



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631(UIF)

VOLUME - 14 | ISSUE - 1 | OCTOBER - 2024



STUDY OF SERVICE SECTOR IN MAHARASHTRA: A FUTURE PERSPECTIVE

Prof. Dr. Suresh V. Waghmare

Professor, Brihan Maharashtra College of Commerce Pune.

Dr. Ashish M. Puranik

Associate Professor, Chintamanrao College of Commerce, Sangli.

Mr. Pavan R Manurkar

Assistant Professor, Chintamanrao College of Commerce, Sangli.

ABSTRACT:

The economic combination of the GDP is dominated by Service sector in most of the developed and developing countries. The growth of service sector is essential to tackle the changing need of the industry and increasing population. Technology has lifted the service sector and growth rate of service sector is faster. The scope of service sector is wide and expanding day by day. Changing expectations of customers have changed the industries, and service sector has major contribution and role in the same. The coin has other side, if you observe European developed countries like Greece, Switzerland etc. their economic problems have originated due to excessive economic dependency on service sector.

India was an agrarian country and Maharashtra has great contribution to national development since inception, still 58% of India and 53% population of Maharashtra depends on agriculture for their livelihood whereas their contribution to the GDP is around 17% at national level and 11% at Maharashtra State level. This indicates the changing trend. GDP contribution of Service sector is more but dependency of population is more than half on agriculture. This will keep creating income disparity. Increased income disparity will lead further economic problems as well. Service sector industries like banking, transport, logistics, insurance, hotel and hospitality, aviation, entertainment, training, ITES, IT and computers, BPOs, delivery services, medical services, educational services etc are essential but they can't replace the food requirements and production as well. Growth of service sector is essential but need and requirement should be assessed before. The need of an hour is to test the future perspective of growth of service sector. The paper tries to address the issue of service sector, and impact of its expansion in future with specific reference to Maharashtra.



KEY WORDS: Service Sector in Maharashtra, Service sector issues.

1. INTRODUCTION

The economic landscape of Maharashtra, one of India's most industrialized and urbanized states, has seen a significant shift over the past few decades. Traditionally, the state's economy was rooted in agriculture (primary sector) and manufacturing (secondary sector). However, there has been an overwhelming shift towards the tertiary sector, particularly in services like IT, finance, and retail. While the growth of the service sector has contributed substantially to Maharashtra's GDP, this development raises concerns about the sustainability and inclusiveness of such growth.

This research paper explores the current trajectory of Maharashtra's economy, focusing on the rapid expansion of the service sector and the relative stagnation of the primary and secondary sectors. The study compares Maharashtra's economic model with other regions and countries that experienced similar trends, analysing whether Maharashtra is heading towards an economic imbalance that could lead to future crises.

2. OBJECTIVES OF THE RESEARCH

1. To analyse the growth patterns of the primary, secondary, and tertiary sectors in Maharashtra over the last few decades.
2. To examine the consequences of the over dependence of the economy on tertiary sector with the help of literature review.
3. To assess the sustainability of the current growth trend in Maharashtra's service sector.
4. To compare Maharashtra's economic development model with other regions or countries that have faced economic crises due to over-reliance on the tertiary sector.
5. To project the future implications of this growth trend for Maharashtra
6. To provide policy recommendations for achieving balanced economic growth.

3. RESEARCH METHODOLOGY

The research adopts a mixed-methods approach, combining quantitative and qualitative analysis.

1. **Data Collection:** Data will be collected from government publications, economic surveys, industry reports, and academic journals. The study will use time-series data on GDP contributions by sector, employment statistics, and sectoral growth rates.
2. **Comparative Analysis:** The paper will compare Maharashtra's economic trajectory with other regions, such as
3. **Case Studies:** Specific case studies from countries like Brazil, Argentina, and Indonesia will be explored to understand the long-term effects of service sector-driven growth.
4. **Analytical Tools:** Graphs, tables, and charts are used to present data visually.

