



The Economic situation In Maharashtra

Com. Bhalchandra Kango
(English Translation : Mrs. Keerti Marathe)



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**Dada Purao Research And Training Institute
Annapurna Pariwar**

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Foreword by the publisher :



We are pleased to publish the booklet 'Economic Situation in Maharashtra' by Dr. Com. Bhalchandra Kango , on the occasion of the Founders' Day. 21st August 2021 This booklet is published by Com. Dada Purav Research and Training Institute of Annapurna Pariwar.

Com. Dada Purav, founder of Annapurna Pariwar and Padmashri Prematai Purav had actively participated in the struggle for the formation of Maharashtra state. The creation of the state based on one language structure - Maharashtra State- has completed 60 years. On this occasion, we had requested Dr. Bhalchandra Kango to write the booklet on ' The Economic Situation in Maharashtra'.

During the process of creating Maharashtra State, Mumbai city was included in the state. However, till date the problem about Maharashtra and Karnatak boundaries has not been resolved. On this background we have also published the book written about the struggle by the people in these two states for including Belgaum city in Maharashtra, viz. **'The struggle : for merging with Maharashtra'**, written by Prof. Com. Anand Mense, on the occasion of the Founders' Day.

Maharashtra State was formed and Mumbai became a part of Maharashtra, however, The dream of a socialist Maharashtra in socialist India, has not materialized.

In fact, the corporate capitalism has engulfed the entire financial, social, educational and cultural fabric of Mumbai and Maharashtra.

Com. Kango has analyzed this situation in this booklet.

The labor movement in Maharashtra is backed by the philosophy of Shahu, Phule, Ambedkar and Marx. Therefore we requested Dr. Kango to write this booklet, who is himself an active follower of Marxist philosophy. We are extremely grateful to Com. Kango for writing this booklet viz. **'The Economic Situation in Maharashtra'**, in spite of his very busy schedule of social activities.

Dr. Medha Purao - Samant

The Economic Situation in Maharashtra

Com. Dr. Bhalchandra Kango

Com. Dhopeswarkar, Dr. Medha Purav Samant of Annapurna Pariwar and the trustees entrusted me with the responsibility of writing a booklet on the subject of the economic situation in Maharashtra. I am not a student of Economics. I must make this clear right in the beginning, that I also realized that there was a lack of discipline and research needed for writing a booklet.

In 2020, the state of Maharashtra completed 60 years. India will also complete 75 years of independence. On this background, it is heartening to see that the organizers have decided to come out with booklets on the economic situation at the world level, at the national level and in Maharashtra.

In our country, the economic progress of the country and of the state is influenced by the privatization, liberalization and globalization policies. If we want to study the economy of the state then we can see a lot of problems being faced by the common people, which also includes the entire working class. Here is an attempt to summarize these problems.

Globalization :

For the last 250-300 years, throughout the world , economies of all the nations are moving towards globalization. Of course, this is a very long journey and there have been many problems and in future also there will be many problems. Today, there are around 191 nations in the world and out of these, most economies are connected with each other through global market organizations, with new technologies and they are under the pressure of the global corporate capitalism. Of course, each nation is continuously trying to strengthen its own economy, to become self-sufficient and to reduce dependency upon any other nation. During 1930 to 1980 this process was significant.

However, after 1980, the multinational companies and the developed countries dominated the entire world by taking advantage of the changing technologies and compelled other nations to accept their role and economic dominance. In 1986 they cancelled that GATT Agreement (General Agreement On Tariffs and Trade) and introduced the new Dunkel report and in 1995 the 'World Trade Organization' was established and they tried to connect the economies of all the nations with the global economy and tried to dominate them. Under this globalization process, mainly those transactions increased which were based on foreign capital and freely allowing foreign capital. Also, they insisted upon manufacturing products mainly for exports. For this, while lending to the various nations, the International Monetary Fund, World Bank also imposed stringent conditions on the nations to ensure that their economic policies would support this process. The effects of this were felt in all sectors after 1980.

In India, the government accepted these new policies under the New Economic Policy and improvements. This

affected the national economy and also the economy of the state. Basically every nation faced limitations in respect of presenting a deficit budget. In our country, the central government passed the law that the financial deficit should not be more than 4 per cent. This affected the capital formation by the government and the private and foreign capital became important for the capital creation.

