An Account of Industrialisation in Maharashtra

Shyamasree Jana and Ivy Das Gupta*
Department of Economics, The Bhawanipur Education Society College, Kolkata 700020, West Bengal

Abstract

The paper is aimed at analyzing the state-wise trends in GDP in order to recognize the state which has been contributing the highest to the overall GDP of India. With the help of data from various sources it could be noticed that the SGDP in the state of Maharashtra is substantially more in comparison to the other states and it accounts for 15.29% of the overall GDP of the country till 2018-19. Further, it is examined how the state has come about to be the most industrialized state of the country having the highest share of urban population and attracting the maximal amount of investments both through public and private sources. Annual Growth rates of GSVA by Industries and other components has been calculated for a detailed analysis. Setting up of online portals like MAITRI and establishments of various industrial parks by the Government and MIDC have successfully contributed to creating a business friendly environment. Apart from various policies helping in cluster promotion of industries and other institutions supporting the same through fiscal incentives and public funding, the well-knit transportation system developed by the State Government has caused the state to be a "one-stop" for the investors and new businesses. Though, the state is industrially the most developed and accounts for the highest share of GDP, inter-state disparity has always been a matter of concern. Thus, measures must be taken to overcome the disastrous situations prevailing in the backward regions of the state so as to reach new heights of prosperity in the overall state.

Keywords: GDP, SGDP, Annual Growth Rate, GSVA, MAITRI, MIDC.

1. Introduction

India, a union of states, is a Sovereign, Secular, Democratic Republic with a Parliamentary system of Government. The President serves as the constitutional head of the Union's Executive branch, while in the states, the Governor acts as the President's representative. The country comprises 28 states and 8 Union territories. With an estimated population of 1.39 billion people in 2021, India is the second-most populous nation globally, following China. Sixty-five percent of the population lives in rural areas. Due to its vast size and significant structural and economic diversity, the Indian subcontinent is best understood at the regional level, which highlights its unique characteristics. Each State and Union Territory in India has its own distinct demographics and growth history. Given the country's expanding population, it faces challenges in matching the trade, commerce, and sustainability levels of developed nations. Uttar Pradesh, for example, has the largest rural population in the country.

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* Correspondent Author: email: ivy.dasgupta@thebges.edu.in (I. Das Gupta)

In pre-colonial India, traders from around the world were drawn to its bustling urban handicraft industry, a key component of the industrial sector at the time. Employment opportunities were abundant in both the industrial and agricultural sectors. However, under colonial rule, India's economy became predominantly agrarian. With the decline of the industrial sector, many people either migrated to plantations or were coerced by the colonials into working there. The British introduced the Trade Union Act in 1927, which banned general and sympathetic strikes and prohibited civil servants from joining unions affiliated with the Trade Union Congress.

After gaining independence, the Planning Commission (established in 1950) focused investments on agriculture and related sectors, which form the primary sector of the economy. Over the years, there was a gradual shift from the primary sector to the tertiary sector, although the majority of the workforce remained in agriculture. This shift in focus and the lack of public investment left agriculture dependent on traditional methods, making it difficult to compete globally. States like Bihar, Uttar Pradesh, Chhattisgarh, Madhya Pradesh, and Rajasthan, which have the largest rural populations, predominantly rely on agriculture and allied sectors for their livelihoods.

After 1947, India adopted a socialist economic model characterized by significant government intervention in markets and enterprises, resulting in a more conservative economy compared to other nations. Before the country could fully embrace industrialization, the Minimum Wages Act of 1948 was enacted to ensure a decent standard of living for all workers. Key labor laws such as the Industrial Disputes Act (1947) and the Factories Act (1948) were also introduced.

The Planning Commission was established on 15th March 1950 to steer the country's economy effectively. The First Five-Year Plan (1951-56) focused on agriculture, price stability, and power. The Second Plan (1956-61), led by P.C. Mahalanobis, emphasized a socialist economic pattern. The Fourth Plan (1969-74) facilitated the Green Revolution, boosting agricultural productivity. The Sixth Plan (1980-85) marked the beginning of trade liberalization and saw the establishment of the National Bank for Agriculture and Rural Development (NABARD) to protect the interests of those in agriculture.

The adoption of the New Economic Policy in 1991 brought significant changes to the Indian economy. Economic liberalization allowed private sector organizations to operate with fewer restrictions and opened the economy to foreign companies and investments. This reduced barriers and relaxed control over the economy by the private sector. In 2015, the NITI Aayog replaced the Planning Commission as the premier policy-making institution, aiming to strengthen economic growth and help India emerge as a major global economy.

Recently, the Government of India has launched several schemes to address socio-economic issues. Key initiatives include the "Make in India" Scheme (2014), aimed at attracting global investments and strengthening the manufacturing sector to create additional employment opportunities. The "Atmanirbhar Bharat Abhiyan" (2020) focuses on making the country and its citizens self-reliant and independent. The "Digital India" Scheme (2015) seeks to transform India into a digitally empowered society and knowledge economy. Other notable schemes include the Kisan Vikas Patra (2014) and the Pradhan Mantri Fasal Bima Yojana (2016), which have boosted growth in agriculture and allied sectors.

This paper seeks to analyze the state-wise trends in GDP focusing on the years from 2005-2006 till 2018¬2019. The data is split under three separate base years and the aim of the analysis is to discover the

state contributing the highest percentage to the overall GDP of the country over the two distinct category of years and further to look into the industrial evolution that followed in the state which play a vital role in this high percentage of contribution.

The main objective of the project is entirely centered on the following two analyses-

1. Proving that the state of Maharashtra is the highest contributor to the GDP of India.
2. Is Maharashtra the most industrialized state of India?

The paper has been divided into four sections. **Section-2** contains the **Literature Review** of three articles which are related to the main research questions of this paper. **Section-3** consists of the **Research Methodology** wherein; it is explained how the study of the paper is done using mathematical operations for a detailed understanding taking data from various consolidated sources. **Section-4** aims to analyze and answer the objectives of the paper with proper reasoning and justification using tabular format of findings that has been done. **Section-5** is the conclusion drawn from the analysis of the entire paper along with certain measures which can be further adopted.

2. Literature Review

In addressing the growing economic disparities among Indian states, Kaliappa Kalirajan, Shashanka Bhide, and Kanhaiya Singh, in their article "Development Performance across Indian States and The Role of the Governments," highlight that both Central and State policies significantly influence the economic conditions at the state level. Their study, covering the period from 1980-81 to 2006-07, finds that increased investment spending relative to GDP has been a key factor in higher output growth. Over the years, greater investment in physical and social infrastructure has led to improved performance across states. India's historical data, even before the economic reforms of the early 1990s, show significant variations among states. The authors note that only five states have a per capita Gross State Domestic Product (GSDP) exceeding $900, and just two states surpass $1000 per capita GSDP—both of which are relatively smaller in terms of population and economic activity. Among states with populations over 50 million, Bihar and Uttar Pradesh have the lowest per capita GSDP, below $350, whereas Maharashtra and Gujarat, the industrially advanced states, have per capita GSDPs exceeding $900. An interesting finding from the study is that states with initially higher literacy rates tend to have higher per capita growth in GSDP and manufacturing, though this relationship does not hold for agricultural growth [1].

In their article "An Empirical Analysis of Variation in Gross State Domestic Product (GSDP) of Different States in India," authors Pragyan Parimita Nayak, Rashmita Khatei, and Lipuna Khatei aim to compare the growth rates of GSDP across various Indian states and to examine the trends in India's real and nominal GDP. They highlight that GSDP is a crucial metric for assessing the economic health of states and the country as a whole. GDP serves to reflect the public welfare status of the states and the overall economic picture. However, the uneven growth of State Domestic Product (SDP) across Indian states poses a challenge to the overall growth of India's GDP. The authors note that the growth in most Indian states is marked by instability and volatility. Their study examines the disparity in SDP growth across states and trends in India's GDP growth. The annual growth rate (AGR) of SDP at constant prices (2011-12) is used to measure disparity and volatility year-to-year across different states. This study,

based on secondary data from various sources, reveals that the inconsistent growth among different states and India's GDP results from the uneven distribution of economic activities across the country [2].