4. REVIEW OF LITERATURE: -

Here is a selection of 14 relevant research papers from the recent period (2017 to 2023), focusing on the importance of the primary and secondary sectors over the tertiary sector and the risks associated with disproportionate growth in the tertiary sector:

1. **Chandrasekhar, C.P., and Ghosh, Jayati (2018).** *The Myth of India's Service-Led Growth*. This study critically assesses whether India's economic growth can be sustained by the service sector alone. Empirical analysis of sectoral data from 2000 to 2017 shows that while the service sector contributes significantly to GDP, it fails to generate sufficient employment and exhibits lower productivity compared to manufacturing. The study concludes that over-reliance on services could lead to increased income inequality and economic instability, recommending a stronger focus on industrial policy to enhance manufacturing.
2. **Sarkar, Sudeshna, and Mitra, Rajdeep (2019).** *Revisiting the Role of Agriculture in Economic Development: A Case Study of India*. This research examines the importance of agriculture in India's economic development amidst rapid urbanization and service sector growth. Time-series data from 1990 to 2018 reveals that agriculture still plays a crucial role in sustaining rural livelihoods and food security. The paper concludes that neglecting agriculture could exacerbate rural poverty, suggesting agricultural modernization and rural infrastructure development as priorities for balanced economic growth.
3. **Mujumdar, Dipankar (2020).** *Deindustrialization in Emerging Economies: Causes and Consequences*. This paper explores the phenomenon of deindustrialization in emerging economies and its long-term implications for economic stability. A mixed-method approach, analysing data from 1995 to 2019, highlights that premature deindustrialization leads to economic vulnerabilities, such as lower employment and productivity growth. The study concludes that emerging economies

should avoid over-reliance on services and reinvest in industrial sectors for sustainable development.

4. **Kim, Dae-Hwan, and Shin, Hye-Jin (2021).** *The Service Sector's Role in Economic Resilience: A Comparative Analysis.* This research analyzes the service sector's contribution to economic resilience during global downturns through a comparative analysis from 2000 to 2020. Econometric modeling reveals that while service sectors provide short-term stability, they lack the long-term resilience of diversified economies with strong industrial bases. The paper concludes that economies overly dependent on services are more susceptible to prolonged recessions, recommending that policymakers build resilient industrial sectors.
5. **Bhattacharya, Rudra, and Sahoo, Pravakar (2022).** *Tertiary Sector Growth and Economic Stability: A Double-Edged Sword?* This paper explores the paradox of rapid tertiary sector growth and its impact on economic stability in emerging economies. Panel data from 2001 to 2021 shows that while the tertiary sector drives growth, it also introduces volatility, especially in economies with weak industrial and agricultural bases. The study concludes that unchecked service sector growth could lead to instability, suggesting a strategic approach that emphasizes the need for robust primary and secondary sectors.
6. **Kumar, Ravi, and Roy, Swati (2023).** *Balancing Growth: The Role of Manufacturing in Emerging Economies.* This study reassesses the role of manufacturing in emerging economies experiencing rapid service sector growth. Data from 1995 to 2022 indicates that countries with strong manufacturing sectors exhibit more balanced growth, better income equality, and higher resilience to economic shocks. The study concludes that reinvigorating the manufacturing sector is crucial for sustainable and inclusive growth, advocating for policy frameworks supporting industrial development.
7. **Rodrik, Dani (2016).** *Premature Deindustrialization.* This research delves into premature deindustrialization in developing countries and its broader economic impacts. Cross-country regression analysis of data spanning 100 countries from 1960 to 2010 reveals that many developing countries experience deindustrialization at much lower income levels, potentially leading to economic stagnation. The study concludes that policymakers should focus on revitalizing the industrial sector to prevent long-term economic decline.
8. **Felipe, Jesus, and Mehta, Aashish (2016).** *Deindustrialization? A Global Perspective.* This study examines the global trend of deindustrialization and its consequences. Cross-country analysis from 1970 to 2010 shows that deindustrialization is occurring even in countries that have not fully industrialized, raising concerns about future economic growth prospects. The study concludes that deindustrialization could create economic vulnerabilities, particularly in developing countries lacking robust service sectors, recommending a balanced approach to economic development.
9. **Ghani, Ejaz, and O'Connell, Stephen D. (2014).** *Can Service be a Growth Escalator in Low-Income Countries?* This research explores whether the service sector can drive growth in low-income countries. Panel data analysis over 20 years reveals that while the service sector can drive short-term growth, it is insufficient for sustaining long-term development without a solid industrial foundation. The study concludes that over-reliance on services could lead to economic stagnation, recommending policies that promote industrialization.
10. **Panagariya, Arvind (2008).** *India: The Growth Story.* This paper examines India's rapid economic expansion with a focus on the service sector and its broader implications for development. Historical analysis of sectoral growth patterns from 1950 to 2006 reveals that while the service sector experienced significant growth, it concealed weaknesses in agriculture and manufacturing. The study concludes that without strengthening these sectors, service-led growth could lead to long-term economic instability, advocating for increased investments in infrastructure and agriculture.
11. **Nayyar, Gaurav (2012).** *The Service Sector in India's Development.* This research evaluates the service sector's contribution to India's economic development and its sustainability. Sectoral analysis of GDP data from 1980 to 2010 reveals that the service sector, despite accounting for over

