



Poverty and Inequality in the Marathwada Region a Comparison with west Maharashtra

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Abstract

The Marathwada region of Maharashtra, characterized by its agrarian economy and historical socio-economic challenges, faces persistent issues of poverty and inequality. Despite its rich cultural heritage and strategic agricultural potential, Marathwada continues to grapple with high poverty rates, underdeveloped infrastructure, and limited access to quality healthcare and education. Factors such as recurrent droughts, inadequate irrigation facilities, and migration patterns have exacerbated regional disparities, leading to a chronic cycle of poverty. Additionally, political neglect and a lack of sufficient investment in key sectors have hindered the region's overall development, leaving many communities trapped in poverty.

In contrast, West Maharashtra, which includes prosperous urban centres like Pune and Mumbai, showcases a stark difference in socio-economic indicators. With better infrastructure, access to industrial and service sector jobs, and greater state investment, West Maharashtra has witnessed substantial economic growth and development. The region's comparative prosperity is evident in higher per capita income, lower poverty rates, and better social indicators. The disparity between Marathwada and West Maharashtra highlights not only the regional imbalances within the state but also underscores the broader issue of inequality in the context of Maharashtra's development trajectory. This comparison serves as a critical lens for understanding the structural challenges that perpetuate poverty and inequality in Marathwada and calls for targeted policy interventions to bridge the development gap.

Keywords: Poverty, inequality, Marathwada region, West Maharashtra, social security and welfare

1. Introduction

The Marathwada region in the state of Maharashtra, India, has long been characterized by significant socioeconomic challenges, particularly in terms of poverty and inequality. This region, comprising eight districts, namely Aurangabad, Beed, Hingoli, Jalna, Latur, Nanded, Osmanabad, and Parbhani, faces multifaceted issues stemming from historical, geographical, and structural factors. A comparative analysis between Marathwada and the rest of Maharashtra sheds light on the stark disparities and sheds light on the underlying causes and potential avenues for improvement.

Poverty and inequality are complex and interrelated phenomena that manifest in various dimensions, including income, education, health, and access to basic services. In the context of Marathwada, these challenges are exacerbated by factors such as water scarcity, agrarian distress, inadequate infrastructure, and limited employment opportunities outside of agriculture. As a result, the region has consistently lagged behind other parts of Maharashtra in terms of development indicators and human well-being.

This paper seeks to delve into the specific dynamics of poverty and inequality in Marathwada, comparing them with the broader state of Maharashtra. By examining key indicators such as poverty rates, income distribution, educational attainment, and access to healthcare, we aim to highlight the disparities that exist within the state and identify potential strategies for addressing them.

The comparative analysis will draw upon existing literature, statistical data, and case studies to provide a comprehensive overview of the socioeconomic landscape in Marathwada and its relationship with the rest of Maharashtra. Additionally, we will explore the historical context and policy interventions that have shaped the current scenario, as well as the perspectives of local communities and stakeholders.

Ultimately, this study aims to contribute to a deeper understanding of poverty and inequality in the Marathwada region, with implications for policy-making, development planning, and grassroots initiatives. By identifying the root causes of these challenges and highlighting successful interventions, we hope to inform strategies that can lead to

more inclusive and sustainable development outcomes for all residents of Maharashtra, particularly those in the underserved areas of Marathwada.

2. Definition

- Poverty:** Impoverishment – the condition of an individual who is deprived of a typical or socially acceptable amount of money or material assets. Poverty is said to prevail when individuals lack the resources to meet their essential needs. In this context, identifying disadvantaged individuals first requires defining what constitutes fundamental needs.
- Inequality:** The phenomenon of unequal and/or unjust distribution of resources and opportunities among members of a given society. (britannica.com).

3. Marathwada

- Agriculture:** Crop production, livestock farming, and agribusiness are significant contributors to the local economy.
- Manufacturing:** Industrial production, including textiles, chemicals, and engineering goods, especially in Aurangabad.
- Services:** Retail, healthcare, education, and hospitality have started to grow but still lag behind more developed regions of the state.

4. Objectives

- To quantitatively measure and compare poverty levels in the Marathwada region with the compare of west Maharashtra.
- To qualitatively understand the root causes and contributing factors to poverty and inequality in Marathwada compared to other regions in west Maharashtra.

