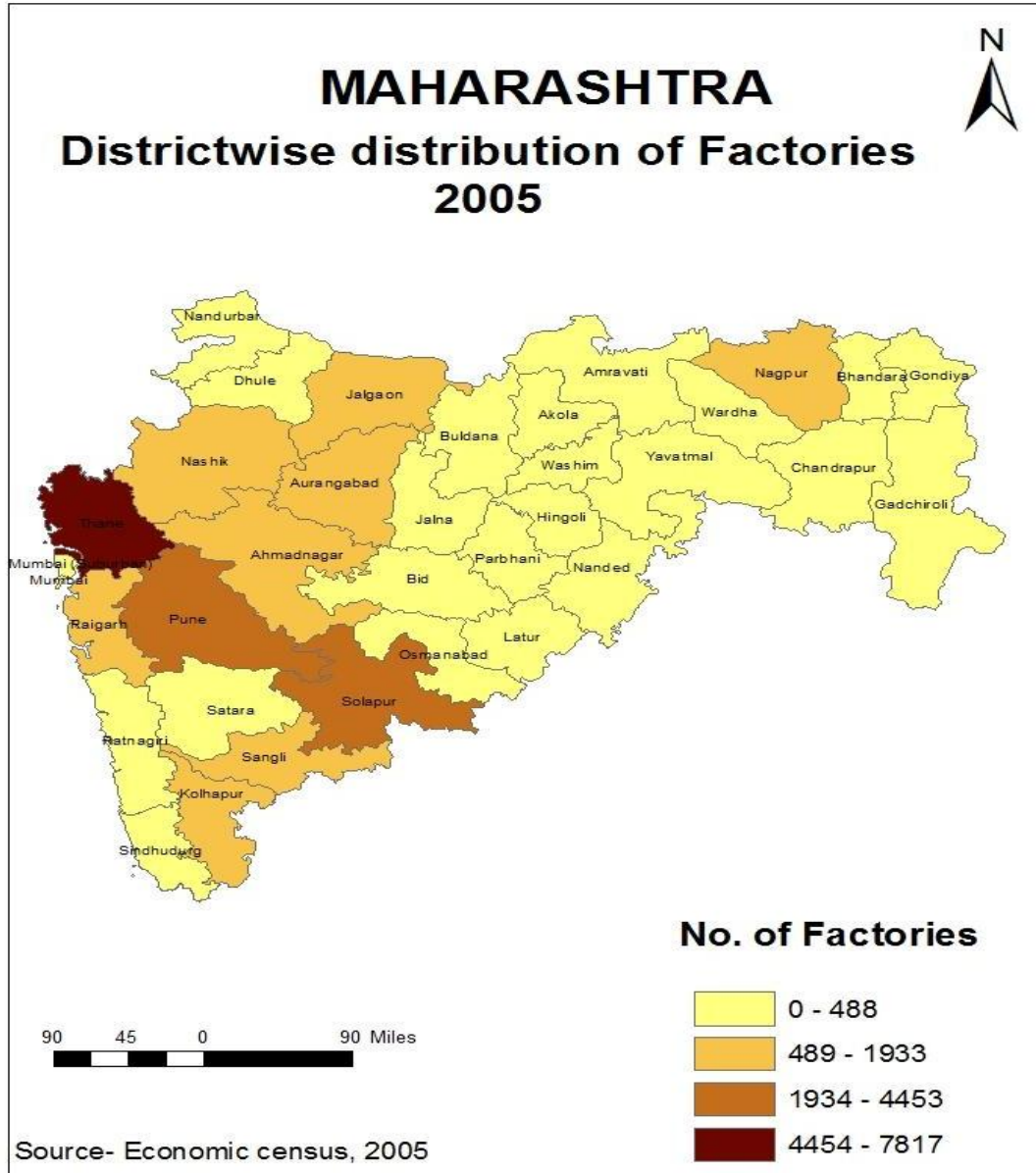
### **3) Infrastructural Development and Secondary sector-**

The infrastructural development promotes development of all sectors in the economy and facilitates better linkage between primary, secondary and tertiary sector of the economy. The diversification of sector has huge impact on the income and employment of the state. It is observed that the RoM does better than the other parts because of better infrastructural facilities.