It is evident that till the year 1999, Maharashtra had the maximum share of India's overall GDP contribution. With an attempt to put forward the inter-district disparities in Maharashtra, authors Neeraj Hatekar and Swati Raju analyzed in their article "Inequality, Income Distribution and Growth in Maharashtra" the inequality which had been on an increasing trend back in the period between 2001-05 amongst the different districts of the state. Data indicates no convergence in per capita incomes across districts in Maharashtra. The historical composition of incomes, particularly the tertiary sector's share in GDP, significantly predicts the divergence in district per capita incomes. From 2001 to 2010, Maharashtra's economy had an annual average growth rate of 8.13% and the highest average per capita income in the country at Rs.45,575. Despite this affluence, the state has historically experienced a skewed income distribution, leading to inequalities and political unrest in backward regions like Vidarbha in the east. Maharashtra consists of six administrative divisions: Konkan, Nashik, Pune, Aurangabad, Amravati, and Nagpur. The paper examined income distributions across these districts using non-parametric kernel density functions. A limitation of the study is the assumption that labor productivity in the tertiary sector is identical across districts, whereas differential labor productivity might significantly impact regional disparities. The result pointed towards a substantial reduction in inter-district discrepancy post 2005. While, Konkan, Nashik and Pune divisions had lost rank, Amravati and Nagpur have moved a rank up and the rank of the Aurangabad division had remained unchanged between 2001-2010 [3].

3. Research Methodology

To prove that Maharashtra is the highest contributor to the GDP of India, data has been collected from the year 2005-06 till the year 2018-19. This fourteen year of data is divided into two base years each containing seven years. The **First Base Year** is between 2004-05 and it consists of data from 2005-06 till 2011-12 and the **Second Base Year** is between 2011-12 consisting of data from 2012-13 till 2018-19. Changing the base year for calculating GDP aligns with global practices to capture economic data more accurately. After updating the base year, GDP figures from previous years are revised accordingly to enable fair comparisons. Ideally, base year must be changed every five years which however does not alter the overall trajectory. At present, there are 28 states but the state of Telangana was formed very recently in the year 2014. Thus, although there is a presence of this state in the Second Base Year, under the First Base Year it is not there. So, this particular state is not taken in the analysis so that an equality can be maintained for the number states taken. In order to show the most industrialized state, the **Gross State Value Added (GSVA) by Industry** data is taken. Both of these data are taken from the National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India. The percentage of each state to that of the total country is calculated and graphs have been generated to support the analyses. The data for regional analysis of Maharashtra is taken from the official website of the Government of Maharashtra, India. Furthermore, the factors for industrial production data for the same time period is taken from the Handbook of Statistics on Indian States provided by the Reserve Bank of India. Here, only the three most important factors namely- the number of factories, total inputs and total investments are taken for the analysis and the entire data set is for fourteen years from 2005-06 till 2018-19. These are the certain limitations of this project. The growth rate of all the three factors is

compared to that of the GSVA by Industry of the particular state to have a better understanding of the relationship between each of the factor with the GSVA. This is done to understand and examine the policies which have been taken by the state and to point out the loopholes which would require rectifications.

4. Results and Analysis

Gross Domestic Product (GDP) represents the total monetary or market value of all finished goods and services produced within a country's borders during a specific time period. Similarly, the GDP of an individual state within a country is referred to as the Gross State Domestic Product (GSDP) of that state. GSDP estimates are crucial indicators for measuring economic growth and analyzing sectoral shifts within a state. Growth rates in various sectors and investment patterns indicate the feasibility of achieving projected growth rates and whether they align with investment targets. These estimates also help measure the impact of planned programs. Observing the graph [4] reveals that Maharashtra has recorded significant economic activity among the 27 states.

Over a fourteen-year period, the highest Gross State Domestic Product (GSDP) has been observed in certain regions, while the northeastern states have the lowest GSDP. As of 2018-19, Maharashtra contributed the most to the All India GDP, accounting for 15.29%. The state's GSDP grew at a compound annual growth rate (CAGR) of approximately 11.77% between 2011-12 and 2017-18, and its Net State Domestic Product (NSDP) grew at a similar CAGR of about 11.75% during the same period. Geographically, Maharashtra is located in the western and central parts of India, with a 720 km coastline along the Arabian Sea, and experiences a tropical monsoon climate. The state has been proactive in enhancing the business environment through various initiatives aimed at improving the 'Ease of Doing Business.' Its recently introduced Start-Up policy is considered pioneering by the creative and innovative sectors, offering institutional and intellectual support to emerging entrepreneurs. This policy reflects Maharashtra's strategy to tackle unemployment by promoting job creation over job seeking. Additionally, Maharashtra is the first state to introduce both Aerospace and Defence manufacturing policy and FinTech policy.

