



The background features a vibrant blue gradient. Overlaid on this are several intricate, white, abstract line art designs. These designs consist of multiple thin lines that curve and flow across the page, creating a sense of movement and depth. Some areas where the lines are more densely packed form soft, organic shapes, while other areas are more sparse, showing the underlying blue background.

**2**

**Economic Development**

## Overview

The Gross State Domestic Product (GSDP)<sup>7</sup> at current prices for 2009-10 is estimated at Rs. 9,01,330 crore. Maharashtra's GSDP is the highest in the country and it contributes about 14.7 per cent to the Gross Domestic Product (GDP)<sup>8</sup>.

The national income (at factor cost) at current prices is estimated at Rs. 54,39,557 crore in 2009-10, as against Rs. 46,85,873 crore in 2008-09, showing an increase of 16.1 per cent. The corresponding increase in Maharashtra's Income was 16.9 per cent.

In 2009-10, the Per Capita national income at current prices was Rs.46,492 as against the Per Capita state income of Rs. 74,027. Maharashtra's Per Capita state income, which is the third highest in the country after Goa and Haryana, is mainly the result of the prominence of the industry and services sectors.

The State boasts of vibrant industrial and services sectors. Both of these presently contribute about 89 per cent of the state's domestic product. Agriculture & allied activities contributes 11 per cent to Maharashtra's income.

A revenue deficit of Rs. 7,654 crore (0.7 per cent of GSDP) and a fiscal deficit of Rs. 24,294 crore (2.4 per cent of GSDP) has been projected during 2010-11.

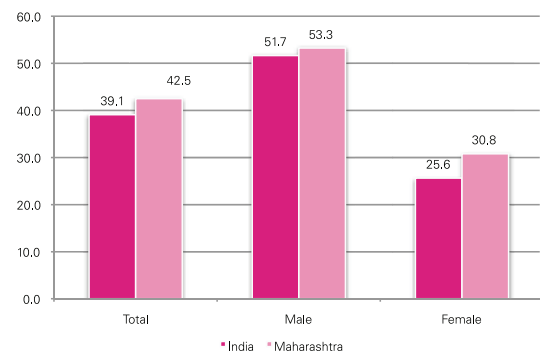
*Source : Economic Survey, 2010-11, Directorate of Economics and Statistics, Government of Maharashtra*