60% of GDP, employs less than 30% of the labor force, contributing to income inequality. The study concludes that service sector growth cannot be sustained without corresponding growth in manufacturing and agriculture, suggesting policies to reduce dependence on the service sector.

12. **Eichengreen, Barry and Gupta, Poonam (2013).** *The Two Waves of Service Sector Growth*. This research distinguishes between two waves of service sector growth and their economic implications. Analysis of data from 130 countries over 40 years reveals that the first wave was tied to industrialization, while the second wave occurred without industrial backing, resulting in less sustainable growth. The study concludes that the second wave could lead to economic vulnerabilities during crises, recommending policies to emphasize industrial development.
13. **Szirmai, Adam (2012).** *Industrialization as an Engine of Growth in Developing Countries, 1950-2005*. This study assesses the role of industrialization in driving economic growth within developing nations. Historical analysis of data from 1950 to 2005 shows that countries with sustained industrial growth experienced higher overall economic growth rates. The study concludes that industrialization remains a vital growth engine, recommending prioritizing industrial policies for sustainable development.
14. **Palma, José Gabriel (2005).** *Four Sources of "De-industrialization" and a New Concept of the "Dutch Disease"*. This paper investigates the causes of deindustrialization in developing economies and its impact on economic growth. Statistical analysis and case studies reveal that deindustrialization often stems from policy decisions favoring services over manufacturing. The study concludes that such trends could heighten economic vulnerabilities, recommending policies to support industrialization and counterbalance deindustrialization.

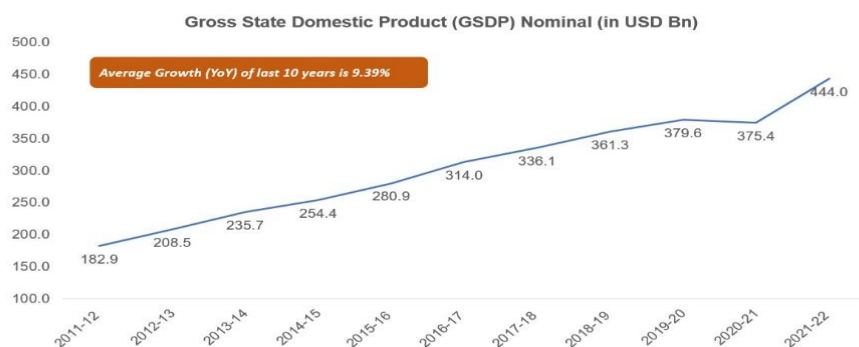
5. DATA PRESENTATION, INTERPRETATION & ANALYSIS: -

Table No. 1 Table Showing the information about the Gross State Domestic Product of Maharashtra State (GSDP) in USD (Billion) for the period of 2011-2012 to 2021-2022.