The effect of limitations on the implementation of government's welfare schemes and policies was evident on the state economy too. Even if India is a sovereign state, there are limitations on up to what extent the state government can have its own independent economic policy and philosophy, and such limitations increased after the new globalization. Especially, after the implementation of 'GST (Goods and Services Tax)' there have been further limitations on the capital formation by a state and on the implementation of welfare schemes. The administration of state affairs is done mainly with the help from the central government. Also, on the background of ever increasing globalization pressures, the central government implements the economic policies while complying with a number of limitations. Even though the central government is the government of independent India, as the economy of the nation is connected with the global economy, we have to be aware that the situation before 1980 and today's situation are not similar.

The deficit budget gives rise to inflation. Due to inflation, prices increase, expenditure increases so there is a strong philosophy that to contain the inflation, the deficit should not be more. To achieve the inflationary target the RBI Operates its Monetary Policy. During the Corona period, the limitations of this philosophy have become apparent. In a country like India, which has huge population, even today more than 75 per cent of the population hardly has the

capability to spend only Rs. 20 to Rs. 25 daily. (Report of the Arjun Sengupta Committee). In short, the Indian market is still not developed. It is necessary to develop the same. However, instead of developing the market by increasing the purchasing power of the people, the new economic policy favors foreign capital, technology and manufacturing the products for exports and earning good profits, so the welfare schemes are being curtailed, government expenses are reduced, and this has affected the economy of the state, as well.

When we study the economy of the state, we must consider all these facts. While studying the economy, we must carry out this study from the viewpoint of the common hardworking people who are in majority. We cannot understand the true nature of the development only by studying the increasing figures of Gross Domestic Product (GDP).

In the new economic policies, more stress is given on the philosophy of 'trickling effect'. However, this is not happening. Hence, Mr. Manmohan Singh, erstwhile Prime Minister of the nation and a strong proposer of the New Economic Policy, advocates that the development must have a human face. Throughout the world, all the nations are struggling with the problems of ever increasing gap between the rich and the poor and the increasing unemployment. According to one study, 10 per cent people in the world have 78 per cent of the wealth. In India, 1 per cent people own 73 per cent of the wealth. In Maharashtra state too the situation is not different. We have to be aware of this situation.

The Development Model

After the nation attained independence, just like other nations, our nation also accepted the development model of

rapid industrialization and reducing the number of people depending upon agriculture. In those days, the available technology and the global economy had a major role to play. Also, the same development model was accepted worldwide. However, now the situation has changed. On one hand, we are facing the serious problems regarding the environmental issues. On the other hand, due to the rapid developments in technology, we can see that there has been development without much increase in the employment.

In fact, now there is a possibility that there will be development but the employment will decrease. This means that more production and more profit will be the objective of the development process. It is generally believed that due to this the human development will follow but the facts are different. Hence, while we have to protect the environment, we will also have to define the process of development as one which brings about better life style for the humans. While studying the economy of Maharashtra too, we will have to have this perspective.

Industry

The state of Maharashtra is one of the prominent states in the country in respect of industrial production and industrialization. However, this development has been restricted only to the cities like Nashik, Thane, Mumbai, Pune and to some extent to cities such as Aurangabad and Nagpur. Employment has been provided to 10 to 11 per cent of the population. This percentage has not increased over the years. The state of Maharashtra is always at the first or second place in respect of foreign investments and the situation for national investment is also the same. However, the general situation is still 'development without employment'.

Due to this, in the rural areas, the government jobs are

the only profitable avenues. The huge number of candidates appearing for the examinations of M.P.S.C. speaks a lot about this.

Increasing urbanization and increasing problems

Rapidly increasing urbanization is an important component of the development model. As per the figures available for 2017-18, 46 per cent of the population in Maharashtra stays in the cities. However, this urbanization has resulted into an explosion of population in the cities and the number of people residing in the slums is the largest in the cities. Mumbai and Nagpur are leading this scenario. As per the census of 2011 in the country, 38.3 per cent population stays in the slums. Out of these, 8 per cent population is in Mumbai and 1.3 per cent population is in Nagpur. Under this situation, it is the need of the hour to have the development of the cities in a planned manner, to make available the infrastructure facilities to the common people, to make available homes at affordable prices.