5. Research Methodology

Collect pertinent information from governmental sources such as census reports, National Sample Survey Organization (NSSO) statistics, and other official records on income, employment, education, health, and living conditions. Data is gathered and assessed online from articles, journals, books, websites, etc.

6. Pre-History of poverty and inequality

6.1 Poverty

Table 1 gives official estimates of incidence of poverty in Maharashtra and the all India level using the National Sample Survey Organisation (NSSO) consumer expenditure data. The proportion of people below the poverty line in Maharashtra decreased from 53% in 1973-74 to 37% in 1993-94 and further reduced to 25% in 1999-2000. Rural poverty declined from 58 per cent in 1973-74 to 24% in 1999-2000 and urban poverty from 44% to 27% during the same period. Between 1973 and 2000, the fall in rural poverty was faster than urban poverty – the extent of fall being 59% in rural areas and 39% in urban areas. It is remarkable to observe that the percentage of total

disadvantaged individuals in the state, both rural and urban areas combined, has consistently been near the corresponding national norm since 1973-74.

Table 1: Percentage of Poor in Maharashtra and India

	Maharashtra			All-India		
	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	57.7	43.9	53.2	56.4	49.0	54.9
1983	45.2	40.3	43.4	45.7	40.8	44.5
1993-94	37.9	35.2	36.9	37.3	32.4	36.0
1990-00	23.7	26.8	25.0	27.1	23.6	26.1

Source: Planning Commission (available at www.indiastat.com).

Inquiries have been posed by several researchers on the similarity of the most recent government poverty assessments with previous evaluations due to a change in the recall period in the NSSO. survey for 1999-2000 (55th Round). Sen and Himanshu (2004) ^[11] have examined this issue in detail by looking at alternative estimates proposed in literature. None of the other estimates significantly alter Maharashtra's position in relation to national norms. Another point of importance to note is the argument by Deaton and Dreze (2002) ^[12] that price indices used to adjust poverty lines over time are based on obsolete commodity weights. They argue that the official adjustment procedure has made urban poverty lines unrealistically high in recent years, and instead, they prefer to use the implied unit prices from the NSSO consumer expenditure survey for updating poverty lines. Their projections indicate that rural Maharashtra has a higher poverty rate than rural all-India by as much as 5 percentage points. Urban poverty estimates by Deaton and Dreze for recent years are substantially lower compared to the official estimates. It was 12 percent for Maharashtra in 1999-2000, which again aligns with their all-India projection. Thus, all available data on poverty projections for 1999-2000. (insightsonindia.com).

Indicate the fact that the percentage of disadvantaged individuals in Maharashtra is about the same as that in the national mean.

Table 2. Taking the rural and urban areas together, the proportion of poor at 13% was the least in the Coastal Region (Konkan division that includes Mumbai and its suburban areas) of Maharashtra in 1999-2000. In the Oriental Area (the eastern Vidarbha sector after omitting Nagpur and Wardha districts) and the Interior Oriental Area (western Vidarbha sector and Nagpur and Wardha districts of eastern Vidarbha)", It is as high as 40%, i.e., three times that of the Seaboard Area. The poverty rate appears to have decreased the most in the Inland Central Area (Marathwada division) by more than 20 percentage points. This was primarily due to a drop in rural regions by nearly 26 percentage points. In metropolitan areas, the reduction was the greatest in the inland northern (Nashik division after excluding Ahmednagar district) by nearly 18 percentage points. Rural areas in the Inland Western Area (Pune division and Ahmednagar district of Nashik division) are agriculturally among the most advanced areas in the nation and, at 11%, exhibit the lowest rural poverty."