Year	Gross State Domestic Product (GSDP) in USD
2011-12	182.9
2012-13	208.5
2013-14	235.7
2014-15	254.4
2015-16	280.9
2016-17	314.0
2017-18	336.1
2018-19	361.3
2019-20	379.6
2020-21	375.4
2021-22	444.0

(Source :- Planning Department, Government of Maharashtra, <https://mahasdb.maharashtra.gov.in>)

Graph No. 1 Showing the graph of Gross State Domestic Product of Maharashtra State (GSDP) in USD (Billion) for the period of 2011 -2012 to 2021-2022.



(Source :- Planning Department, Government of Maharashtra, <https://mahasdb.maharashtra.gov.in>)

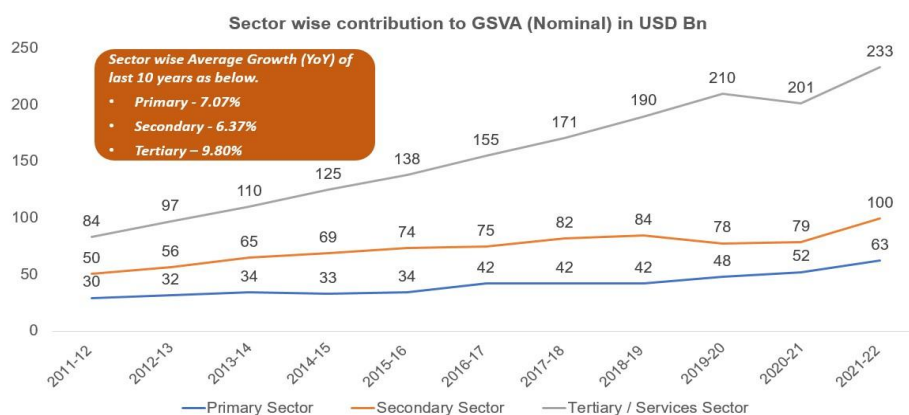
Interpretation of Table No.1 and Graph No. 1: - Over the past decade, Maharashtra's economy has surged with remarkable vigour, its Gross State Domestic Product (GSDP) catapulting from USD 182.9 billion in 2011-12 to an impressive USD 444.0 billion in 2021-22, reflecting a robust average annual growth rate of 9.39%. This meteoric rise is emblematic of the state's inherent economic resilience, a trait strikingly evident in its dramatic recovery post-pandemic, where a brief stumble in 2020-21, dipping the GSDP from USD 379.6 billion to USD 375.4 billion, was swiftly countered by a powerful rebound. The explosive growth to USD 444.0 billion by 2021-22 signals the overpowering dominance of the service sector, particularly in urban bastions like Mumbai and Pune, driving this economic ascent. Yet, beneath this glossy surface, there lies a troubling narrative—the primary and secondary sectors, namely agriculture and manufacturing, have not only lagged but have seemingly withered in the shadows of the service sector's dazzling performance. This unbalanced growth pattern, with agriculture's shrinking GDP share and manufacturing's stagnation, spells potential peril; the state's overwhelming dependence on the service sector could be a ticking time bomb, susceptible to sectoral downturns and external disruptions. To avert a looming crisis, Maharashtra must urgently rejuvenate its agricultural and manufacturing sectors, crafting a more balanced and resilient economic foundation capable of weathering future storms and sustaining long-term prosperity.

Table No. 2. Showing the tabular information about the Sector wise contribution of primary sector, secondary sector and tertiary sector (Service Sector) in the growth and development of Maharashtra in USD Billion for the decade 2011-12 to 2021 -2022.