During the UPA regime, under the Jawaharlal Nehru Urban Renewal Mission Scheme, there was an attempt to bring about development of a few selected cities in Maharashtra. Under the Smart City Scheme of the current government, efforts were made for the development of a few cities. However, in both these schemes, the necessities and aspirations of the common man were overlooked. The common principle was to provide facilities and services to those who had money. In view of the increasing urbanization in Maharashtra, there is an urgent need to create proper systems for water, waste management, public transport etc. The ever increasing urbanization is a major challenge. The concept viz. 'urbanization means development' is an illusion. However, for political objectives, a systematic process is being used to bring about conflicts by projecting Bharat versus India, which in turn gives rise to the conflict of rural

versus urban. Such a conflict is detrimental for the unity of the workmen. We will have to remember this always and plan our actions.

Maharashtra Human Development and Index

While evaluating the development process from the perspective of the common and hardworking people, we have to give due importance to the Human Development Index.

On this background, from 1998, the process of measuring the 'Human Development Index' has been initiated at the global level. According to this index, India is at the 147th place in the world. The state of Maharashtra has established an office at Aurangabad in 2002, to measure the Human Development Index in the state. As per the report of this office, 125 talukas are backward and special funds have been reserved for these talukas. As per one of the studies by the United Nations, in 2018, India's Human Development Index was 0.647, while the index for Kerala was the maximum in the country, viz. 0.779. The index for Maharashtra was 0.696. It will be evident from the figures given below that Nandurbar (Human Development Index 0.604) is the most backward in the state, while all the districts in Vidarbha region except Nagpur, and all the districts in Marathwada except Aurangabad are lagging behind in the development process. This makes it amply clear that the development carried out in Marathwada and Vidarbha is not a balanced development.

The status for Maharashtra

As per the figures available for 2017, the Human Development Index for Maharashtra was 0.752. The Human Development Index for Mumbai city and surrounding area was 0.841, while for Nandurbar district, this figure was the lowest viz. 0.604. In the state, for the three districts, viz.

Mumbai, Pune, Thane , the index is always increasing, while for Osmanabad and Latur district, the index is decreasing. As per the survey carried out in 2011-12, the districts of Nandurbar, Jalna, Dhule and Gadchiroli are lagging behind in respect of the Human Development Index and Bhandara district also shows a similar position. However, Nashik district is competing with Mumbai, Pune and Thane. In Maharashtra, the per capita income is more than the per capita income for India. However, if we study the figures for different districts separately, in minimum 16 districts, the income is less than Rs. 1 lakh. Konkan, which also includes Mumbai, has the maximum per capita income, viz. 2.24 lakhs, Pune is on the second place with 1.63 lakh, Nashik 1.12 lakh, Nagpur 1.32 lakh, Aurangabad 90 thousand, Amravati 84 thousand, so we can see the disparity clearly.

The population of Maharashtra is 11.40 crores, out of which 17.35 per cent population is living below the poverty level.

To summarize, as per the Human Index, if we study the economic situation of Maharashtra, the regions of Marathwada and Vidarbha are lagging behind and hence the regional imbalance has become an important political and economic problem. There have been efforts to reduce the imbalance in these regions. Various Development Corporations were also established. However, the expected results are not evident. The main reason is the vested interests and the influence of Mumbai and western Maharashtra. This needs to be rectified. However, we will have to be aware that while doing this, we will have to have a different development model for these regions.

The challenges of regional imbalance

The creation of Maharashtra state has completed 60 years. The Samyukta Maharashtra Samiti had initiated protest

movements for the demand of 'Sanyukta Maharashtra, with Mumbai'. In this committee, the parties and leaderships were mainly of socialistic philosophies. Hence the conflict was about whether Mumbai belonged to the workers or to the capitalists.

The workers, especially the mill workers fought this battle to the end. At that time, the first chief minister of Maharashtra, Mr. Yashvantrao Chavan promised that the socialist philosophy would be implemented in Maharashtra and tried to assure the workers - farmers of the state, right from the formation of the state. During that period, throughout the world, there was the influence of the socialist ideologies, which was an important reason for this.