The state has **36 districts [5]** which are categorised under five main administrative regions namely- The **Pune** Region which is known as the sugar-belt of Maharashtra. It is the second-largest producer of sugar in India and hosts the country's second largest sugar processing capacity. The **Vidarbha** Region which is the eastern region and had achieved national infamy for suicides, mostly by cotton farmers. It is largely agrarian with cotton, jowar, soybean and pulses as its main farm output. The **Nashik** Region which is widely known for its wine industry. Of the 46 wineries in India, 43 of them are around in the said region. The **Marathwada** Region is the rain-shadow region of the state having droughts as a very common phenomenon. The fifth region is The **Konkan** Region which alone accounts for nearly **42%** of the state GDP. Compared to the other regions, this region covers the least area but due to the highly developed industrial and financial sectors of Maharashtra, which is mostly concentrated in this region, it drives the largest portion of the entire GSDP. The state capital Mumbai, comprising of approximately 70% of this region, is the 2nd largest metropolitan city in India. It is home to some of the biggest industries and is also the financial, commercial and entertainment capital of India. The business opportunities in Mumbai attract migrants from all over the world. It has the well-developed industrial infrastructure accounting for 25% of industrial output of the entire country.
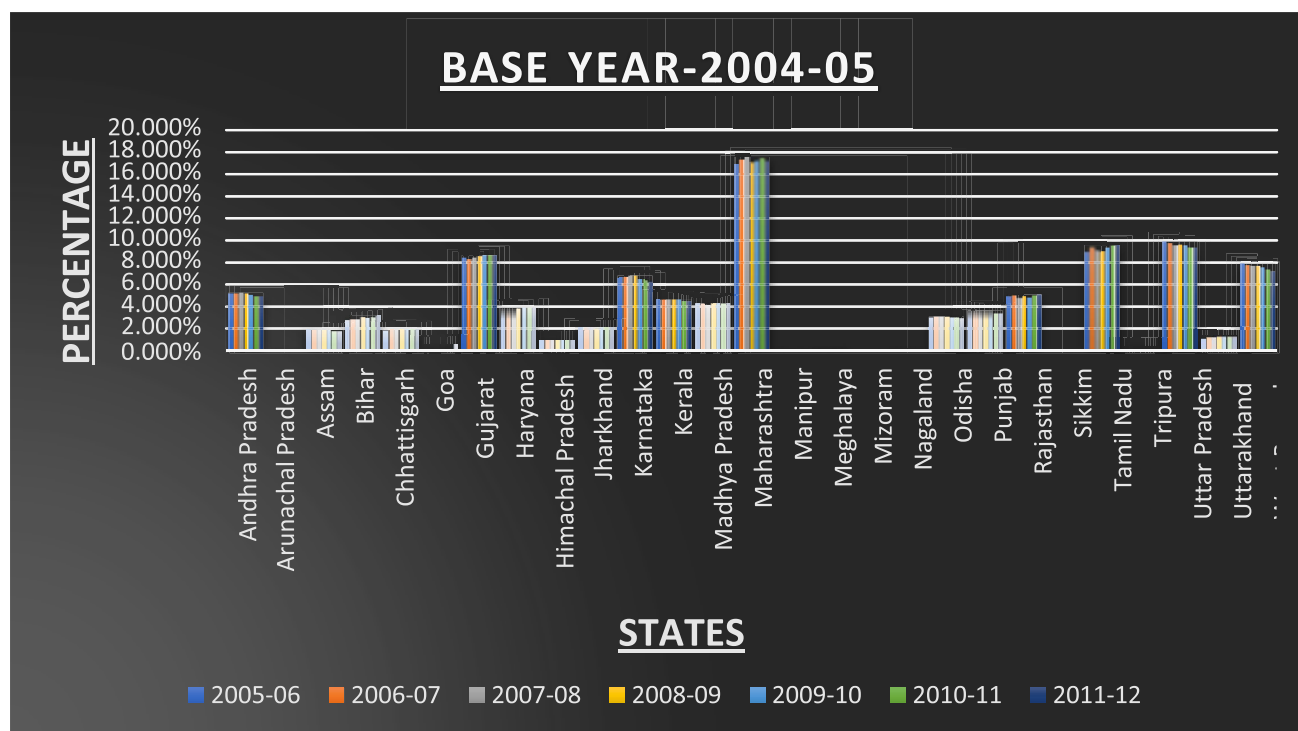
Figure 1: SGDP Percentage between 2005-06 till 2011-12
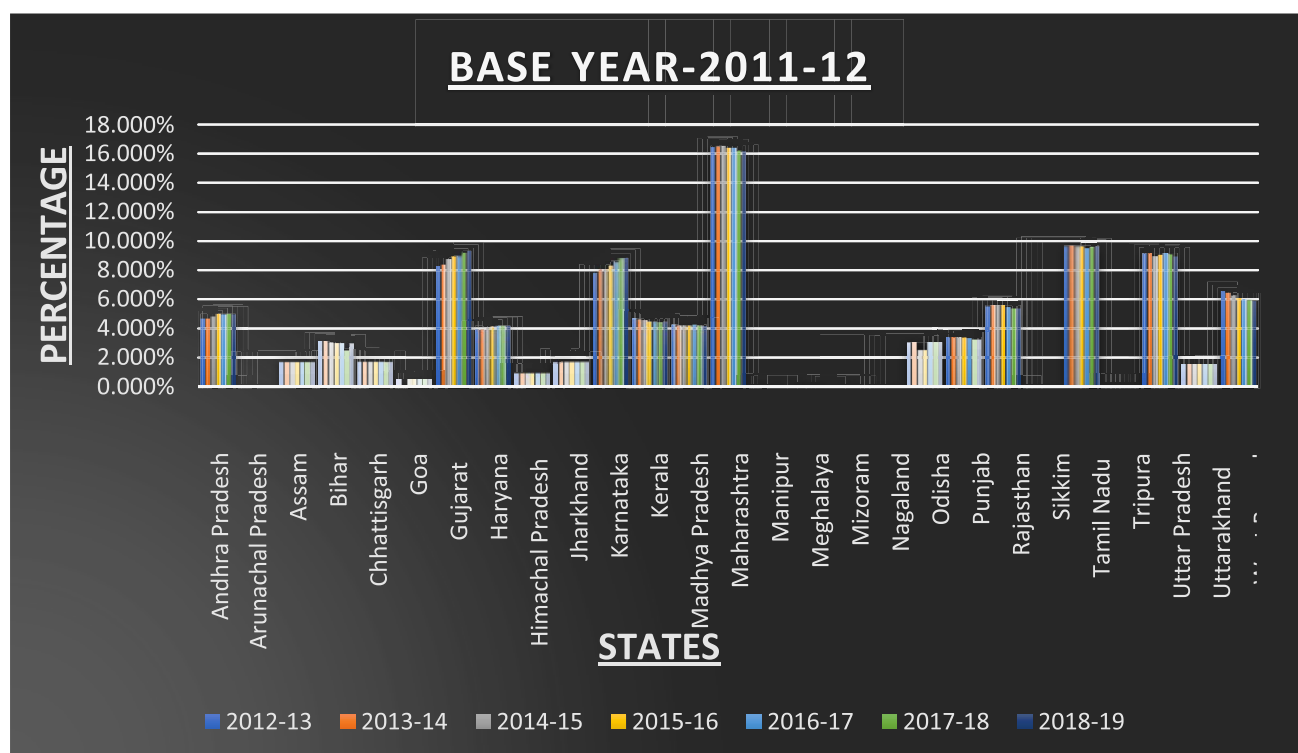
Figure 2: SGDP Percentage between 2012-13 till 2018-19

Table 1: Regional division of districts of Maharashtra

REGIONS	DISTRICTS	AREA (sq.km)
KONKAN	Mumbai	30,746
	Thane	
	Palghar	
	Raigad	
	Ratnagiri	
	Sindhudurg	
VIDARBHA	Amravati	97,321
	Buldhana	
	Akola	
	Washim	
	Yavatmal	
	Nagpur	
	Wardha	
	Gondia	
	Bhandara	
	Chandrapur	
	Gadchiroli	
NASHIK	Nashik	57,806
	Dhule	
	Nandurbar	
	Jalgaon	
	Ahmednagar	
PUNE	Pune	57,054
	Satara	
	Sangli	
	Solapur	
	Kolhapur	
MARATHWADA	Aurangabad	64,590
	Jalna	
	Parbhani	
	Hingoli	
	Beed	
	Nanded	
	Osmanabad	
	Latur	