Table 2: Percentage of Poor by Regions in Maharashtra

Region	Rural		Urban		Combined	
	1993-94	1999-00	1993-94	1999-00	1993-94	1999-00
Coastal						
Inland Western	15.2	18.4	12.5	10.8	13.3	12.9
Inland western	24.9	10.7	40.2	27.7	29.3	15.6
Inland Northern	47.3	31.8	58.5	40.5	50.3	34.1
Inland Central	49.8	24.2	61.5	54.2	52.4	31.1
Inland Eastern	49.1	31.7	59.0	51.1	52.6	38.4
Eastern	49.3	41.9	52.7	28.0	49.8	39.8

Note: Coastal region comprises of all districts from Konkan division including Mumbai, Inland Western region comprises of all districts from Pune division and Ahmednagar district from Nashik division, interior Northern area consists of all districts from Nashik zone except Ahmednagar, Interior Central area consists of all districts from Marathwada zone, Interior Eastern area consists of all districts from Amravati zone and Nagpur and Wardha districts from Nagpur zone, Oriental area consists of the remaining districts from Nagpur zone. Source: Computed from NSS unit-level statistics."

Provides the distribution of the impoverished across NSS Areas in Maharashtra, along with per capita earnings for the areas computed from PCNDDP. It demonstrates that per capita earnings are the lowest in the Interior Central Area. It is solely the Seaboard Area that has a per capita income that exceeds the state's mean. "The Inland Eastern Region contributed the maximum to the state's total poor 25% followed by Inland Central 20% in 1999-2000.

Between 1993-94 and 1999-2000, the proportion of rural impoverished decreased only in the Interior Western and Interior Central Areas and rose in all the other areas. Oriental, Interior Eastern, and Interior Northern are not only poorer areas to start with, but their share in rural zones has also grown over time. The Seaboard area's share of the destitute population has also increased in both rural and urban regions, although the poverty rates remain lower in comparison to other areas. "The latter assumes significance because 45% of the urban population in Maharashtra is in this region. The Seaboard Area is the sole NSS zone where metropolitan poverty was lower than rural poverty in both 1993-94 and 1999-2000."The ratio of the share of poor to their share of the population in 1999-2000 was the highest for rural areas in the Eastern Region (1.8) and for urban areas in the Inland Central Region (2.03). It was the least for rural areas in the Inland Western Region (0.46) and for urban areas in the Coastal Region (0.40).

Shifting to the distributional aspect, NSSO consumption expenditure survey data confirm the existence of significant disparity within the state. Per capita monthly consumption outlay (MPCE) in Maharashtra for 1999-2000 was Rs. 973 and Rs. 497 for metropolitan and rural areas respectively. Maharashtra leads the rankings in urban MPCE among 16 major Indian states, while it holds the 8th position in rural MPCE. As a result, the percentage gap in urban to rural MPCE is the highest in Maharashtra. Regarding inequality within rural or urban regions, the rural Gini index has particularly declined from 30.7 in 1993-94 to 26.1 in 1999-2000, and the urban Gini has decreased marginally from 35.7 to 35.4. Despite this, Maharashtra remained among the three most disparate states in terms of MPCE in both rural and urban regions across 16 major states during 1993-94 and 1999-2000." (Growth and Poverty in Maharashtra, Srijit

Mishra and Manoj Panda Indira Gandhi Institute of Development Research, Mumbai)

6.2 Inequality

India is a nation characterized by contrasts and diversity. India gained autonomy in 1947. The population size was approximately 361 million in 1951, constituting about 14 percent of the global population. Currently, India makes up around 17.7 percent of the world's total population. The growth in population has not only brought about new challenges in the country, but it has also been viewed as a benefit. The scale of the economy has also transformed dramatically. In 1951, per capita earnings were Rs. 71144, and they stood at Rs. 39904 in 2013-14 (at 2004-05 prices) and Rs. 100151 in 2017-18 (at 2011-12 prices). However, issues persist with regards to rising inequality in India. It is also true that India is no stranger to income disparity, but the gap is widening at a faster pace within the country."