The creation of 'Samyukta Maharashtra' has been achieved by joining the regions of Vidarbha and Marathwada to the erstwhile Mumbai Province. During this period, a promise was given by the Nagpur Treaty to bring Vidarbha and Marathwada regions at par with the level of development of the remaining parts of the state. However, this promise was not fulfilled. This resulted in the demand for a 'separate Vidarbha' and protest marches.

Similarly, in 1973, the students and youth in Marathwada organized 'Marathwada Vikas Andolan' to have a focus on this issue. I had actively participated in this movement. In 1968, there was a declaration and scheme about establishing New Mumbai. Marathwada Janata Vikas Parishad had criticized this scheme and had published a booklet about the same to explain that due to such a scheme, the development activities for Marathwada and Vidarbha would be pushed back further and there would be concentration of capital in Mumbai region. This had influenced all the youth and students.

After the creation of 'Samyukta Maharashtra', Shri Yashvantrao Chavan was instrumental in introducing the

EBC scheme. The facilities for education were extended further. In Marathwada, a large portion of the common population benefitted from this and availed education facilities. However, as there was no industrialization, the avenues for jobs were limited, so the students and youth were unhappy. This resulted in the 'Marathwada Vikas Andolan' .

After the creation of Maharashtra state, during the first stage, there were many benefits evident, such as completion of the Jaykawadi dam within 10 years, establishing the 'Vidnyan Sanstha' at Aurangabad, establishing All India Radio centre, establishing public sector undertakings such as HMT, Devgiri Cotton Mill, establishing MIDC at every Taluka and district level. However, all these did not help to solve the main problems, so another strike (andolan) was organized for the demand of establishing Regional Development Corporations in Marathwada and Vidarbha, as promised in the constitution , under clause 371/1.

As a result, in 1982 , a committee was formed under the chairmanship of Mr. Dandekar, the eminent economist, to study the regional disparities and a promise was given to remove the region-level disparities and to some extent efforts were also made in this direction. However, the basic problem of disparity was not solved. The reason was that the Dandekar Committee had very cleverly considered taluka as the standard instead of district as a standard and had included 47 drought prone talukas from the remaining parts of Maharashtra also in the list of backward talukas. Thereafter another committee was formed under the chairmanship of Mr Kelkar to once again study this issue and to remove the disparities. The report submitted by this committee has not yet been accepted. It also contains many discrepancies. Now after the introduction of the New Economic Policy, the regional agendas and the politics and

pressures for the same have diminished . In the state, many eminent politicians (mainly from the western Maharashtra) are insisting that there are no disparities at all. Now even the regional level corporations have been wound up and there is no possibility that they may be reestablished in future.

On this background, the Human Development Index of Maharashtra state is going to be important. Also the necessity of having a separate development model for Vidarbha and Marathwada is becoming apparent . Especially, it is necessary to focus on development of agriculture , tourism and to make available the infrastructure facilities for the same, as well as to make available opportunities for education on a large scale.

Today, in the state of Maharashtra, the four regions viz. Nashik, Pune, Thane and Mumbai are way ahead of others in terms of Human Development Index, Capital investment and industrialization , education, per capita income and all other aspects, as compared to the other parts of the state. Out of the 12 crores population of Maharashtra, 33 per cent population resides in these four districts. Hence the number of MLAs and their political influence is also mainly from this region. How to change this scenario is a major challenge for the economy.

The farmers' suicides and the development of agriculture sector

After 1995, i.e. after accepting the New Economic Policy, the number of suicides of the farmers has increased significantly. The state of Maharashtra is at the top of the list of suicides. Because of these suicides, the problems faced by the agriculture sector in Maharashtra and the country are being discussed throughout the world and at the national level also.

Many solutions and packages have been declared for the farmers. However, the number of suicides has not gone down. During the UPA regime, a committee was formed under the chairmanship of well known agriculturist Mr. Swaminathan, and the committee has offered some important recommendations to improve the condition of the farmers. Throughout the country, the farmers are requesting the government to accept the recommendations.

Secondly, the impact of the corporate sector is felt by the agriculture sector and its needs. The farmers are justifiably afraid that, like many developed countries, the corporate capitalists would capture the agriculture sector too. Hence for the last 9 months, a Dharna has been called to oppose the agriculture bills hastily approved by the government. In Maharashtra too, the farmers are not happy about these bills.

(In the latest development, all the three laws have been withdrawn by the government.)