Figure 3: Zonal share of SGDP

Looking into the data of the Gross State Value Added by Industries [6], one can perceive that amongst other states, it is Maharashtra that is at an all-time high from the year 2005-06 till the year 2018-19. This state is the most industrialised state and has maintained a leading position in the industrial sector of India. It is a pioneer in small scale industries and continues to attract investments from both the domestic as well as the for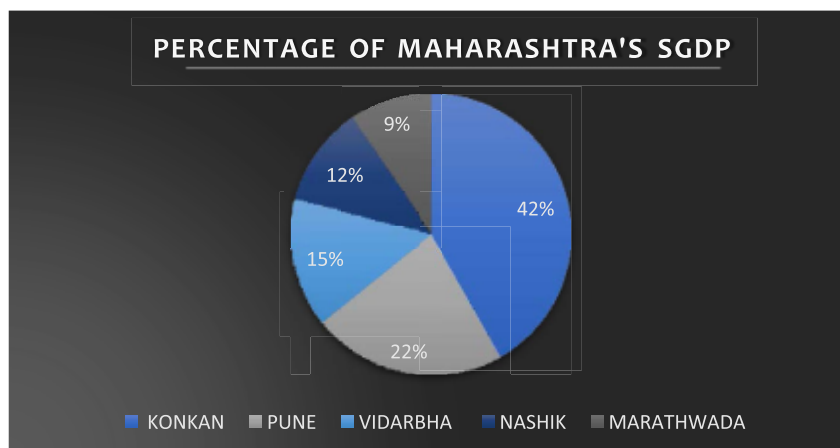eign institutions. The state boasts a well-developed industrial ecosystem encompassing various sectors. Key industries include Automobile (centred in Mumbai, Pune, and Aurangabad), Electronics System Design and Manufacturing (ESDM) (Pune), Pharmaceuticals & Chemicals (Mumbai-Thane, Aurangabad, and Pune), Engineering (Ahmednagar-Nashik, Pune, and Aurangabad), and Fast-Moving Consumer Goods (FMCG) (Pune). The Textile industry is prominent in Solapur and the Nagpur-Amravati region, while Food Processing thrives in Solapur, Ahmednagar-Nashik, and Nagpur-Amravati. Additionally, the Logistics sector is concentrated in Mumbai-Thane and Nagpur-Amravati, and the Cement and Steel industries are significant in Vidarbha-Marathwada. The state is also a hub for IT & ITES industries, particularly in Mumbai-Thane, Pune, and Nagpur-Amravati. Most the industries are concentrated in the Nashik Region in the capital city of Mumbai which is the most urbanised amongst other regions. Mumbai is divided into two districts- the Sub-urban Mumbai and the Navi Mumbai.
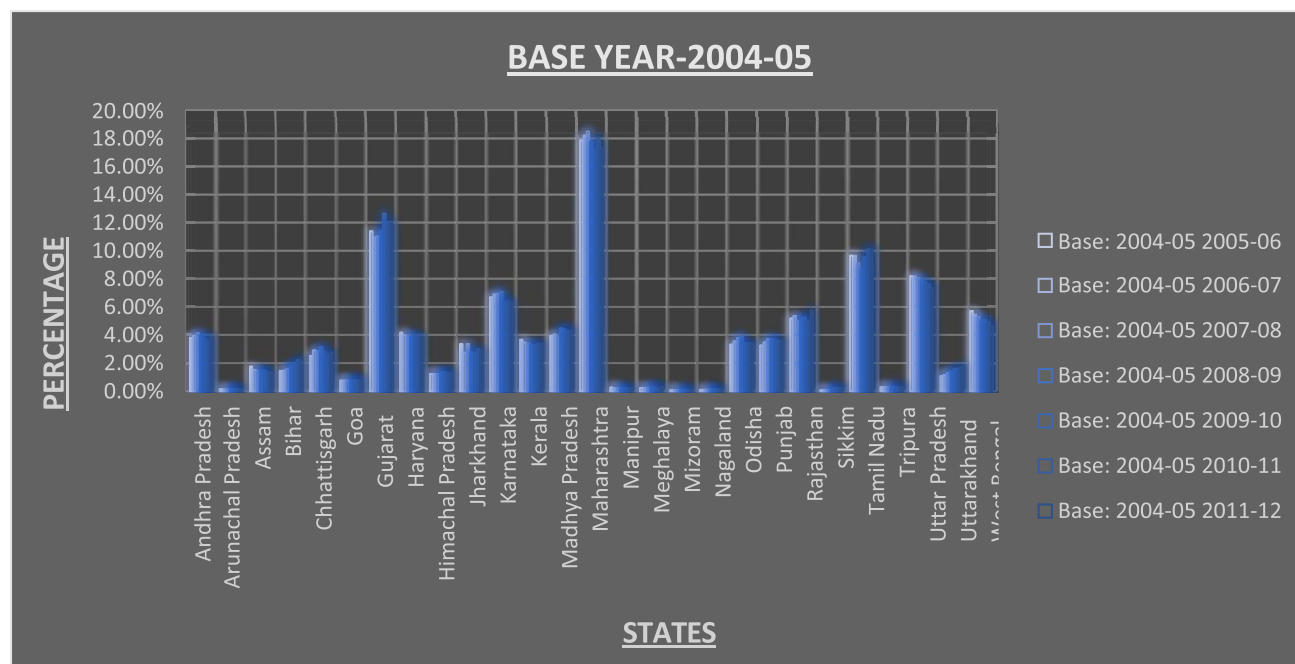

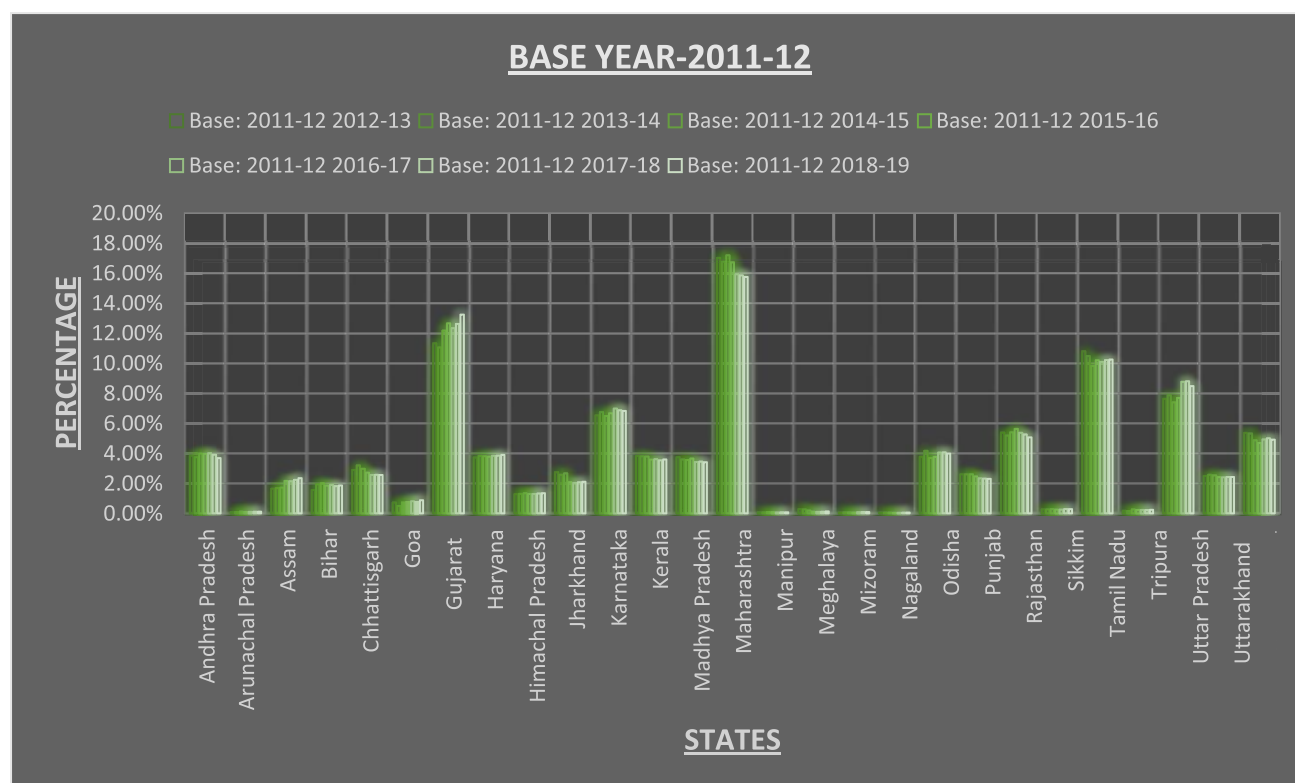Figure 4: GSVA by Industries from 2005-06 till 2011-12

Figure 5: GSVA by Industries from 2012-13 till 2018-19

These are the two main districts behind the steady industrial expansion from 2005-06 till 2018-19. Behind every industrial growth, there are three major factors namely- the number of factories in which the manufacturing and the processing of various goods are taken place, the total amount of input going into the production procedure and the combined investments in the industrial sector, which gives a tremendous boost to the entire manufacturing growth. On a more detailed inspection of the data so collected, of the three major factors, the average annual growth rate of investment is the highest at 8.52% compared to that of the number of factories which has a growth rate of 2.54% and the total number of inputs at 8.33%. Thus, we find that amongst three factors taken into consideration; the number of investments is playing an integral part in the development of industries.