7. Current status Poverty

- 1. Income inequality:** Significant gap between the affluent and the impoverished leads to destitution and famine in Maharashtra. Even though Maharashtra's economic expansion has been reported to exceed 8%, there is still an unequal distribution of earnings and assets. This income disparity is influenced by several factors such as location, territory, type of employment, gender, etc."
- 2. Lack of Employment opportunities:** Elevated joblessness rates contribute to destitution in Maharashtra at both rural and urban levels. If the job opportunities are limited, people are willing to work even at a lower wage. This, in turn, leads to disparity between the nature of the work and the compensation for it. This ultimately results in people working, but at reduced pay."
- 3. Agriculture distress:** Absence of governmental assistance and financial aid to farmers results in crop failures and low earnings. Agricultural distress is a significant concern in Maharashtra, India, with farmers facing numerous challenges that adversely affect their livelihoods and food security. Some of the primary factors contributing to agricultural distress in the state include:
 - Drought and water shortage:** Maharashtra is susceptible to water scarcity and droughts, leading to diminished crop harvests and reduced income for farmers.
 - Low crop prices:** Farmers in the state often receive inadequate prices for their produce, making it challenging for them to earn a living and sustain their farming activities.
- 4. Inadequate infrastructure:** Limited access to essential services such as water, electric power, and healthcare worsens poverty in Maharashtra, particularly in rural regions.
- 5. Low literacy levels:** Limited education leads to restricted employment opportunities, and poverty in Maharashtra persists. Additionally, it contributes to certain mental health challenges like feelings of inferiority and lack of self-assurance.
- 6. Drought:** Drought-prone regions in Maharashtra

experience water shortages, causing crop failure and hunger. This is a primary cause of the underdevelopment in the Vidarbha and Marathwada regions of Maharashtra.

7. **Natural calamities:** Natural catastrophes such as floods, cyclones, and earthquakes can devastate crops and homes, leading to poverty in Maharashtra. For example, the Latur earthquake of 1993 and the 2020 Vidarbha floods in Maharashtra.
8. **Food insecurity:** Lack of access to wholesome food and poor nutritional habits contribute to malnutrition and hunger.
9. **Political volatility:** If there is political instability, it tends to bring about frequent shifts in policies. These constant policy changes lead to interruptions in the implementation of policies, preventing them from reaching their goals and resulting in wastage of time, finances, and resources, thus perpetuating poverty in Maharashtra. For instance, the Aarey or Kanjurmarg metro crash issue in Mumbai has led to significant financial and resource losses due to recent political uncertainty in Maharashtra. Below the Poverty line in Maharashtra is measured by multiplying the prices of physical quantities like food, clothing, footwear, fuel, light, education, etc. in currency. However, the values involved in determining the poverty threshold fluctuate across different years. The overall poverty rate in Maharashtra is 14.8%, significantly below the national average of 25.01%. The ranking is led by Uttar Pradesh, followed by Bihar and Madhya Pradesh in 2nd and 3rd positions, respectively.

The proportion drops to 40% in rural areas (India rural 54%) and to 23.3% among mothers without any formal education (India non-educated 49%), highlighting a notable priority gap.

In Maharashtra, Nandurbar has the highest poverty proportion at 52.12%, followed by Dhule (33.23%), Jalna at 29.41%, Hingoli at 28.05%, and Nanded at 27.48%. Regions with the lowest poverty in the state include Mumbai at 3.59%, Mumbai Suburban at 4.65%, Pune at 5.29%, Nagpur at 6.72%, and Bhandara at 8.19%." (Poverty In Maharashtra: Know About The Poverty And Schemes Launched.estbook.com/mpsc-preparation/poverty-in-Maharashtra).

7.1 Inequality

With new economic policy of 1991 growth of Marathwada along with Maharashtra stimulated but not as other regions of Maharashtra. The pattern of growth rate in Marathwada's along with Maharashtra of last decade—in 2012-13 Maharashtra's GDP is 6.1 percent while Marathwada's is 2.6 percent. In 2013-14 it grows to 6.9 percent in Maharashtra and in Marathwada's increased hugely i.e. 11.7 percent, later in year 2014-15 there is little decrease in growth but due to drastic decrease in agricultural and allied sector of Marathwada's, the GDP decreased to -3.5 percent. In the year 2015-16, the Gross Domestic Product (GDP) of Maharashtra rose by 7.2 percent, while Marathwada's grew by 4.9 percent, due to significant expansion in the manufacturing sector."

In year 2016-17 Maharashtra's economy is on pick i.e. 9.2

percent growth rate and due to very impressive of agriculture sector and satisfied growth of service sector. Marathwada's growth rate is also on peak i.e. 14.9 percent. In this manner, Marathwada's growth rate is declining along with the agricultural and related sectors In year 2017-18 and 2018-19 i.e. 3.7 and 4.7 percent respectively. Although there is slowdown of Maharashtra's growth rate due to decrease in Industrial Sector, Marathwada's growth rate is satisfactorily i.e. 6.8 percent.