In Maharashtra, since the British regime, the farmers were compelled to cultivate cotton so that the cloth mills in England would get cotton at a cheaper rate. As a result, today a large number of farmers are cultivating cotton. To ensure that the farmers would get the proper price for their cotton and that they would not be cheated by the merchants, in 1976 the Cotton Purchase Monopoly Scheme was established. However, the scheme is now cancelled under the pressure of the New Economic Policy. Still, even today the rate earned by the cotton, its production and the new technology (B.T.Cotton) are important issues.

Majority of the farmers committing suicides were those who cultivated cotton. There are constant demands for loan waivers, providing loans at lesser interest rates, irrigation etc. However, as the government wants to give entry to the private sector, these demands are not yet fulfilled for one reason or other.

The second most important crop in Maharashtra is Sugarcane. Though it is mainly cultivated in Western Maharashtra, in Marathwada and Vidarbha too, wherever there are irrigation facilities available, the farmers prefer to cultivate sugarcane. The reason for this is that they would get sure income. However, due to this, there are serious problems about availability of water for the entire region. When the farmer uses around a thousand liters of water for the crop, he earns around Rs. 3 as income. In Maharashtra, only 18 to 20 per cent land is under irrigation. Maharashtra is the only exception where sugarcane is cultivated on irrigated land. In countries like Brazil, Cuba, Mauritius and other sugarcane producer countries, the crop is a rain-fed crop. Government of Maharashtra has encouraged drip irrigation to ensure that the use of water for the sugarcane crop would be minimal and the other agricultural crops would get more water. However, the expected effect is not yet evident.

In Maharashtra, commercial crops such as cotton, sugarcane, soybean are cultivated on a large scale. Due to this, crops such as food grains and legumes which are needed for daily consumption, are cultivated on a lesser scale. Now Maharashtra has to depend upon others for food grains. Even today, a large portion of the land is still rain-fed, and so crops such as Jowar, Corn, Bajra are cultivated, but they do not fetch proper price. This is the complaint of the farmers.

After the creation of the state of Maharashtra, the state government has given due attention to the horticulture sector. In our country, the Nagpur-Amravati region is known for oranges, while Jalna is known for its sweet limes, Jalgaon-Nanded area is famous for bananas while Sangola is famous for pomegranates. Nashik and Tasgaon are famous for grapes, while Konkan area is well known for mangoes. Other fruits such as chikoo, amla, berries are also cultivated on a large scale and it is a matter of pride for us.

However, though the fruit production has increased, the agro product-processing industry has not developed. There are great opportunities for investment in this sector and we need to give due attention to this too.

So in the state of Maharashtra, even today, 51 per cent population is depending on agriculture. There are 1 crore 25 lakh farmers. However, majority of them are small and medium farmers. The number of farmers who own agriculture land more than 2 hectares, is only around 10 to 15 lakhs. Hence it is necessary to strengthen the capabilities of the small farmers through cooperative activities. Also, they need to have some allied activities. In some regions, there are activities such as dairy, poultry, goat rearing on a large scale. However, efforts need to be done by the state government by forming proper schemes to help the small farmers.

On the other hand, unless there is availability of irrigation for the farming, the production will not increase. So efforts are needed to ensure that irrigation is available for the maximum land area. There is also a need to change the crop pattern by taking advantage of the technological developments. Special efforts will be needed to achieve sustainable development while protecting the environment. Even after increased industrialization, there is no rise in employment and there will be no rise in employment as expected because the new technology is all about using less manpower and getting more production and in today's world it will have to be accepted.

Hence, the development model conceptualized after independence is no more useful in today's situation. The profits will increase but the expected human development will not happen. While formulating and implementing the economic policies we will have to be aware that the development is for the people.

The population of India is now more than 121 crores and the population of Maharashtra is more than 11 crores 23 lakhs. As per the economic survey report of 2015-16, the food grains production in the country is 253.2 million tons. Last year, the same production was 257.1 million tons, while as per the figures available for Maharashtra as on 2015-16, the food grains production for the state was 8.50 million tons. Last year, the same production was 10.94 million tons. As per the 2015-16 economic survey report, in the state, in this year there was production of 1.48 million ton legumes, 7.06 million tons grains and 2.22 million tons oil seed production. As compared to last year, the sugarcane production also shows reduction.

