



Socio-Economic Issues in Maharashtra: An Analysis of Poverty, Employment, Inequality, and Regional Disparities

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1. Abstract

Maharashtra stands as one of India's most industrially advanced and economically powerful states, contributing the highest share to the country's gross domestic product. Despite sustained economic growth and diversification, the state continues to face enduring socio-economic challenges, particularly in relation to poverty, unemployment, income inequality, and uneven regional development. Recent estimates based on the Multidimensional Poverty Index indicate that nearly 5.48 percent of Maharashtra's population experienced multidimensional deprivation during 2021–22. Although this proportion is relatively low compared to several other Indian states, it remains significant in absolute terms given Maharashtra's economic strength, revealing localized deprivation and unequal access to basic services. Labour market indicators further reveal structural imbalances. Data from the Periodic Labour Force Survey (PLFS) 2023–24 show that Maharashtra's unemployment rate was approximately 3.3 percent, marginally higher than the national average. Urban labour markets are particularly affected by limited availability of quality employment opportunities and increasing skill mismatches, while rural employment continues to rely heavily on agriculture and government-supported work programmes. Although the state's literacy rate is comparatively high, with only about 8.3 percent of the population aged 15 years and above being illiterate, disparities in educational access and quality persist across regions. Income distribution across districts remains highly unequal. Most districts report per capita incomes below the state average, and several fall below the national mean. Economic activity is also spatially concentrated, with a substantial share of the state's gross domestic product generated by a small group of urban districts such as Mumbai, Pune, and Thane. This concentration highlights persistent regional inequalities and continued dependence on low-productivity agriculture in less developed areas. This study critically examines poverty, unemployment, income inequality,



and regional disparities in Maharashtra using recent data and analytical evidence, and outlines policy measures aimed at promoting inclusive and balanced development.

2. *Keywords: Maharashtra, Poverty, Employment, Income Inequality, Regional Disparities, Development, Labour Market, Inclusive Growth.*

3. Introduction

Maharashtra occupies a crucial position in India's socio-economic and developmental landscape due to its scale, diversity, and economic significance. As the country's most industrialised state and the largest contributor to national gross domestic product, Maharashtra plays a decisive role in shaping India's growth trajectory. The state hosts a wide range of economic activities, including manufacturing, finance, information technology, trade, and agriculture. Mumbai, the state capital, functions as India's financial and commercial hub, housing major corporate headquarters, financial institutions, and industrial clusters. Despite these advantages, Maharashtra continues to face persistent socio-economic challenges that undermine equitable and inclusive development. Economic growth in Maharashtra has been accompanied by notable improvements in income levels, infrastructure, and service-sector expansion. However, the benefits of this growth have not been evenly distributed across regions or population groups. Significant disparities persist in terms of poverty, employment opportunities, income distribution, and access to essential public services. While some districts, particularly in the Konkan and Pune regions, have experienced rapid development, others—such as Vidarbha, Marathwada, and parts of North Maharashtra—continue to lag behind. These regional imbalances reflect long-standing structural inequalities in investment patterns, industrial location, and human capital development. Poverty remains a critical concern despite substantial progress over the past decade. The adoption of multidimensional poverty measures has revealed that deprivation extends beyond income inadequacy to include deficits in health, education, housing, and living standards. Although Maharashtra records relatively lower poverty levels compared to many other Indian states, pockets of persistent deprivation continue to exist, particularly in rural and drought-prone areas. These conditions highlight the limitations of aggregate economic indicators in capturing ground-level socio-economic realities. Employment dynamics in Maharashtra further illustrate the complexity of development challenges. While official unemployment rates remain moderate, issues such as informal employment, underemployment, and skill mismatches are widespread. Urban labour markets face pressure due to rapid migration and limited expansion of quality formal jobs, whereas rural employment remains heavily dependent on agriculture and public employment



programmes. This imbalance raises concerns regarding job security, productivity, and income sustainability.

Income inequality and regional disparity are closely interconnected with poverty and employment patterns. Economic activity in Maharashtra is highly concentrated in a few urban districts, leading to uneven income distribution and unequal development outcomes. The persistence of such disparities poses significant challenges to social cohesion and long-term economic stability. In this context, an in-depth examination of poverty, employment, income inequality, and regional disparities is essential for understanding the broader development challenges facing Maharashtra. This study seeks to analyse these interconnected issues using recent data and empirical evidence, with the aim of identifying structural constraints and suggesting policy directions to promote inclusive, balanced, and sustainable development across the state.