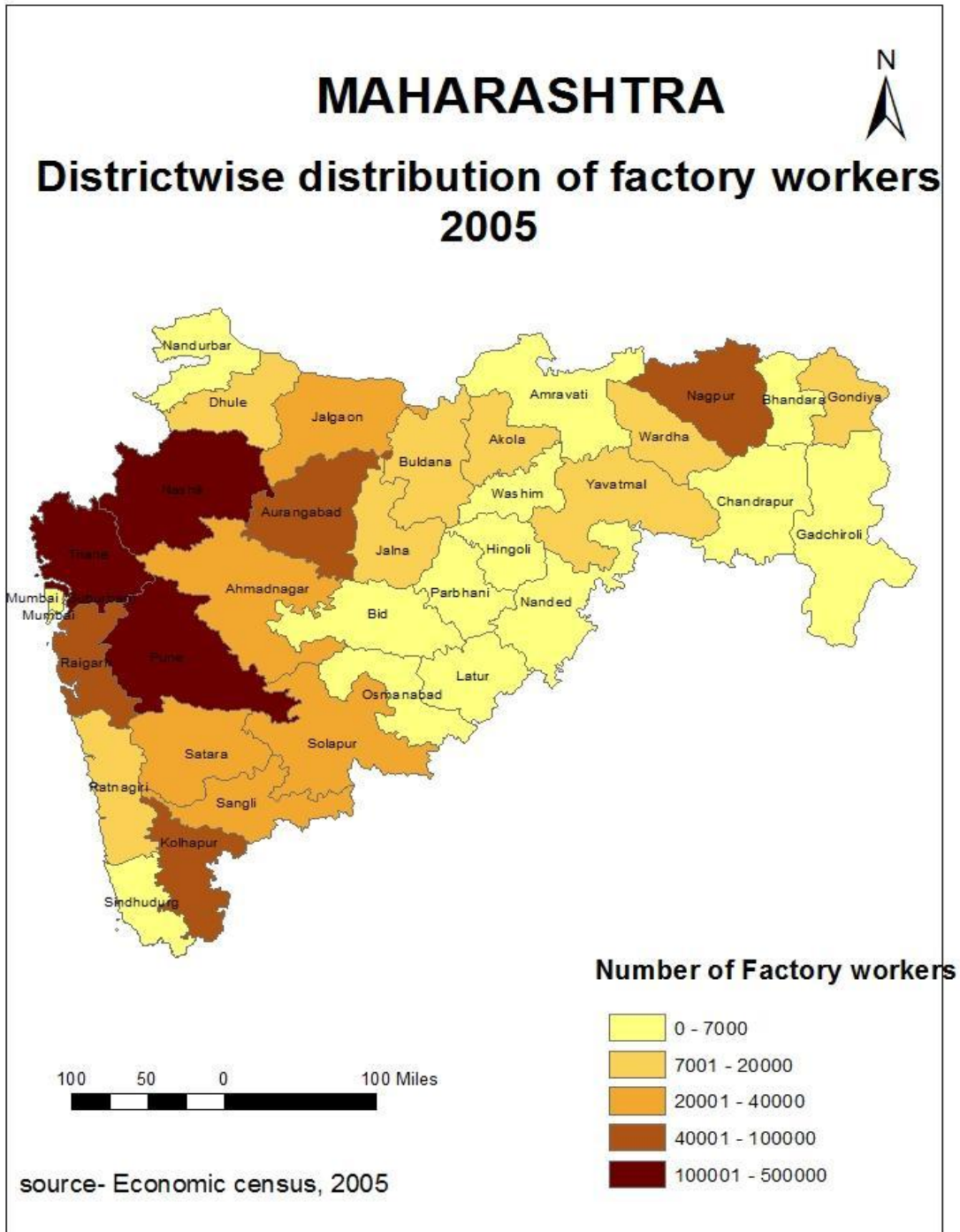


Electricity is an important component for the development of industry. The study of District-wise per capita consumption of electricity show that the underdeveloped districts have a very low consumption of electricity and it positively correlated with the districts dismal performance in agriculture and industry.

The number of factories and employed workers show a skewed distribution in favor of developed regions. All districts of Marathwada and Vidarbha (except Nagpur) have total factories less than 500.



The number of factories in Nagpur is highest at 1900. In Konkan division, Thane consist highest number of Factories followed by Pune and Solapur. The Marathwada and Vidarbha have less factories and this is one of the major reasons for low rate of urbanization and income growth. This has resulted in the huge migration of workers from Marathwada and Vidarbha region to RoM. The analysis of factory workers suggests that factories in Marathwada have been able to generate employment for less than 7000 workers per district. In Vidarbha (except Nagpur) the picture is better in terms of employment with the employment opportunity per district between the range of 7000 to 40000. The Nagpur district have been able to provide employment to over 1 lakh workers.





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## Conclusion

There has been skewed development in the state of Maharashtra with few regions like Thane, Pune, Nashik and Nagpur performing relatively better than other regions. The infrastructural development and political representational data analysis suggests that underdeveloped regions are neglected in the process of development. Analysis of economic indicators suggests that Vidarbha and Marathwada region lags behind the rest of Maharashtra. Only Aurangabad and Nagpur district from Marathwada and Vidarbha region have slightly better employment opportunities. Besides, Maharashtra state has witnessed pockets of development instead of balance regional development. Therefore, there is need to prioritize underdeveloped regions in government infrastructural and industrial development to achieve the goal of balance regional development envision in Nagpur Pact.

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