We are not self-sufficient for the legumes (dal) and food grains. Every year, our country has to import legumes (dal) and edible oils on a very large scale. As per the report of Agriculture and Health Organization, 22 per cent population of India is suffering from malnutrition due to nutrient-deficient diet, which lacks the legumes and oil-seeds and other nutrients. To overcome the poverty, Maharashtra state will have to implement major solutions in the agriculture sector and in the allied activities.

The issue of migrating labor

As there are a lot of industries in Maharashtra, there are a large number of migrating laborers who arrive from all parts of the country. The number of such laborers is especially very large in Pune, Nashik, Thane, Mumbai, Aurangabad and Nagpur. During the lockdown imposed due to Corona, the issue of these migrated laborers was noticed by all. As per the 2011 census, the number of such migrating workers is around 6 crores. These contain 23 per cent workers who have migrated from the rural areas to the urban areas, while 22 per cent workers have migrated from one urban area to another urban area and 38 per cent workers

have migrated from rural area to rural area.

Out of these, 37.01 per cent have migrated for job, while 3.6 per cent have migrated for education, 2 per cent have migrated for business and the remaining 57 per cent have migrated for other work. Mumbai is not just an Industry centre but it is also the entertainment hub (Bollywood) and also the economic centre. Majority of the banks in the country have their offices at Mumbai. According to one study, out of the 500 big companies in the world, 42 per cent companies have their offices in Mumbai. Pune city is supposed to be the education hub and approximately 2 lakh students arrive in Pune for education, out of which more than 50000 are foreign students. Thus, due to the opportunities available in Maharashtra, people have migrated on a large scale to Maharashtra.

Maharashtra and education systems and challenges

Maharashtra state is supposed to be a progressive state for education. In Maharashtra 83 per cent people are literate. Out of these 89 per cent men and 78 per cent women are literate. There are 84000 schools and 1000 colleges in Maharashtra and there are 45 universities out of which 23 are government owned and 21 are private universities. Mumbai University is supposed to be the largest university in the world. As per the report for 2018-19, the number of students studying in the private schools and institutions is more than those studying in the government schools. Today there are 59,27,456 students studying in standards 9th to 12th in all the schools. Maximum number of schools are in Pune district and minimum number of schools are in Bhandara district. The percentage of school dropouts is also around 2 to 3 per cent.

As per the economic survey of Maharashtra, in 2017-18, out of 1,06,527 schools, 22,477 schools were private un-

aided schools. If we compare these figures with those as on 2013-14, there is 110 per cent increase. Today there are 84,050 aided schools. In 2013-14, there were 85,502 aided schools. As per the survey carried out by 'Pratham' organization, the citizens in this state prefer to enroll their children in private schools and in English medium. According to this survey, in 2012, Maharashtra Government passed a law for the educational institutions and thereafter the number of private schools has increased. They have mentioned that the government policies are responsible for this. Due to the increase in the private schools, the expenditure done by the parents on education has increased.

During the Covid pandemic period, there has been a lot of pressure on the government to waive the fees in the private schools. The Delhi government, which is having less population as per the 2021-22 budget, has spent 25 per cent (approximately 16,377 crores rupees). In 2000, The state government had promised to spend 7 per cent of the SDP (gross income of the state) on education. However, actually only 2.41 per cent (2012-13) were spent.

It is observed that the entire amount of the funds received for education is never spent. Today, there are 3000 schools where there is only one teacher. 13000 schools do not have electric supply. In 14 per cent schools, there are no separate toilets for girls. Many schools are facing the problem of inadequate number of class rooms. In many districts of Maharashtra, around 35 to 50 per cent of the students can not complete the school education (report of Kelkar Committee). As per the study carried out by 'Pratham' organization, 65 per cent students (in first to fifth standard) cannot read and 32 per cent students can not perform simple multiplication and division.

It is the duty and responsibility of the government to make available opportunities for education to achieve human

development. In the current economic systems, education is looked upon as a business and opportunity to earn profit. Thus there is commercialization and privatization of the education. In 1982, the erstwhile Chief Minister of Maharashtra, Mr Vasantdada Patil gave permission to private engineering colleges in Maharashtra, as he had observed that those who could afford higher fee structures were getting enrolled in the private colleges in Karnataka.