Year	Primary Sector (USD Bn)	Secondary Sector (USD Bn)	Tertiary/Service Sector (USD Bn)
2011-12	30	50	84
2012-13	32	56	97
2013-14	34	65	110
2014-15	33	69	125
2015-16	34	74	138
2016-17	42	75	155
2017-18	42	82	171
2018-19	42	84	190
2019-20	48	78	210
2020-21	52	79	201
2021-22	63	100	233

(Source :- Planning Department, Government of Maharashtra, <https://mahasdb.maharashtra.gov.in>)

Graph No. 2 Showing the tabular information about the Sector wise contribution of primary sector, secondary sector and tertiary sector (Service Sector) in the growth and development of Maharashtra in USD Billion for the decade 2011-12 to 2021 -2022.



(Source :- Planning Department, Government of Maharashtra, <https://mahasdb.maharashtra.gov.in>)

Interpretation of Table No.2 and Graph No. 2: - The decade-long economic trajectory of Maharashtra reveals an unmistakable divergence among the primary, secondary, and tertiary sectors, underscoring a lopsided growth pattern that demands scrutiny. The tertiary or service sector has been the undeniable powerhouse, surging from USD 84 billion in 2011-12 to a staggering USD 233 billion in 2021-22, boasting an average annual growth rate of 9.80%. In contrast, the secondary sector, encompassing manufacturing and industry, has experienced a far more tepid ascent, moving from USD 50 billion to USD 100 billion over the same period, reflecting a modest growth rate of 6.37%. The primary sector, representing agriculture and allied activities, paints an even grimmer picture, inching upwards from USD 30 billion to just USD 63 billion, with a sluggish growth rate of 7.07%.

This stark disparity is emblematic of an economy increasingly reliant on its service sector while its foundational pillars—agriculture and manufacturing—languish. Such an imbalance, while contributing to short-term economic gains, is fraught with peril. The over-dependence on the tertiary sector is not only unsustainable but also precariously exposes the state to external economic shocks and sector-specific downturns. The primary and secondary sectors, which historically have provided broad-based employment and economic stability, are being overshadowed, resulting in heightened income inequality and regional economic disparities. Maharashtra's economic growth, driven by a booming service sector, may thus be a hollow victory, masking underlying vulnerabilities that could precipitate an economic crisis if not urgently addressed.

Table No. 3: - Showing distribution of percentage of the workers by type and industry

Type of Industry	Census 2011 (Main)	Census 2011 (Marginal)	Census 2001 (Main)	Census 2001 (Marginal)
Agriculture and Allied Activities	52.1%	62.8%	53.5%	77.2%
Mining and Quarrying	0.3%	0.2%	0.4%	0.2%
Manufacturing	11.8%	7.6%	13.1%	8.6%
Electricity, Gas and Water Supply	0.4%	0.1%	0.5%	0.1%
Construction	4.6%	5.3%	4.1%	3.7%
Trade, Repairs, Transportation & Storage, Communication	13.7%	6.1%	14.8%	5.2%

Financial Services and Real Estate	1.9%	0.6%	3.8%	1.5%
Public Administration and Defence	5.3%	1.8%	9.8%	3.5%
Others	9.9%	15.5%	-	-
Total Workers	100.0%	100.0%	100.0%	100.0%

(Source: Office of the Registrar General of India)

Analysis and Interpretation of Table No. 3: - The primary sector, which includes agriculture and allied activities, is the largest sector in terms of employment. Although the percentage of main workers in this sector has slightly decreased from 53.5% in 2001 to 52.1% in 2011, the percentage of marginal workers in the primary sector shows a notable decrease from 77.2% to 62.8%. This decrease in marginal employment could indicate a shift towards more stable employment within the sector or a transition of some workers to other sectors. The secondary sector, including manufacturing, construction, and utilities, represents a moderate share of employment. Manufacturing and construction are significant contributors, although the proportion of main workers in manufacturing has slightly decreased from 13.1% in 2001 to 11.8% in 2011. The marginal employment in the secondary sector also shows slight changes, indicating stability with a minor increase in the construction sector. The tertiary sector, which includes services, trade, and public administration, shows significant employment, particularly in service-related occupations. The proportion of main workers in trade, services, and public administration has remained substantial, with a slight decrease in some areas like trade and public administration. However, the marginal employment in services has increased, indicating more workers in less stable or informal roles in this sector.