A more comprehensive method of looking at it can be by comparing the yearly growth rate of the GSVA by Industries with that of the three factors taken into account. It can be seen that during certain years, when the growth rate of GSVA is at 89%, the number of factories grew only by 3% and likewise when the number of factories grew by 12%, the GSVA was at a 1% decline than the previous year. The possible reasons of such occurrence are:

1. **Commissioning of Factories -** one cannot clearly perceive from the data if the number of factories so given, are the factories which are just built or if it is also commissioned. Until and unless the factories are commissioned, it will not be able to take part in the production process and thus would not serve the purpose of increasing the GSVA of the state.

2. **Capacity Utilisation-** the factories so built might not be operating at 100% of its capacity, but, with

time, as the demand increases, the capacity utilisation increases to meet the rising demand and hence although the number of factories is not increasing, but there is an increase in the operational capacity, thereby, increasing the industrial production. Thus, one might not be able to always establish a direct linkage between the number of factories and the GSVA growth rate.

3. **Internal Expansion-** with time, due to certain technological or infrastructural expansion inside the same number of factories, the production procedure might be going on in full swing and driving the growth rate of GSVA but the number of factories is not increasing given the fact that a new establishment also requires certain time to be fully operational. So, certain producers prefer qualitative expansion rather than quantitative one.

The same trend can be seen in case of the total inputs. The total inputs here is taken as the monetary values of all the kinds of inputs that go in for industrial production. The cost of inputs keeps fluctuating over the years and hence at times the GSVA fails to cope up with the increasing cost of inputs. When the cost of input is very high, the producer is purchasing the same quantity of input but at a much higher price. Thus, although the growth rate of inputs goes up due to the high price, no growth rate takes place in value addition. In certain industries, the high-cost price of inputs is channelized to the consumers by selling the goods at a higher price but in several others, the cost is often borne by the producers. The cost bearing mechanism depends on the type of industry. In this regard, mention must be made of the **Porter's Five Forces Model** described by Michael Porter. This model describes how the five factors- Competitive Rivalry, Power of Consumers, Power of Suppliers, Threat of Substitutes and the Threat of New Entrants help in the analysis of the profitability and attractiveness of an industry. Competitive Rivalry looks at the number of competitors and their strength in comparison to a particular industry. If the rivalry is intense, companies must often lower prices and provide incentives to attract consumers.

Thus, in such an industry increase in selling price of goods can be done till a very limited extent, otherwise, consumers can easily shift to other suppliers provided the cost of switching is low. This is known as the Power of Consumers. On the other hand, there are industries where the Power is with the Suppliers. When there are only a few suppliers, customers are small and very few substitutes, then the suppliers have high bargaining power and thereby can influence pricing and in turn, the profits. In these types of industries, the burden of high input cost can be shifted to the consumers. Also, if the barriers of entry like- high investments to start up, Government regulations etc. are low, the threat to existing players is high and thus the producers will be cautious about the high input cost- bearing mechanism and in most cases take it upon them instead of putting it on the consumers.

Table 2: Factors for Industrial Growth and AAGR of the factors

FACTORS	No. of Factories(units)	Total Inputs (₹ Lakh)	Investments (₹ Lakh)
2005-06	18711	28952654	15770422
2006-07	18612	36986119	19213013
2007-08	18304	39734657	21476750
2008-09	20450	47256822	26109467
2009-10	19457	48906614	29309909
2010-11	27892	61689519	35473725
2011-12	28215	82615593	41237802
2012-13	28949	81945368	49723272
2013-14	29123	83739649	48716663
2014-15	28601	88054248	49798019
2015-16	28210	91954097	53072745
2016-17	27010	83281871	50280256
2017-18	26393	94108687	53725099
2018-19	26702	93031392	52002678
AAGR	2.54019202	8.337679353	8.522564693

Table 3: Growth Rate of GSVA by Industries of Maharashtra along with the factors

Years	GSVA	No. of Factories(units)	Total Inputs(₹ Lakh)	Investments(₹ Lakh)	GROWTH RATE			
					GSVA	Factories	Inputs	Investments
2005-06	14630829	18711	28952654	15770422				
2006-07	16945066	18612	36986119	19213013	16%	-1%	28%	22%
2007-08	18933289	18304	39734657	21476750	12%	-2%	7%	12%
2008-09	18732209	20450	47256822	26109467	-1%	12%	19%	22%
2009-10	20023451	19457	48906614	29309909	7%	-5%	3%	12%
2010-11	22755162	27892	61689519	35473725	14%	43%	26%	21%
2011-12	22800246	28215	82615593	41237802	0%	1%	34%	16%
2012-13	43074568	28949	81945368	49723272	89%	3%	-1%	21%
2013-14	44411243	29123	83739649	48716663	3%	1%	2%	-2%
2014-15	47968559	28601	88054248	49798019	8%	-2%	5%	2%
2015-16	52192116	28210	91954097	53072745	9%	-1%	4%	7%
2016-17	55285010	27010	83281871	50280256	6%	-4%	-9%	-5%
2017-18	59215283	26393	94108687	53725099	7%	-2%	13%	7%
2018-19	62442988	26702	93031392	52002678	5%	1%	-1%	-3%

Amongst the three factors taken in the analysis, Investments is that one factor which is stable throughout the years. Maharashtra has always led the country's industrial development scenario and continues to attract the largest quantum of investments, both domestic and foreign. The state succeeded in creating the right business climate through the finest infrastructure, quality trained manpower, a professional work ethic and a conducive business environment. According to the Department of Industrial Policy and

Promotion (DIPP), Government of India, Maharashtra received cumulative FDI inflows of US$ 113.82 billion from April 2000 to December 2017, accounting for one-third of the total FDI in the country. The supportive industrial policy environment has facilitated the establishment of several renowned industrial units. Between 2014 and 2018, 119 private IT parks were established in the state, with an investment of approximately INR 192.60 billion and the creation of 550,000 jobs. Maharashtra Industry, Trade & Investment Facilitation Cell (MAITRI) established a dedicated investor facilitation cell and an online Single Window portal. This portal allows for single applications, payments, tracking, and monitoring of most industry-related approvals across various state government departments. MAITRI also functions as a grievance redressal cell, providing government-to-business (G2B) services and acting as a one-stop-shop for current and potential investors.

According to the World Bank Doing Business report 2019, India ranked 77th, a significant leap from 100th in 2018 and 130th in 2017, with Mumbai contributing significantly to this improvement. The Asian Competitiveness Institute of Lee Kuan Yew School of Public Policy of Singapore ranked Maharashtra first in India for ease of doing business in 2016. Mega events like "Magnetic Maharashtra" and "Make in India," along with the state's participation in various national and international roadshows, have attracted industrial investment proposals exceeding INR 8 lakh crore over the past five years. Maharashtra hosts the highest number of Large, Mega, and Ultra-Mega projects in the country, which have consistently provided substantial revenue and employment benefits. The state continues to make concerted policy efforts to ensure regionally balanced and inclusive industrial growth. Maharashtra Industrial Development Corporation (MIDC) is the nodal Investment Promotion Agency under the Government of Maharashtra which alongside creating a strong relation between the local authorities, Government and industries, also is the "one-stop" for investors relations [6].

Thus, it can be concluded that, Maharashtra which is the highest contributor of SGDP in the country, is also the most industrialised state of India. Investments play a major role behind the industrial development of Maharashtra. The Government of Maharashtra has made several policy announcements in order to set up the right kind of business climate. These policy documents aim to motivate investors to invest into the various sectors of the state and thereby contribute to the overall development of the economy. They are endeavoured to remove various roadblocks which hampers the industrial map and also envisage various incentives and schemes for the investors.