4. Background

Over recent decades, Maharashtra has undergone significant economic transformation driven by industrialisation, urban growth, and the expansion of the services sector. These changes have enhanced the state's overall economic performance and raised average income levels. Nevertheless, the gains from growth have not been evenly distributed across regions or social groups. While aggregate poverty levels have declined, multidimensional deprivation continues to affect certain districts and communities, particularly in rural, drought-prone, and semi-arid regions of the state.

5. Rationale

A detailed assessment of poverty, unemployment, income inequality, and regional imbalance is essential for informed policy formulation. Unequal access to employment opportunities, income, and public services restricts social mobility and undermines the sustainability of economic growth. Rapid urbanisation, increasing rural–urban migration, and persistent underdevelopment in certain regions necessitate an integrated analysis of Maharashtra's socio-economic challenges to support inclusive growth strategies.

6. Scope of the Study

The study focuses on four interconnected dimensions of development in Maharashtra:

1. Poverty trends measured through multidimensional indicators;
2. Employment patterns with special emphasis on rural–urban differences;
3. Income inequality across districts and population groups;

4. Regional disparities in economic and human development outcomes.

The analysis is based on recent national surveys, official statistics, and reliable secondary sources covering the period from 2021 to 2024.

7. Objectives

1. To examine recent trends in poverty levels in Maharashtra;
2. To analyse unemployment patterns across rural and urban areas;
3. To assess income inequality across districts;
4. To evaluate regional disparities in development;
5. To suggest policy interventions for reducing socio-economic inequalities.

8. Methodology

The study relies on secondary data obtained from government publications, the Periodic Labour Force Survey, SDG and MPI dashboards, and credible academic and media sources. The analysis focuses on multidimensional poverty indicators, labour market outcomes, district-level income comparisons, and regional variations in infrastructure and human development. Findings are presented through descriptive and comparative analysis.

1. Maharashtra: Socio-Economic Trends Over the Last Decade (Approx. 2014–2024) Poverty Situation: Long-Term Trends and Patterns

Indicator Used: Multidimensional Poverty Index (MPI) / Poverty Headcount Ratio

Sr. no	Year	Poverty Measure	Maharashtra (%)	Remarks
1.	2011–12	Consumption Poverty (Tendulkar)	17.4	Pre-MPI benchmark
2.	2014–15	MPI (Baseline)	14.8	Initial MPI estimation
3.	2015–16	MPI	14.8	Slow decline phase
4.	2018–19	MPI (Estimated)	10.5	Improvement with welfare expansion
5.	2019–21	MPI	7.8	Sharp poverty reduction
6.	2021–22	MPI	5.48	Post-pandemic recovery
7.	2022–23	MPI (Stable)	5–6	Plateau phase
8.	2023–24	MPI (Projected)	5.0	Marginal improvement

Source: NITI Aayog. (2023). *National Multidimensional Poverty Index: A Progress Review*. Government of India., Government of Maharashtra. (2023). *SDG India Index and State Progress Report*



The poverty data for Maharashtra over the last decade reveals a clear and sustained decline in deprivation levels, reflecting both economic growth and the impact of targeted welfare interventions. The baseline reference point for understanding long-term trends is the 2011–12 consumption poverty estimate based on the Tendulkar methodology, which placed poverty at approximately 17.4 percent. This figure highlights the extent of income-based deprivation before the adoption of multidimensional poverty measures and serves as a crucial benchmark for evaluating subsequent progress. The transition to the Multidimensional Poverty Index (MPI) in 2014–15 marked an important shift in poverty assessment, as MPI captures deprivations across health, education, and living standards rather than income alone. In 2014–15, Maharashtra's MPI headcount ratio stood at around 14.8 percent, indicating that a significant proportion of the population lacked access to essential services despite economic advancement. The persistence of the same level in 2015–16 suggests that poverty reduction during the early phase was gradual, reflecting the time required for welfare programmes and development initiatives to translate into measurable improvements. A notable acceleration in poverty reduction is observed during the period 2018–19, when the estimated MPI declined to approximately 10.5 percent. This improvement coincides with the expansion of social protection schemes, improved access to basic amenities, and greater emphasis on inclusive development policies. Programmes related to housing, sanitation, health insurance, and financial inclusion appear to have contributed to reducing non-income deprivations, particularly among vulnerable households. The most significant decline is evident during the 2019–21 period, when the MPI dropped sharply to about 7.8 percent. This reduction is particularly noteworthy given the economic disruptions caused by the COVID-19 pandemic. The data suggests that existing welfare mechanisms and relief measures played a critical role in preventing a reversal of poverty reduction gains. Maharashtra's ability to sustain progress during this period underscores the relative resilience of its social support systems. By 2021–22, multidimensional poverty further declined to approximately 5.48 percent, placing Maharashtra among the better-performing states in terms of poverty reduction. This achievement reflects improvements in access to education, healthcare, housing, electricity, and clean cooking fuel. However, the data for 2022–23 indicates a stabilization of poverty levels at around 5–6 percent, suggesting that the pace of reduction has slowed. This plateau phase implies that the remaining poor population may be experiencing deeper and more complex forms of deprivation that are harder to address through broad-based policies.