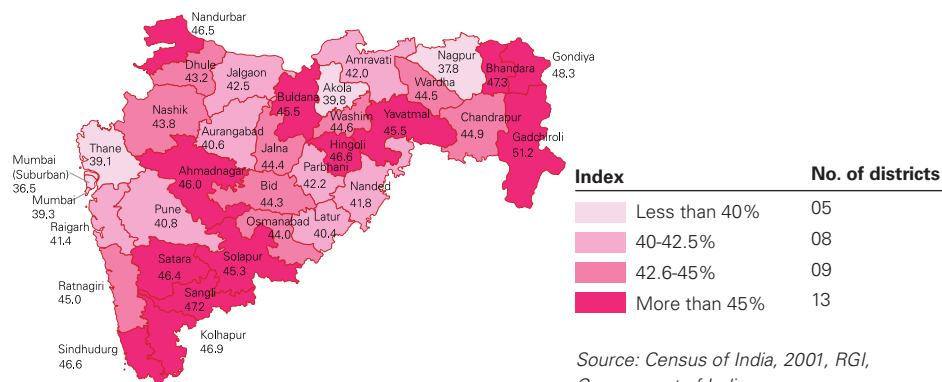
Ganesh Kumar Nigam

## Work participation rate<sup>9</sup>, 2001

### Comparison of work participation rate by sex, India and Maharashtra, 2001



### Work participation rate by districts, 2001



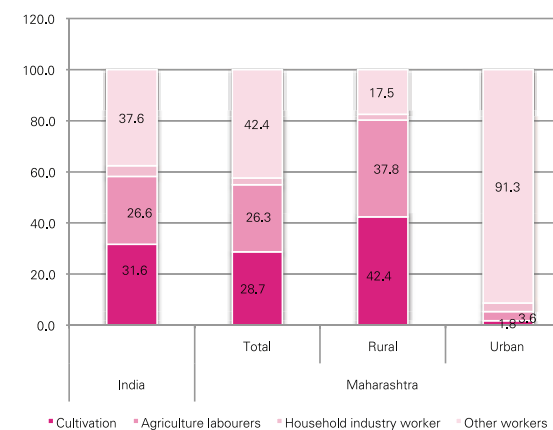
- Work participation rate of Maharashtra is 42.5%, which is higher than the national average of 39.1%.
- Work participation rate of females in Maharashtra (30.8%) is higher than the national average (25.6%).
- Work participation rate varied in districts from Mumbai (suburban) district (36.5%) to Gadchiroli district (51.2%).

## Work participation rate, 2001

### Workers by category, 2001, Maharashtra



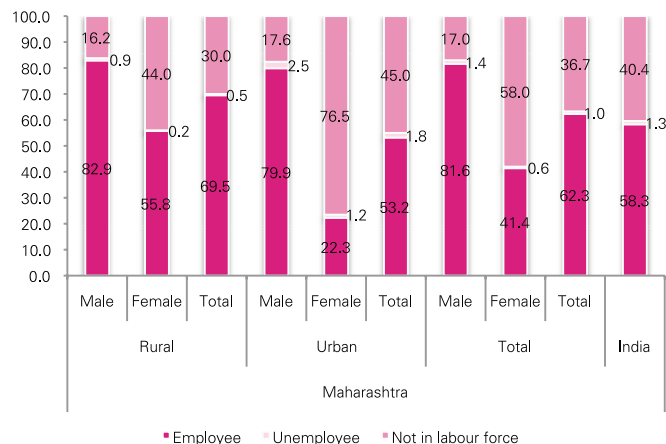
### Distribution of workers, 2001



- Work participation rate is 42.5%. Of the total population, Main workers<sup>10</sup> constitute 35.9%, marginal workers<sup>11</sup> are 6.6% while the rest, 57.5% are non workers<sup>12</sup>.
- Females work participation is lower than males.
- A major proportion of workers in the state, 42.4%, belongs to "Other" category, which is higher than the national average (37.6%).
- Compared to the national average of 31.6%, only 28.7% workers are involved in cultivation in Maharashtra.