5. Conclusion

Maharashtra is the leading state generating the maximum Gross State Domestic Product amongst other states. It is the most industrialised state having the highest share in the Gross State Value Added by Industry. The topography and climatic conditions in the state favours this development and the policy implementations by the state could succeed in creating a business-friendly environment along with easy access to infrastructure and robust connectivity. Policies [6] like- promoting MSMEs through public funding, fiscal incentives, cluster promotion and institutional support have caused the state to reach new heights. Special incentives for the underdeveloped regions of Vidarbha and Marathwada have been taken with the view to bring an end to the intra-disparities within the state. Through promotion of thrust sectors like- Aerospace and Defence, Textile Machinery, Nuclear Power Plant projects, Biotechnology and Food Processing industries the state is paving the way for an overall development. Maharashtra

contributes around 35.1% of the total value of automobile output in India. As a leading hub for the country's auto industry, it holds a 21% market share [5]. From 2009 to 2013, the auto industry in Maharashtra experienced notable growth, with a compound annual growth rate (CAGR) of 21.08%. According to the Government of Maharashtra, the pharmaceutical sector is one of the key exporters from the state [5]. Nearly, 500 projects have been commissioned under the pharmaceuticals sector in Maharashtra which is worth Rs. 4,386 crores till 2016. Pune, Nashik and Aurangabad form the pharma hubs of the state. It accounts for about 65 million kg of cotton production which is 25% of the country's total. The textile industry of the state holds a strategic importance in the country as it is the single largest employer and contributes around 27% of India's total exports [9]. The state contributes 10.4% to the country's textile and apparels output. It also holds immense future potential in global markets, particularly in value added segments like garments and ready-to-wear goods. Besides, the textile parks are being set up in Nagpur and Dhule in order to maintain its leadership position in textile exports and production. The key players include Bombay Dyeing, Century Textiles and Raymond. In 2018-19, Maharashtra produced approximately 7.7 million bales of cotton. By April 2020, during the 2019-20 period, the state also produced 428 metric tons of raw silk. Roads are the key to prosperity for Maharashtra (Karayamparambil, 2020). The "Samruddhi Mahamarg", which is a super communication expressway between Mumbai and Nagpur, connects ten districts. It alone is expected to generate direct employment for five lakh people over the next decade. The underbellies of Maharashtra will also be connected under this project. By the next two decades, all the thirty-six districts would be inter-connected through expressways. In the State Budget for 2021-22, the government approved the construction of the Pune-Nashik medium high-speed railway line, Nashik Metro Neo Project and Metrolite system in Thane city. In spite of its affluence, the state historically has had a skewed distribution of income resulting in inequalities as well as political unrest among the backward regions [3], mostly located in the eastern regions of the state. Effective measures like- work-support programs, positive work incentives, investments in early education and further vocational training along with providing proper nutritional diet through the Public Distribution System are the necessities that must be paid attention to. Thus, structural policies and awareness amongst the people residing in the depressed areas are a necessity for an overall development of the state.