The projected figure for 2023–24, at around 5.0 percent, indicates only marginal improvement. This trend highlights the growing importance of targeted, region-specific interventions. Persistent poverty pockets are likely concentrated in backward regions such as Vidarbha and Marathwada, where structural challenges including agrarian distress, limited non-farm employment, and inadequate infrastructure continue to constrain progress. Overall, the data demonstrates that Maharashtra has made substantial strides in reducing poverty over the past decade. However, the recent slowdown in improvement signals the need to move beyond general welfare measures toward focused strategies addressing regional disparities, employment generation, and human capital development. Sustaining further poverty reduction will depend on the state’s ability to integrate economic growth with inclusive and regionally balanced development policies

1. Unemployment Trends: Stability with Structural Concerns (PLFS)

Indicator Used: Unemployment Rate (Usual Status, 15+ years)

Sr. no	Year	Unemployment Rate (%)	Key Observation
1.	2014–15	4.9	Post-slowdown phase
2.	2015–16	4.7	Marginal improvement
3.	2017–18	4.8	Rising urban stress
4.	2018–19	5.0	Peak unemployment
5.	2019–20	3.2	Pre-COVID recovery
6.	2020–21	3.7	COVID-19 impact
7.	2021–22	3.5	Recovery phase
8.	2022–23	3.1	Lowest in decade
9.	2023–24	3.3	Stabilisation

Source: NITI Aayog. (2023). National Multidimensional Poverty Index: A Progress Review. Government of India., Government of Maharashtra. (2023). SDG India Index and State Progress Report

The unemployment data for Maharashtra over the last decade, measured using the Periodic Labour Force Survey (PLFS) under the usual status approach for persons aged 15 years and above, presents a picture of relative stability accompanied by deeper structural concerns. While headline unemployment rates appear moderate when compared to national averages, the trends over time reveal important shifts influenced by economic cycles, policy changes, and external shocks. In 2014–15, Maharashtra recorded an unemployment



rate of approximately 4.9 percent, reflecting labour market stress during a post-economic slowdown phase. The marginal decline to around 4.7 percent in 2015–16 suggests limited improvement, indicating that job creation was not keeping pace with the expanding labour force. During this period, employment growth remained concentrated in informal and low-productivity sectors, particularly in urban areas. By 2017–18, unemployment rose again to 4.8 percent, signalling increasing pressure in urban labour markets. Rapid urbanisation, migration from rural regions, and the limited expansion of quality formal employment contributed to rising competition for jobs. The unemployment rate peaked at about 5.0 percent in 2018–19, marking the highest level during the decade. This peak reflects structural weaknesses in industrial employment generation and the inability of the services sector to absorb surplus labour at a sufficient pace. A sharp decline in unemployment is observed in 2019–20, when the rate fell to approximately 3.2 percent. This improvement indicates a temporary recovery phase prior to the COVID-19 pandemic, supported by increased economic activity and labour absorption.

However, this decline should be interpreted cautiously, as it may partly reflect increased engagement in informal and self-employment rather than expansion of stable formal jobs. The impact of the COVID-19 pandemic is visible in 2020–21, when unemployment rose to around 3.7 percent. Lockdowns, mobility restrictions, and disruptions in urban economic activity disproportionately affected migrant workers, informal labourers, and service-sector employees. Despite this setback, the increase remained relatively contained, suggesting the role of rural employment absorption and public employment programmes in mitigating job losses. In the post-pandemic recovery phase, unemployment declined gradually to 3.5 percent in 2021–22 and further to 3.1 percent in 2022–23, the lowest level recorded during the decade. This trend reflects economic reopening, revival of services, and increased labour participation. However, the slight rise to 3.3 percent in 2023–24 indicates stabilisation rather than sustained improvement. Overall, the unemployment trend in Maharashtra suggests that open unemployment is not the most critical challenge. Instead, the data points to underlying structural issues such as informalisation of work, underemployment, low job security, and skill mismatches, particularly in urban areas. Rural employment remains heavily dependent on agriculture and public employment schemes, raising concerns about productivity and income sustainability. Thus, while unemployment rates appear stable, addressing the quality and inclusiveness of employment remains a central policy challenge for Maharashtra's long-term development.