Source: Census of India, 2001, RGI, Government of India

### Employment and unemployment indicators<sup>13</sup> according to usual status (ps+ss) of age 15-59 years, 2009-10

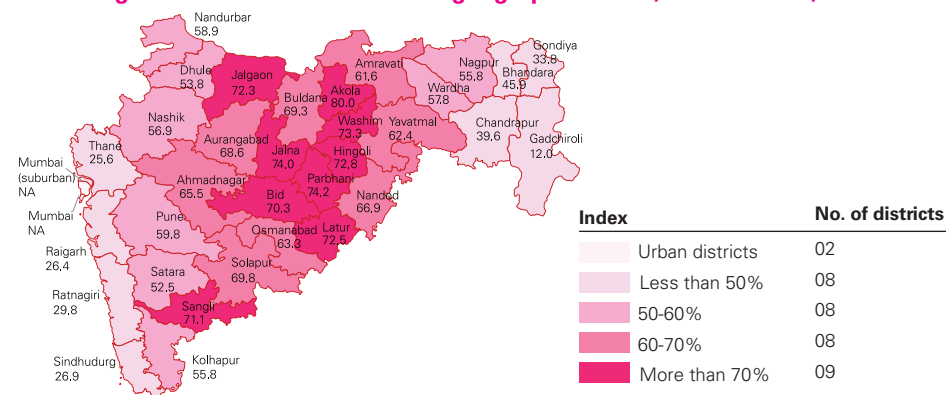


Source: NSSO, 66<sup>th</sup> Report, June 2011

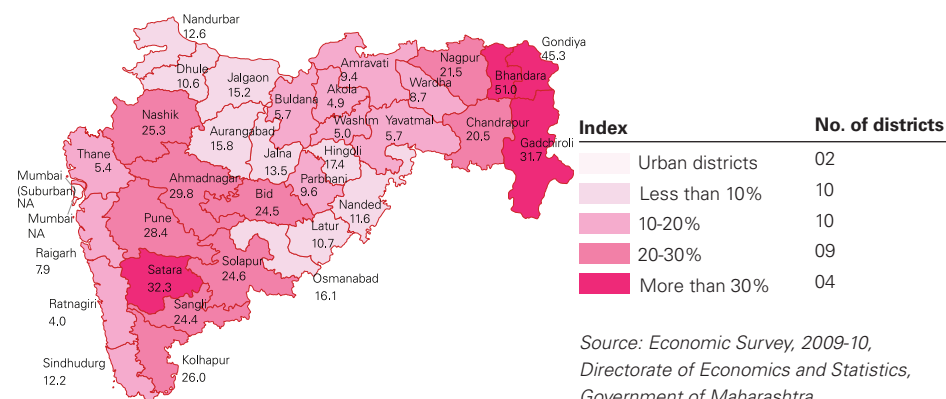
- In Maharashtra, 63.3% population in the 15-59 years age group are in the labour force, which is higher than the national average (59.6%).
- In rural areas, there are more people in the labour force compared to urban areas especially females. In Maharashtra, there are more females in the labour force compared to the national average.
- The proportion of unemployed people is in the state 1.0%, which is slightly lower than the national average.

### Agriculture economy

Percentage of net area sown<sup>14</sup> to total geographical area, Maharashtra, 2007-08



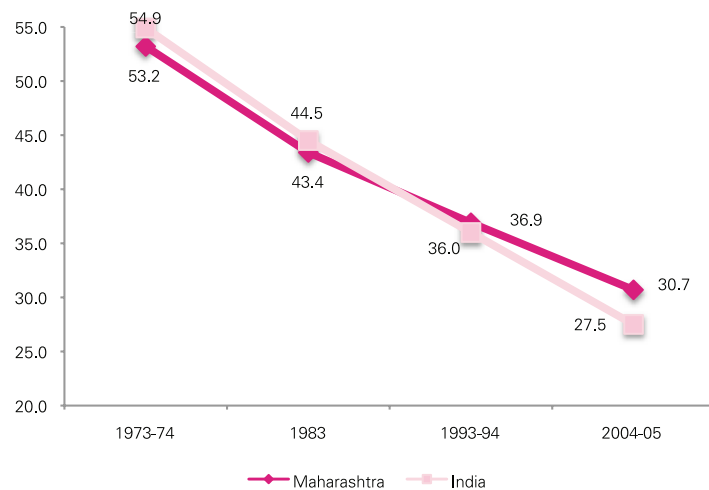
Percentage of gross irrigated area<sup>15</sup> to gross cropped area<sup>16</sup>, Maharashtra, 2001



Source: Economic Survey, 2009-10, Directorate of Economics and Statistics, Government of Maharashtra

- Percentage of net area sown to total geographical area in 2007-08 was 56.8% and it varied from Gadchiroli (12.0%) to Akola (80.0%) districts. It was very low in Konkan and Nagpur divisions.
- Percentage of gross irrigated area to gross cropped area in 2001 was 17.8% and it varied from Ratnagiri (4.0%) to Bid (51.0%) districts. It was very low in Konkan and Amravati divisions.