Now there is privatization of education in all fields. In fact, the financial institutions have a new business avenue of funding for education, as in America. Due to such privatization, the disparity in opportunities available for education is increasing and the education is becoming more and more costly and it is beyond the reach of common people. This is going to have adverse effect on the overall development of Maharashtra. It is the need of the hour to make available good and quality education to all. Hence there is a need to pursue the demand that the state government should spend minimum 6 per cent funds (of S.D.P.) on education.

Also, it will have to be ensured that the education field does not become a private centre for doing business for profit. Late Com. Govind Pansare, in his book 'Dwivarna Shikshan Paddhati' has expressed the fear that the old chaturvarnya system would return where the common and downtrodden people would be denied the education opportunities and would be made to work for the others and this is a warning signal for us. We must be aware and alert about this.

Save cooperation, increase cooperation

Mr Dhananjayrao Gadgil and Mr Vikhe Patil initiated the cooperative movement. They started the first cooperative sugar factory and the entire farmer community was

overjoyed. After the creation of the state, on a very large scale, private factories were converted into cooperatives and new cooperative sugar factories were also established. Also, there was a large network of Doodh Mahasangh (Milk Federation) and cooperative credit societies and cooperative banks in Maharashtra state, especially in Western Maharashtra the common people benefitted from this.

The cooperative sector became a prominent sector in the financial scenario of Maharashtra and it is still a prominent sector. Under the pressure of the New Economic Policy, as it was found that this sector was riddled with corruption as well as having all the power in the hands of a few persons from the same family, now the entire process is being reversed and the cooperative sugar factories are being privatized. Also there have been incidences where the sugar factories which were closed down were sold at a very low price by the politicians who were in power.

In spite of all this, even today there are many sugar factories which are run on the principle of cooperation and they are prominent enough to influence the financial and political scenario in the state. After the anti-BJP government has taken over in Maharashtra, the current central government has initiated measures to control the cooperative sector in the state, and the cooperative portfolio has been entrusted to the Home Minister, which is their latest move.

In today's world of ever increasing disparities, when the corporate world is taking over the economy, it is also becoming evident that protecting the cooperative sector and ensuring its development is the only way to fight them. Hence, in the future financial developments in Maharashtra, the cooperative sector is going to be one of the major issues of conflict.

A few years ago, the cooperative sector was blamed for keeping all the positions of power in one family as well as

for the corruption. However, today, while fighting with the corporate world, and enabling the small businesses and industries, the cooperation is going to be an important constituent. In Maharashtra, on a very large scale common people have benefitted from the cooperative movement and their experience would be useful for this. Even today, in Maharashtra, the sugar industry, dairy business and cotton mills, cooperative credit societies have been established and are working well. There is a possibility to use this experience and to encourage the cooperative movement through government policies and actions, to bring about human development in Maharashtra. This can be beneficial especially in agriculture and allied activities. It is essential to consider this. Hence those who are justifying the future privatization in Maharashtra and those who think that corporatization means development, are going to make all out efforts to destroy the cooperative sector. They are already doing this. Due to this, a new conflict is going to take place in the politics. The common people must support the cooperative movement to save the cooperative sector and be more active to further increase the same.

Other important issues

So far, we have discussed about the problems and challenges about urbanization and its consequences, farmers' suicides and agriculture development, problems about education, problems of the migrating workers and the cooperative sector and the regional disparities. However, there are also other important problems in Maharashtra. Let us briefly discuss them.

Irrigation :

It is necessary to use the new technologies and have proper planning for supplying irrigation facilities to maximum land area. However, the main hurdles are caused by the

vested interests of the contractors and the politicians and the corruption. Also, the equitable distribution and planning for water and related laws are also needed, but those who have vested interests would not allow this to happen, so people's movement is needed to bring about this change.

Unemployment:

There are two sides of this problem : urban unemployment and rural unemployment. In the famine in 1971-72, the government was compelled to implement the Rojgar Hami Yojana (Employment Guarantee Scheme) on a very large scale in the state, by introducing the profession tax with the initiation from the labor unions. Afterwards, in 2005, with the initiative from the leftists, under the regime of UPA, Rojgar Hami Yojana was implemented throughout the nation. In the current calamity of Corona, many people got some work through this scheme.