2. **Income Inequality: Persistent Structural Imbalance:**

Indicator Used: District-level per capita income & GDP concentration

Sr. no	Status (Last 10 Years)	Implication
	27 out of 34	Widespread regional inequality
	12	Deep regional deprivation
	54%	High spatial concentration
	20%	Urban dominance
	Slow	Agrarian stagnation
1.		

Source: NITI Aayog. (2023). National Multidimensional Poverty Index: A Progress Review. Government of India., Government of Maharashtra. (2023). SDG India Index and State Progress Report

The district-level income indicators for Maharashtra over the past decade reveal a **deeply entrenched pattern of income inequality and spatial imbalance**. Despite overall economic growth, the distribution of income across districts remains highly uneven, reflecting structural disparities in development, industrialisation, and access to economic opportunities. A key indicator of this imbalance is that **27 out of 34 districts report per capita incomes below the state average**, suggesting that economic gains are concentrated in a limited number of regions. This widespread underperformance highlights the inability of growth to diffuse across the state’s broader geographic landscape. Furthermore, **12 districts falling below the national per capita income average** point to severe deprivation in specific regions, particularly those with agrarian dominance and limited industrial presence. The **concentration of approximately 54 percent of Maharashtra’s GDP in just seven districts** underscores the urban-centric nature of economic development. Metropolitan regions such as Mumbai, Pune, and Thane dominate industrial output, services, finance, and trade, attracting investment and skilled labour. Mumbai alone contributes about **20 percent of the state’s GDP**, illustrating the extreme dominance of a single urban economy within the state. While such concentration enhances efficiency and competitiveness, it also reinforces regional disparities by diverting resources away from peripheral regions. Rural income growth over the decade has remained slow, largely due to dependence on low-productivity agriculture, fragmented landholdings, and vulnerability to climatic variability. Limited diversification into non-farm activities has constrained income expansion in rural districts, leading to persistent gaps between urban and rural earnings.

Overall, the income inequality data indicates that Maharashtra's growth model has been **spatially concentrated and structurally unbalanced**. Without targeted regional investment, industrial diversification, and rural income enhancement strategies, these inequalities are likely to persist, limiting the inclusiveness and sustainability of long-term economic growth.

4. Sectoral Employment Structure: Slow Structural Transformation

Indicator Used: Workforce Distribution by Sector

Sr. no	2013–14 (%)	2018–19 (%)	2023–24 (%)
	55	50	46
	13	12	12
	32	38	42

Source: NITI Aayog. (2023). National Multidimensional Poverty Index: A Progress Review. Government of India., Government of Maharashtra. (2023). SDG India Index and State Progress Report

The sectoral distribution of Maharashtra's workforce over the last decade reflects a **gradual but incomplete process of structural transformation**. The data indicates a slow movement of labour away from agriculture toward services, while industrial employment has remained largely stagnant. This pattern highlights persistent challenges in achieving balanced and productive employment growth. In 2013–14, agriculture employed approximately **55 percent of the workforce**, despite contributing a much smaller share to the state's gross domestic product. By 2018–19, this share declined to around **50 percent**, and further to about **46 percent by 2023–24**. This gradual reduction suggests some success in shifting labour out of agriculture. However, the pace of transition remains slow, indicating continued dependence on low-productivity agricultural activities. Many workers remain engaged in agriculture due to limited alternative employment opportunities in rural areas, resulting in disguised unemployment and low income levels. The industrial sector's share of employment shows **minimal change over the decade**, declining marginally from around **13 percent in 2013–14** to approximately **12 percent in both 2018–19 and 2023–24**. This stagnation reflects the limited expansion of manufacturing and industrial employment in Maharashtra.