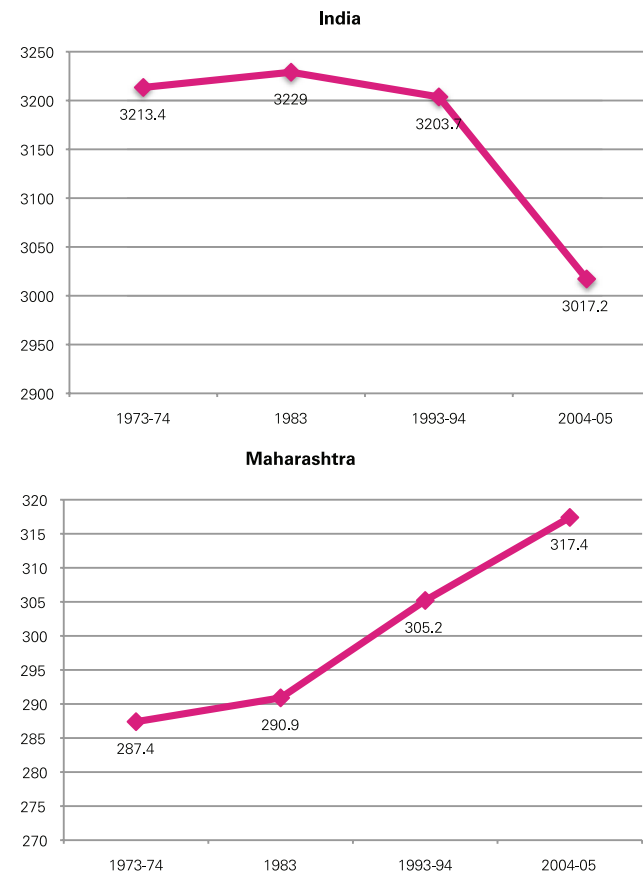
### Trends in percentage of Below Poverty Line (BPL)<sup>17</sup> population to total population, India and Maharashtra, based on Uniform Recall Period<sup>18</sup> (URP)



Source: Planning Commission, Government of India

- Percentage of BPL population decreased over the period in India and Maharashtra
- Reduction in percentage of BPL population in the state is slightly lower than the national average.
- Percentage of BPL population in the state was slightly lower than the national average up to 1983 but after that it is higher than the national average.
- Maharashtra, Tamil Nadu and West Bengal had the same level of incidence of poverty during 1993-94, but poverty ratios for the states Tamil Nadu and West Bengal were much less than that of Maharashtra in 2004-05.

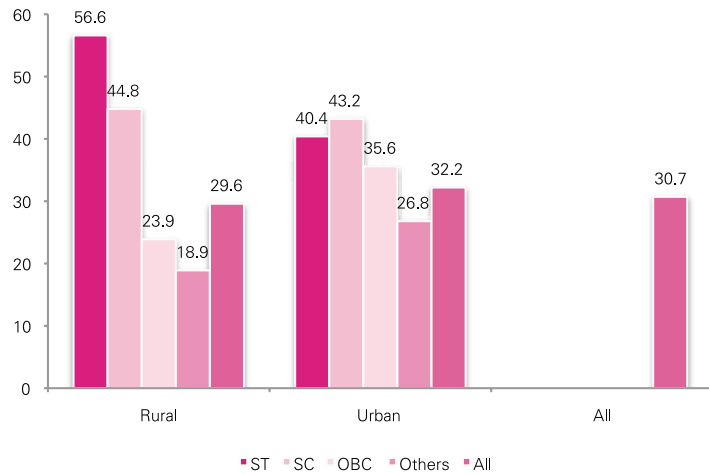
### Trends in population of Below Poverty Line (BPL), (in lakhs) India and Maharashtra, based on Uniform Recall Period (URP)



Source: Planning Commission, Government of India

- Over the compared period, the Below Poverty Line (BPL) population in the country shows a decrease but Maharashtra's BPL population is on the rise.
- Maharashtra's BPL population increased by 12.2 lakh between 1993-94 and 2004-05, especially in urban areas.
- The state's GSDP and per capita income are on the higher side, but at the same time incidences of poverty and BPL population are also higher.