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Appendix

Table 1: State-wise GDP of India

STATES	BASE YEAR- 2004-05							BASE YEAR- 2011-12						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Andhra Pradesh	1,41,97,662.00	1,57,38,632.00	1,78,02,768.00	1,81,82,940.00	1,94,99,396.00	2,08,27,348.00	2,21,28,548.00	3,80,59,201.00	4,07,11,475.00	4,44,56,428.00	4,98,60,626.00	5,40,21,177.00	5,94,84,079.00	6,21,30,140.00
Arunachal Pradesh	3,58,423.00	3,77,212.00	4,22,680.00	4,59,583.00	5,02,948.00	5,22,041.00	5,51,030.00	11,29,917.00	12,33,834.00	14,38,265.00	14,24,046.00	14,74,634.00	15,94,354.00	16,67,595.00
Assam	55,21,356.00	57,78,352.00	60,56,720.00	64,03,256.00	69,79,387.00	73,44,442.00	76,84,368.00	1,47,34,238.00	1,54,52,540.00	1,65,21,230.00	1,91,10,899.00	2,02,08,084.00	2,19,91,937.00	2,34,04,790.00
Bihar	76,46,594.00	88,84,017.00	93,77,406.00	1,07,41,179.00	1,13,15,758.00	1,30,17,089.00	1,43,56,008.00	2,56,85,096.00	2,69,64,984.00	2,79,48,244.00	2,96,48,818.00	3,22,95,071.00	3,43,78,903.00	3,75,65,127.00
Chhattisgarh	49,40,774.00	58,59,816.00	63,64,377.00	68,98,211.00	71,34,262.00	78,90,295.00	83,40,937.00	1,65,97,740.00	1,82,57,945.00	1,85,81,344.00	1,90,81,024.00	2,05,97,517.00	2,15,92,692.00	2,31,18,182.00
Goa	13,67,162.00	15,04,172.00	15,87,538.00	17,46,618.00	19,24,828.00	22,49,908.00	27,04,495.00	35,85,022.00	31,56,846.00	40,11,649.00	46,09,086.00	51,24,924.00	54,63,669.00	62,53,943.00
Gujarat	2,33,77,600.00	2,53,39,300.00	2,81,27,300.00	3,00,34,100.00	3,34,12,700.00	3,67,58,128.00	3,92,05,778.00	6,82,65,021.00	7,34,28,387.00	8,11,42,764.00	8,94,46,534.00	9,81,34,196.00	10,86,56,973.00	11,86,37,907.00
Haryana	1,04,60,779.00	1,16,34,434.00	1,26,17,076.00	1,36,47,794.00	1,52,47,447.00	1,63,77,020.00	1,76,91,697.00	3,20,91,191.00	3,47,50,661.00	3,70,53,451.00	4,13,40,479.00	4,56,65,935.00	4,94,06,803.00	5,31,08,519.00
Himachal Pradesh	26,10,733.00	28,48,059.00	30,91,673.00	33,21,011.00	35,89,722.00	39,05,441.00	41,90,822.00	77,38,428.00	82,84,669.00	89,06,019.00	96,27,406.00	1,03,05,500.00	1,10,03,393.00	1,17,85,058.00
Jharkhand	57,84,841.00	59,22,572.00	71,37,711.00	70,12,946.00	77,24,004.00	89,49,114.00	93,50,951.00	1,63,25,027.00	1,65,81,626.00	1,86,53,439.00	1,74,88,115.00	1,93,17,392.00	2,10,58,730.00	2,24,98,632.00
Karnataka	1,84,27,603.00	2,02,66,010.00	2,28,20,215.00	2,44,42,138.00	2,47,59,029.00	2,72,72,131.00	2,82,78,400.00	6,43,03,302.00	7,04,46,604.00	7,48,42,911.00	8,31,32,991.00	9,42,21,105.00	10,43,53,337.00	11,24,42,289.00
Kerala	1,31,29,393.00	1,41,66,669.00	1,54,09,268.00	1,62,65,920.00	1,77,57,135.00	1,89,85,071.00	2,00,95,773.00	3,87,69,346.00	4,02,78,133.00	4,19,95,555.00	4,51,21,002.00	4,85,30,154.00	5,20,57,851.00	5,59,41,196.00
Madhya Pradesh	1,18,91,946.00	1,29,89,612.00	1,35,98,571.00	1,52,94,616.00	1,67,56,406.00	1,78,14,354.00	1,93,35,031.00	3,51,68,262.00	3,65,13,394.00	3,83,94,448.00	4,18,73,574.00	4,70,66,916.00	4,93,51,645.00	5,22,00,932.00
Maharashtra	4,70,92,933.00	5,34,65,395.00	5,94,83,158.00	6,10,19,135.00	6,66,94,446.00	7,42,04,180.00	7,75,60,965.00	13,57,94,185.00	14,51,61,464.00	15,43,16,487.00	16,54,28,361.00	18,07,10,196.00	19,23,79,655.00	20,39,07,396.00
Manipur	5,45,906.00	5,56,775.00	5,89,952.00	6,28,659.00	6,71,986.00	6,68,061.00	7,32,670.00	12,99,281.00	14,11,509.00	15,24,490.00	16,42,368.00	17,08,192.00	18,75,074.00	19,30,041.00
Meghalaya	7,07,785.00	7,62,564.00	7,96,999.00	9,00,104.00	9,59,122.00	10,41,308.00	11,71,520.00	20,35,357.00	20,72,571.00	20,14,033.00	20,63,842.00	21,73,023.00	22,56,433.00	24,68,196.00
Mizoram	2,86,942.00	3,00,587.00	3,33,621.00	3,78,137.00	4,24,896.00	4,97,932.00	4,85,206.00	7,77,797.00	9,03,842.00	11,26,104.00	12,32,359.00	13,59,521.00	14,25,117.00	14,52,439.00
Nagaland	6,43,571.00	6,93,785.00	7,44,537.00	7,91,687.00	8,46,258.00	9,25,399.00	10,02,385.00	12,86,790.00	13,79,259.00	14,39,877.00	14,66,049.00	15,64,992.00	16,48,489.00	17,64,736.00
Odisha	82,14,472.00	92,70,083.00	1,02,84,562.00	1,10,81,178.00	1,15,85,113.00	1,25,13,105.00	1,30,11,301.00	2,43,36,348.00	2,65,89,153.00	2,70,66,534.00	2,92,22,893.00	3,37,21,766.00	3,60,81,043.00	3,82,21,846.00
Punjab	1,02,55,608.00	1,12,99,739.00	1,23,22,323.00	1,30,43,076.00	1,38,63,647.00	1,47,67,012.00	1,57,30,291.00	2,80,82,285.00	2,99,44,973.00	3,12,12,533.00	3,30,05,193.00	3,52,72,056.00	3,75,23,825.00	3,97,66,947.00
Rajasthan	1,36,28,496.00	1,52,18,867.00	1,60,01,662.00	1,74,55,575.00	1,86,24,454.00	2,13,07,929.00	2,30,85,925.00	4,54,56,434.00	4,86,23,018.00	5,21,50,893.00	5,63,33,953.00	5,97,26,669.00	6,33,27,773.00	6,77,42,800.00
Sikkim	1,90,945.00	2,02,385.00	2,17,823.00	2,53,499.00	4,40,101.00	4,78,428.00	5,29,904.00	11,42,121.00	12,11,405.00	13,07,097.00	14,36,950.00	15,39,727.00	17,67,336.00	18,72,227.00
Tamil Nadu	2,49,56,705.00	2,87,52,968.00	3,05,15,680.00	3,21,79,336.00	3,56,63,186.00	4,03,41,573.00	4,33,23,803.00	7,91,82,431.00	8,51,97,558.00	8,93,91,507.00	9,67,56,246.00	10,36,76,212.00	11,25,79,344.00	12,15,30,747.00
Tripura	9,42,179.00	10,20,245.00	10,98,843.00	12,02,492.00	13,30,590.00	14,38,667.00	15,42,826.00	20,87,297.00	22,81,911.00	26,96,521.00	26,78,690.00	30,53,759.00	33,61,918.00	36,96,278.00
Uttar Pradesh	2,77,81,788.00	3,00,22,535.00	3,22,21,349.00	3,44,72,559.00	3,67,41,677.00	3,96,30,943.00	4,18,40,413.00	7,58,20,497.00	8,02,06,969.00	8,34,43,237.00	9,08,24,130.00	10,07,00,974.00	10,79,87,935.00	11,37,46,879.00
Uttarakhand	28,34,035.00	32,18,960.00	38,02,186.00	42,83,246.00	50,59,803.00	55,66,681.00	60,87,959.00	1,23,71,006.00	1,34,18,236.00	1,41,27,765.00	1,52,69,873.00	1,67,70,325.00	1,80,84,366.00	1,93,27,278.00
West Bengal	2,21,78,946.00	2,39,07,712.00	2,57,63,218.00	2,70,24,826.00	2,91,95,496.00	3,08,83,705.00	3,23,41,698.00	5,42,19,069.00	5,58,49,707.00	5,74,36,434.00	6,09,54,467.00	6,53,41,593.00	6,94,98,032.00	7,39,52,500.00
INDIA	27,99,75,277.00	31,00,01,457.00	33,85,89,216.00	35,91,63,821.00	38,87,03,797.00	42,61,77,305.00	45,23,60,704.00	82,63,42,689.00	88,03,12,673.00	93,31,99,259.00	1,01,00,79,974.00	1,10,42,82,610.00	1,19,01,90,706.00	1,27,21,34,620.00

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India

Table 2: Percentage of SGDP of Each State with respect to the Total GDP of India

STATES	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Andhra Pradesh	5.071%	5.077%	5.258%	5.063%	5.017%	4.887%	4.892%	4.606%	4.625%	4.764%	4.936%	4.892%	4.998%	4.884%
Arunachal Pradesh	0.128%	0.122%	0.125%	0.128%	0.129%	0.122%	0.122%	0.137%	0.140%	0.154%	0.141%	0.134%	0.134%	0.131%
Assam	1.972%	1.864%	1.789%	1.783%	1.796%	1.723%	1.699%	1.783%	1.755%	1.770%	1.892%	1.830%	1.848%	1.840%
Bihar	2.731%	2.866%	2.770%	2.991%	2.911%	3.054%	3.174%	3.108%	3.063%	2.995%	2.935%	2.925%	2.889%	2.953%
Chhattisgarh	1.765%	1.890%	1.880%	1.921%	1.835%	1.851%	1.844%	2.009%	2.074%	1.991%	1.889%	1.865%	1.814%	1.817%
Goa	0.488%	0.485%	0.469%	0.486%	0.495%	0.528%	0.598%	0.434%	0.359%	0.430%	0.456%	0.464%	0.459%	0.492%
Gujarat	8.350%	8.174%	8.307%	8.362%	8.596%	8.625%	8.667%	8.261%	8.341%	8.695%	8.855%	8.887%	9.129%	9.326%
Haryana	3.736%	3.753%	3.726%	3.800%	3.923%	3.843%	3.911%	3.884%	3.948%	3.971%	4.093%	4.135%	4.151%	4.175%
Himachal Pradesh	0.932%	0.919%	0.913%	0.925%	0.924%	0.916%	0.926%	0.936%	0.941%	0.954%	0.953%	0.933%	0.925%	0.926%
Jharkhand	2.066%	1.910%	2.108%	1.953%	1.987%	2.100%	2.067%	1.976%	1.884%	1.999%	1.731%	1.749%	1.769%	1.769%
Karnataka	6.582%	6.537%	6.740%	6.805%	6.370%	6.399%	6.251%	7.782%	8.002%	8.020%	8.230%	8.532%	8.768%	8.839%
Kerala	4.689%	4.570%	4.551%	4.529%	4.568%	4.455%	4.442%	4.692%	4.575%	4.500%	4.467%	4.395%	4.374%	4.397%
Madhya Pradesh	4.247%	4.190%	4.016%	4.258%	4.311%	4.180%	4.274%	4.256%	4.148%	4.114%	4.146%	4.262%	4.147%	4.103%
Maharashtra	16.820%	17.247%	17.568%	16.989%	17.158%	17.412%	17.146%	16.433%	16.490%	16.536%	16.378%	16.364%	16.164%	16.029%
Manipur	0.195%	0.180%	0.174%	0.175%	0.173%	0.157%	0.162%	0.157%	0.160%	0.163%	0.163%	0.155%	0.158%	0.152%
Meghalaya	0.253%	0.246%	0.235%	0.251%	0.247%	0.244%	0.259%	0.246%	0.235%	0.216%	0.204%	0.197%	0.190%	0.194%
Mizoram	0.102%	0.097%	0.099%	0.105%	0.109%	0.117%	0.107%	0.094%	0.103%	0.121%	0.122%	0.123%	0.120%	0.114%
Nagaland	0.230%	0.224%	0.220%	0.220%	0.218%	0.217%	0.222%	0.156%	0.157%	0.154%	0.145%	0.142%	0.139%	0.139%
Odisha	2.934%	2.990%	3.037%	3.085%	2.980%	2.936%	2.876%	2.945%	3.020%	2.900%	2.893%	3.054%	3.032%	3.005%
Punjab	3.663%	3.645%	3.639%	3.632%	3.567%	3.465%	3.477%	3.398%	3.402%	3.345%	3.268%	3.194%	3.153%	3.126%
Rajasthan	4.868%	4.909%	4.726%	4.860%	4.791%	5.000%	5.103%	5.501%	5.523%	5.588%	5.577%	5.409%	5.321%	5.325%
Sikkim	0.068%	0.065%	0.064%	0.071%	0.113%	0.112%	0.117%	0.138%	0.138%	0.140%	0.142%	0.139%	0.148%	0.147%
Tamil Nadu	8.914%	9.275%	9.013%	8.960%	9.175%	9.466%	9.577%	9.582%	9.678%	9.579%	9.579%	9.389%	9.459%	9.553%
Tripura	0.337%	0.329%	0.325%	0.335%	0.342%	0.338%	0.341%	0.253%	0.259%	0.289%	0.265%	0.277%	0.282%	0.291%
Uttar Pradesh	9.923%	9.685%	9.516%	9.598%	9.452%	9.299%	9.249%	9.175%	9.111%	8.942%	8.992%	9.119%	9.073%	8.941%
Uttarakhand	1.012%	1.038%	1.123%	1.193%	1.302%	1.306%	1.346%	1.497%	1.524%	1.514%	1.512%	1.519%	1.519%	1.519%
West Bengal	7.922%	7.712%	7.609%	7.524%	7.511%	7.247%	7.150%	6.561%	6.344%	6.155%	6.035%	5.917%	5.839%	5.813%
INDIA	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