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To decrease inequality, poverty and to perform sustained and inclusive growth and development it is essential to study of economic growth development and inequality of Marathwada's Region of last decade i.e. 2011 to 2021.

7.2 Marathwada's Region

There are six [Kokan, Nasik, Pune, Aurangabad, Amravati and Nagpur] administrative divisions in Maharashtra and has 36 districts and 355 talukas, the geographical name of Aurangabad division is Marathwada, it is largest division it consists 8 districts and 76 talukas. It has 18731870 populations that is 16.67 percentage of Maharashtra's population and 64813 square kilometres total area and 289.01 population density.

Aurangabad is second largest city by area and playing regional capital role as well as divisional head quarter of Marathwada region. This region has four municipal corporations and they are Aurangabad, Nanded, Latur and Parbhani. Aurangabad the regional headquarter has most industrial hub in the region and the most tourist attracting place due to this, in this region, Aurangabad considered most favorable place for employment.

In this region Nanded is the largest city by area and second in tourist attracting, economic and employment generating. Geographically Marathwada is known as drought prone area its annual rainfall is 75 to 100 cm and has medium black soil, tropical thorny forest, and arid deciduous forests it occupies total 3086.11 square Kilometer area.

Due to low rainfall, crop loss burden of debt and low crop market price, etc. known for major incidences of farmer suicides.

(The Study of economic growth, development and inequality in Marathwada" (2010-11 to 2020-21)

8. Advantages/Disadvantages

8.1 Advantages

1. **Informed Decision-Making:** By conducting a comparative analysis, policymakers can make more

informed decisions about resource allocation and policy prioritization in both regions.

2. **Tailored Interventions:** Understanding the unique challenges faced by each region allows for the design of targeted interventions that are more likely to be effective.
3. **Cross-Learning Opportunities:** Identifying successful strategies in one region that can be applied in the other region promotes cross-learning and knowledge sharing.
4. **Community Empowerment:** Involving local communities in the research process fosters ownership and empowerment, leading to more sustainable poverty alleviation efforts.
5. **Holistic Understanding:** A comparative analysis provides a more holistic understanding of poverty and inequality dynamics by considering a range of factors and contexts.

8.2 Disadvantage

1. **Data Limitations:** Availability and quality of data may vary between the two regions, posing challenges for making direct comparisons.
2. **Complexity of Factors:** Poverty and inequality are influenced by numerous interconnected factors, making it difficult to isolate specific causes and effects.
3. **Resource Intensive:** Conducting a comparative analysis requires significant resources in terms of time, funding, and expertise.
4. **Contextual Differences:** Marathwada's and West Maharashtra may differ in terms of demographics, geography, and socio-economic context, making direct comparisons challenging.
5. **Subjectivity:** Interpretation of findings may be subjective and influenced by researchers' biases and perspectives.

8.3 What can be done to reduce poverty lines?

Indian government is running many schemes to reduce the poverty line but the benefit of this scheme has not reached the people below the poverty line because India has completed 75 years of independence today but today the same issue is going on with the present government India is an agricultural country but today the poverty has not gone away.

Today the poor are still poor and on the one hand the government is implementing various schemes but no government is paying attention to whether those schemes are reaching the people or not. Indian agriculture is dependent on the trust of nature, the loss of farmers due to natural calamities is still happening today and the farmers are the poorest of the poor, that means poverty will not go away. A market place should be provided without traders, The government should provide free loans to the poor artisans, and government schemes should be implemented on paper and should be implemented smoothly. By doing this, the benefits will reach the people and will help in alleviating poverty. Information about whether the government scheme is reaching the people or not should be collected from the private companies.

9. Conclusion

Government is bringing new schemes to reduce poverty and

inequality. The government is trying to create employment through these schemes. At the same time, the government is focusing on reducing poverty and inequality through PMGP and Mudra Yojana, keeping in mind the educated unemployed. Sudha Jod is focusing on the business of farmers. In the last ten years, 10% of the poverty rate in the country has been reduced. In the country the poverty line of Maharashtra is on the 4th rank. This status is based on the above data of 2021

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