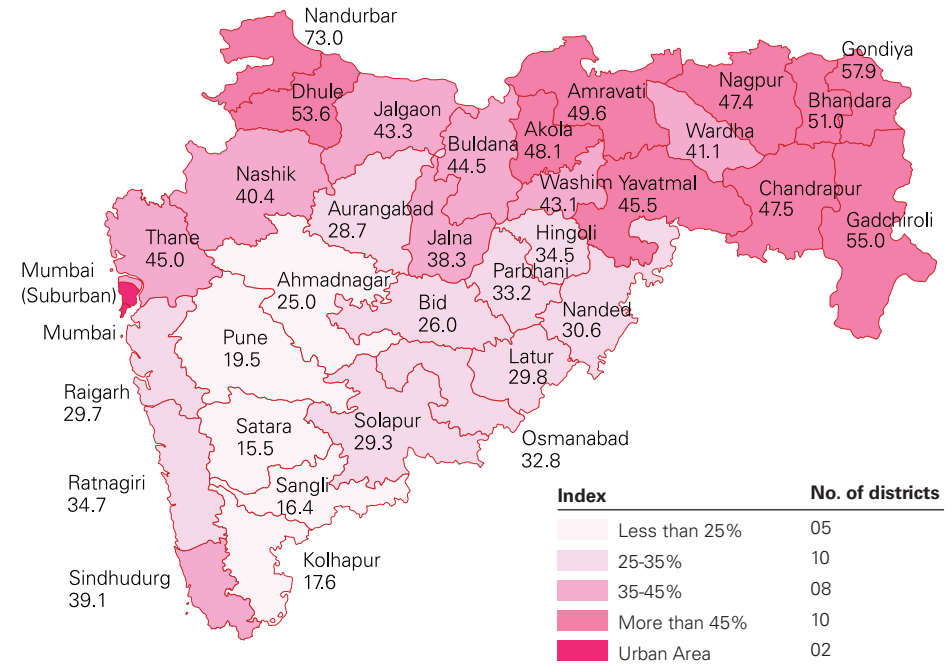
### Percentage of Below Poverty Line (BPL) population to total population by area and social groups, 2004-05, based on Uniform Recall Period (URP)



Source: Planning Commission, Government of India

- Percentage of BPL population in urban areas is higher than rural areas.
- Incidence of poverty is much higher in SC and ST social groups.

### Percentage of families Below Poverty Line (BPL) in rural areas, 2002



State average : 35.7%

Highest : 73% Nandurbar

Lowest : 15.5% Satara

Source: Economic Survey, 2010-11, Directorate of Economics and Statistics, Government of Maharashtra

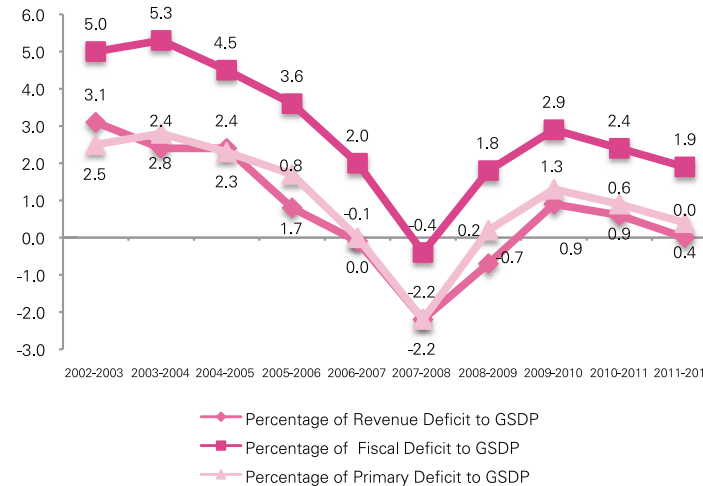
- Significant disparity exists among districts with reference to percentage of BPL families.
- Nagpur and Amravati divisions have higher percentages while Pune division has a lower percentage of BPL families.

## State budget

- Actual expenditure of state budget was Rs. 61,665 crore in year 2002-03 and it reached Rs. 1,11,781 crore in year 2009-10.
- Total expenditure is estimated at Rs. 1,54,124.87 crore for year 2011-12. Share of non-plan expenditure is 70% of total expenditure.
- Similarly, 65.42% of total expenditure is estimated to be spent on developmental activities.
- The state Government's expenditure on social services is 35.7%, on general services is 16.5% and 13.0% on economic services. Further, 14.6% is spent on capital expenditure and 12.0% on interest payment and debt services to total expenditure.
- The state's debt is increasing each year. It was Rs. 82,549 crore in the year 2002-03, went up to Rs. 1,42,382 crore in the year 2007-08 and is estimated at Rs. 2,26,926 crore for the year 2011-12.
- Maharashtra's school education department's share of total state expenditure was 14.19%, while that of health department was 1.89% and of the women and child welfare department was 1.4 % in the year 2009-10.