Table 3: Percentage of GSVA of Each State with respect to the Total GSVA of India

STATES	Base: 2004-05							Base: 2011-12						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Andhra Pradesh	3.80%	3.95%	4.12%	3.98%	3.77%	3.57%	3.88%	3.85%	3.75%	4.01%	3.97%	4.02%	3.92%	3.69%
Arunachal Pradesh	0.14%	0.12%	0.13%	0.15%	0.13%	0.13%	0.13%	0.09%	0.09%	0.13%	0.11%	0.11%	0.11%	0.11%
Assam	1.73%	1.52%	1.39%	1.45%	1.44%	1.34%	1.33%	1.64%	1.70%	1.72%	2.19%	2.15%	2.24%	2.35%
Bihar	1.43%	1.46%	1.59%	1.79%	1.86%	2.19%	2.17%	1.56%	1.95%	2.04%	1.86%	1.90%	1.82%	1.87%
Chhattisgarh	2.49%	2.91%	2.84%	3.15%	2.79%	2.62%	2.77%	2.90%	3.20%	2.99%	2.73%	2.58%	2.58%	2.56%
Goa	0.76%	0.77%	0.73%	0.76%	0.76%	0.77%	0.76%	0.73%	0.49%	0.73%	0.77%	0.81%	0.77%	0.89%
Gujarat	11.38%	10.96%	11.03%	11.40%	12.62%	11.94%	11.99%	11.34%	11.06%	12.18%	12.67%	12.35%	12.64%	13.25%
Haryana	4.17%	4.01%	3.88%	3.90%	3.97%	3.84%	3.87%	3.73%	3.82%	3.80%	3.79%	3.85%	3.86%	3.89%
Himachal Pradesh	1.22%	1.22%	1.21%	1.29%	1.34%	1.28%	1.29%	1.28%	1.30%	1.36%	1.31%	1.31%	1.32%	1.34%
Jharkhand	3.34%	2.76%	3.35%	2.75%	2.68%	2.98%	2.84%	2.76%	2.59%	2.67%	2.09%	2.04%	2.08%	2.12%
Karnataka	6.68%	6.88%	6.92%	7.07%	6.35%	6.38%	6.32%	6.53%	6.74%	6.50%	6.68%	6.99%	6.86%	6.82%
Kerala	3.67%	3.45%	3.37%	3.29%	3.24%	3.37%	3.38%	3.83%	3.82%	3.78%	3.60%	3.63%	3.54%	3.61%
Madhya Pradesh	3.92%	4.02%	3.87%	4.47%	4.36%	4.27%	4.32%	3.74%	3.60%	3.56%	3.67%	3.43%	3.44%	3.40%
Maharashtra	17.86%	18.20%	18.46%	17.74%	17.30%	18.04%	17.36%	17.03%	16.76%	17.21%	16.74%	15.94%	15.87%	15.76%
Manipur	0.25%	0.22%	0.21%	0.21%	0.20%	0.16%	0.16%	0.07%	0.08%	0.09%	0.10%	0.08%	0.08%	0.07%
Meghalaya	0.23%	0.23%	0.22%	0.26%	0.25%	0.24%	0.29%	0.29%	0.26%	0.19%	0.14%	0.12%	0.12%	0.13%
Mizoram	0.07%	0.06%	0.06%	0.07%	0.07%	0.06%	0.06%	0.06%	0.08%	0.08%	0.08%	0.08%	0.09%	0.09%
Nagaland	0.11%	0.11%	0.11%	0.12%	0.12%	0.09%	0.10%	0.06%	0.05%	0.05%	0.06%	0.05%	0.05%	0.05%
Odisha	3.32%	3.55%	3.78%	3.87%	3.44%	3.41%	3.39%	3.76%	4.17%	3.69%	3.77%	4.07%	4.07%	3.99%
Punjab	3.25%	3.48%	3.68%	3.72%	3.70%	3.60%	3.54%	2.61%	2.61%	2.60%	2.47%	2.36%	2.32%	2.31%
Rajasthan	5.17%	5.36%	4.99%	5.19%	5.24%	5.01%	5.77%	5.39%	5.18%	5.41%	5.65%	5.38%	5.25%	5.08%
Sikkim	0.07%	0.06%	0.06%	0.08%	0.21%	0.22%	0.24%	0.26%	0.26%	0.28%	0.27%	0.27%	0.29%	0.29%
Tamil Nadu	9.65%	9.63%	9.08%	8.64%	9.53%	10.09%	10.08%	10.80%	10.48%	9.83%	10.20%	10.11%	10.21%	10.26%
Tripura	0.29%	0.29%	0.26%	0.28%	0.29%	0.26%	0.28%	0.18%	0.17%	0.27%	0.23%	0.25%	0.23%	0.25%
Uttar Pradesh	8.19%	8.18%	8.06%	7.93%	7.77%	7.61%	7.34%	7.64%	7.88%	7.41%	7.69%	8.78%	8.81%	8.48%
Uttarakhand	1.09%	1.15%	1.29%	1.40%	1.53%	1.60%	1.72%	2.50%	2.59%	2.54%	2.43%	2.41%	2.43%	2.42%
West Bengal	5.70%	5.45%	5.29%	5.04%	5.05%	4.90%	4.61%	5.36%	5.32%	4.88%	4.71%	4.94%	4.99%	4.92%
INDIA	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%