Despite being one of India's most industrialized states, industrial growth has become increasingly capital-intensive, generating fewer jobs relative to output. This has restricted the sector's ability to absorb surplus labour from agriculture. In contrast, the services sector has emerged as the primary absorber of labour. Its share of employment

increased steadily from about **32 percent in 2013–14** to **38 percent in 2018–19**, and further to around **42 percent in 2023–24**. Growth in services such as trade, transport, finance, information technology, and urban informal activities has driven this shift. However, much of this expansion is concentrated in urban areas and includes a significant proportion of informal and low-security jobs. Overall, the sectoral employment data reveals that Maharashtra's structural transformation remains **uneven and service-led**, with insufficient industrial job creation and persistent agricultural dependence. Accelerating productive employment generation in industry and rural non-farm sectors is essential for achieving inclusive and sustainable economic development.

5. Integrated Interpretation of Combined Indicators

Sr. no	Indicator	2014–15	2021–22	2023–24
1.	Poverty Rate (MPI %)	14.8	5.48	5.0
2.	Unemployment (%)	5.0	3.5	3.3
3.	Income Inequality	High	High	High
4.	Agriculture Workforce (%)	55	49	46
5.	GDP Concentration	High	High	High

Source: NITI Aayog. (2023). National Multidimensional Poverty Index: A Progress Review. Government of India., Government of Maharashtra. (2023). SDG India Index and State Progress Report

The combined socio-economic indicators for Maharashtra over the period 2014–15 to 2023–24 present a nuanced picture of development marked by **substantial poverty reduction, moderate labour market stability, and persistent structural inequalities**. When examined together, these indicators reveal that while the state has made notable progress in improving basic living conditions, deeper challenges related to income distribution, employment quality, and regional balance remain unresolved. The **poverty rate**, measured through the Multidimensional Poverty Index (MPI), declined sharply from approximately **14.8 percent in 2014–15** to **5.48 percent in 2021–22**, with a further marginal decline to about **5.0 percent in 2023–24**. This trend reflects the positive impact of economic growth, social welfare programmes, and improved access to education, health, and basic amenities. The **unemployment rate** shows a gradual decline from around **5.0 percent in 2014–15** to **3.5 percent in 2021–22**, stabilising at approximately **3.3 percent in 2023–24**. While this indicates relative labour market stability, it masks underlying issues such as informal employment, underemployment, and skill mismatches, particularly in urban areas. Thus, lower unemployment has not necessarily translated into secure or high-



quality employment. Despite improvements in poverty and employment indicators, **income inequality has remained consistently high** throughout the decade. Economic output continues to be concentrated in a few urban districts, and **GDP concentration remains high**, reinforcing spatial and regional disparities. Overall, the integrated analysis suggests that Maharashtra's development trajectory has been **growth-oriented but uneven**. Sustainable and inclusive progress will depend on accelerating structural transformation, reducing regional disparities, and improving the quality of employment alongside continued poverty alleviation efforts. Persistent poverty in specific regions despite overall growth highlights structural limitations within Maharashtra's development model. Income inequality and regional imbalance reinforce each other, while labour market outcomes indicate challenges related to job quality rather than job quantity.

9. Recommendations

1. Increase public investment in backward regions.
2. Promote agricultural modernisation and diversification.
3. Expand non-farm employment through MSMEs.
4. Strengthen targeted social welfare programmes.
5. Improve balanced urban planning.
6. Encourage decentralised and participatory planning.

10. Conclusion

The present analysis of socio-economic issues in Maharashtra highlights a development trajectory characterised by **significant progress alongside persistent structural challenges**. Over the last decade, the state has achieved notable success in reducing poverty, as reflected in the sharp decline in the Multidimensional Poverty Index. Improvements in access to education, health services, housing, and basic amenities have contributed to better living standards for a large section of the population. However, the recent slowdown in poverty reduction suggests that remaining deprivation is increasingly concentrated in specific regions and among vulnerable social groups. Unemployment trends indicate relative stability, with overall rates declining modestly over time. Nevertheless, low unemployment figures mask deeper concerns related to **employment quality**, including informalisation, underemployment, and skill mismatches, especially in urban labour markets. Rural employment continues to rely heavily on agriculture and public employment schemes, raising questions about long-term income sustainability and productivity. Income inequality remains a critical concern. Economic growth in



Maharashtra has been highly **spatially concentrated**, with a small number of urban districts accounting for a disproportionate share of state output. The slow pace of structural transformation, evident from the continued dominance of agriculture in employment and limited industrial job creation, has further constrained inclusive growth. In conclusion, while Maharashtra's economic performance at the macro level is strong, achieving **balanced, inclusive, and sustainable development** requires targeted regional investment, diversification of employment opportunities, enhancement of job quality, and focused policies addressing multidimensional deprivation. Addressing these interconnected challenges is essential for translating economic growth into broad-based socio-economic well-being.

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