Source: Budget in brief, 2011-12, Government of Maharashtra

## Trends in deficit management



Source: Budget in brief, 2011-12, Government of Maharashtra

- Government of Maharashtra has successfully achieved target and fiscal indicators agreed in Fiscal Responsibility and Budget Management (FRBM) act.
- Fiscal<sup>20</sup>, revenue<sup>19</sup> and primary<sup>21</sup> deficit reduced between 2003-04 to 2007-08, slightly increased between 2007-08 to 2009-10 but declining trend has been observed after 2010-11.

### Comparative annual growth rate of GSDP and GDP, at constant (2004-05) price (in %)

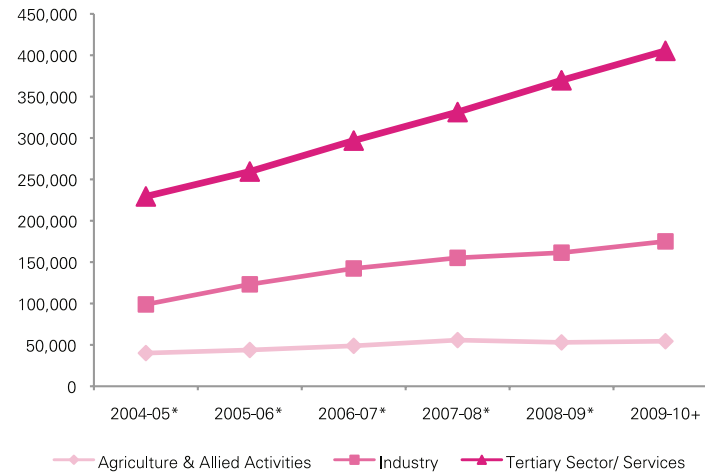


\* Provisional + Preliminary ++ Advance estimates

Source: Economic Survey, 2010-11, Directorate of Economics and Statistics, Government of Maharashtra

- GSDP annual growth rate showed a declining trend between 2005-06 to 2008-09, however, it is showing increase after 2008-09.
- GSDP growth rate for 2010-11 is estimated at 10.5%.
- GSDP growth rate for agriculture and allied sector is 12.5%, 9.0% for the industry sector and 10.9% for the services sector.

### Net State Domestic Product (NSDP)<sup>22</sup> by sector, at constant (2004-05) price (Rs. in crore)

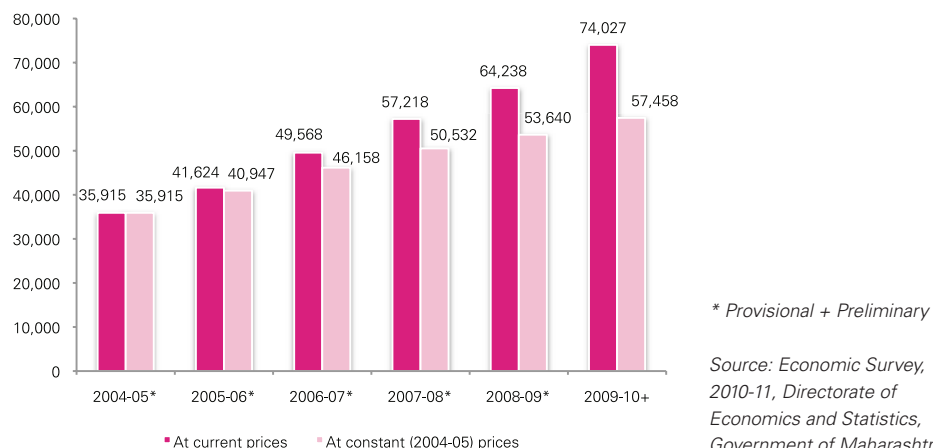


\* Provisional + Preliminary

Source: Economic Survey, 2010-11, Directorate of Economics and Statistics, Government of Maharashtra

- Share of tertiary /services sector in state's income has increased from 62.3% in 2004-05 to 63.3% in 2009-10.
- The growth rate for agriculture and allied sector was 35.7% between 2004-05 to 2009-10, while it was more than 75% for industry and services sector during the same period.