There is a demand that a similar scheme should be there for the un-employed persons. Many students are demanding that the scheme of 'Banega' i.e. Bhagatsingh National Employment Guarantee scheme should be implemented. Such schemes are important in the scenario of development without employment. In Maharashtra, huge investments have been done in the industry, still the employment opportunities have not increased. Hence, there is more employment in the unorganized sector, especially in the service sector. However, the insecure employments, employments without any social security, no time limits and no protection from the law are on the increase, so there is little chance that the aspirations about finding a job as in the past, to get the middle class life would ever be fulfilled. This is an indicator of the ever increasing disparities. It is going to be a great challenge to find a solution for this problem.

Increasing social tensions

If the economic systems are facing problems, then the development cannot happen as expected. Under this situation the social tensions increase. Today we can witness the social unrest in the form of increasing caste-based and religion-related ideologies and the increasing demand for reserved seats and the protest marches for the same. If these are to be resolved, then an economy giving due importance to the human development and generating employment, is needed. For this, in the future, the progressive forces will have to have the participation of the workers to fight this struggle.

The increasing burden of loan for the state

After the New Economic Policy, there were restrictions on the deficit budget. The state government chose the option of taking loans to meet the expenditure. After the 'Vaidhanik Vikas Mahamandal' (Development Corporations) were established for the irrigation systems as per section 331(3), the governor imposed restrictions in respect of clearing the backlog of backward regions. To circumvent the Constitutional provision, the government raised 16 per cent Bonds in 1995 in respect of Krishna Valley Development and since then, this system of availing loans to complete major development works, has been continued till date.

As per the budget of 2020-21, the loan amount has increased to the extent of 6 lakh fifteen thousand one hundred seventy crores, i.e. Rs. 6,15,170 crores.

It is 20.67 per cent of the total income of the state. An amount of Rs. 30,000 crore rupees was expected by 31st March towards reimbursement of G.S.T., if this amount is not received then a loan will be availed for the same. To repay this loan, the interest is 20 thousand crores and the

installment is 18 thousand crores, so every year 38 thousand crores of rupees have to be earmarked in the budget.

If the increasing amounts of loans are to be availed for development work then the benefits are apparent. However, in this case, it is not so.

The loans are being availed to meet the expenses of the state government or for fulfilling bigger schemes such as Samruddhi highway, Metro scheme or Bullet train projects of the government. The long term effect of this is being felt. The state of Maharashtra was once known for its strong economy and discipline, however it hardly remains so today.

Improvement in public health systems

In Maharashtra, just as in India, there has been privatization of the health systems. As per a study carried out by the experts, maximum privatization of the health systems is being done in India. It is obvious that more facilities are available for the rich. The entire focus is now on maintaining the profits of the pharmaceutical companies, insurance companies and establishing big private hospitals.

During the Corona period, the ill effects of this have become apparent and the public health systems had to bear all the strain. Now it will be an important task to strengthen the public health systems, and to remove the disparities between the medical services available in the rural and urban areas. There is a just demand being made for spending minimum 10 per cent (of the total income of the state) on the health systems. This demand should be considered and at the same time, there should be more participation of people in the health systems. It should be ensured that the municipal councils, municipal corporations and other public institutions would offer better health services. We should consider and study the model of Mohalla clinic and other facilities offered by Mr Kejriwal at Delhi.

It is a fair expectation that the focus on privatization and regionalization should be less and the government should give more preference to providing services directly to the people.

Coastal development and fishing - marine transport etc. , the challenge of environment and development

The state of Maharashtra has approx 750 km. seashore. It is possible to increase employment and increase the income by developing the fisheries business and establishing ports. However, this task would have to be done by maintaining the balance of the environment. The United Nations has, in its recent report, given a warning about the increasing temperatures , changing climate and the increasing water levels. The Kasturi Rangan and Madhav Gadgil committees also have submitted their reports.

On the other hand, the fishermen who are residing in the coastal area have their just expectations about development . It is necessary to consider all these while preparing a sustainable development scheme for this area and implement the same. However, it will not be proper to use the same old development model, establish huge atomic electricity generation projects or petrochemical projects, to bring about development which will create environment problems. It is a great challenge to bring about the development of the Konkan area, while protecting the environment at the same time.

This deadlock can be resolved only by accepting the concept of human-centric development.

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