### Per capita income (NSDP)<sup>23</sup> at current and constant (2004-05) prices

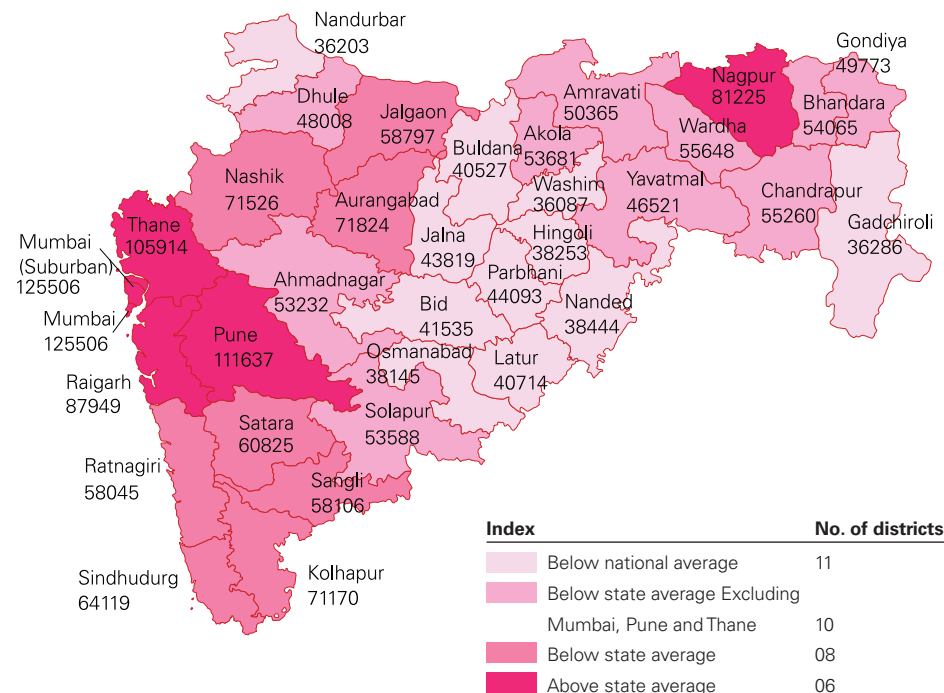


- Per capita income at current prices has grown twice between 2004-05 and 2009-10.
- In 2009-10, the Per capita national income at current prices was Rs. 46,492 as against Per capita state income of Rs. 74,027. The higher Per capita state income is mainly the result of the prominence of the industry and services sectors.

### Economic disparity in districts, 2009-10

- Maharashtra state has large economic disparities across its districts.
- Per capita income (at current prices) differs across districts and is significantly lower in the districts of Amravati and Aurangabad divisions.
- While per capita income is more than one lakh rupees in four districts- Mumbai, Mumbai (suburban), Thane and Pune, it is lower than Rs. 40,000 in six districts- Washim, Nandurbar, Gadchiroli, Osmanabad and Hingoli.
- 29 districts have per capita income lower than the state average (Rs. 74,027).
- 11 districts have per capita income lower than the national average (Rs. 46, 492).

### Per capita income (at current prices) by districts, 2009-10



**National average: Rs. 46,492**  
**State average: Rs. 74,027**  
**Highest: Rs. 1,25,506 Mumbai and Mumbai (suburban)**  
**Lowest: Rs. 36,087 Washim**

Source: Economic Survey, 2010-11, Directorate of Economics and Statistics, Government of Maharashtra

- Four districts- Mumbai, Mumbai (suburban), Thane and Pune, contribute 46.6% to the total state income (NSDP at current prices).