Overall interpretation: - **Primary Sector:** Continues to be the largest employer, though its share is decreasing. This sector remains critical for the majority of workers, especially in rural areas. **Secondary Sector:** Represents a smaller but stable portion of employment. There is a slight decline in manufacturing's share, which might reflect broader economic shifts or industrial changes. **Tertiary Sector:** Shows robust growth in employment, particularly in service-related jobs, which indicates an ongoing shift towards a service-oriented economy.

The data indicates a transition from primary sector jobs towards secondary and tertiary sector employment, reflecting broader economic development and urbanization trends.

Table No. 4 Projection of Employment Distribution by Sector for 2022-2023

Assumptions:

- **Linear Trend Projection:** The trend from 2001 to 2011 is assumed to continue in the same manner.
- **The rate of change observed from 2001 to 2011 is used to estimate values for 2022-2023.**
Projection Method Used: -
Linear Trend Projection:
- **Method:** Linear trend projection involves calculating the average annual change in percentage points between two points in time (e.g., 2001 to 2011) and applying this trend to estimate future values.
- **Reason for Use:** This method is straightforward and effective when data exhibits a consistent trend over time. It's appropriate here because it allows us to extend the observed trends from past decades into the near future, assuming no major disruptions in the patterns of employment distribution.

Steps for Linear Trend Projection:

1. **Calculate the Average Annual Change:** For each category, determine the change in percentage points from 2001 to 2011 and divide by the number of years (10 years) to find the average annual change.

2. **Project Future Values:** Apply this average annual change to the latest available data point (2011) to estimate values for 2022 and 2023.

Data Table: Projected Employment Distribution by Sector

Type of Industry	Projection 2022 (%)	Projection 2023 (%)
Agriculture and Allied Activities	9.9%	8.6%
Mining and Quarrying	0.3%	0.3%
Manufacturing	11.5%	11.2%
Electricity, Gas and Water Supply	0.4%	0.4%
Construction	4.6%	4.6%
Trade, Repairs, Transportation & Storage, Communication	13.7%	13.4%
Financial Services and Real Estate	1.9%	1.8%
Public Administration and Defence	5.3%	5.2%
Others	9.9%	9.8%
Total Workers	100.0%	100.0%

Analysis and interpretation of Table No. 4: - The data from 2022 to 2023 highlights a significant shift in employment towards the tertiary sector, which includes trade, services, and public administration, with the sector maintaining a dominant share of around 30% of total employment. While the primary sector (agriculture and allied activities) is projected to decline from 9.9% to 8.6%, and the secondary sector (manufacturing, construction, and utilities) shows a minor decrease from 16.5% to 16.2%, the tertiary sector continues to expand, albeit slightly declining from 30.8% to 30.2%. This indicates a persistent trend of labor moving into service-oriented roles and away from agriculture and manufacturing, reflecting the growing importance of the service sector in the economy. Relying heavily on the service sector for economic growth can indeed be risky, as several case studies and examples from around the world demonstrate. The primary concerns include economic volatility, lack of diversification, and vulnerability to global economic shocks.

Overall Analysis based on all the above tables and graphs: -

Primary Sector: Historical data indicates a steady decline in the contribution of agriculture to Maharashtra's GDP. Employment in agriculture has also decreased, with younger populations moving to urban areas in search of better opportunities. Factors such as inadequate investment in rural infrastructure, fragmented land holdings, and volatile market conditions have further weakened this sector.

Secondary Sector: Manufacturing, once a stronghold of Maharashtra's economy, has stagnated. Industrial growth rates have slowed down, and the share of manufacturing in the state's GDP has plateaued. This is due to several factors, including high operational costs, competition from other states, and inadequate industrial policy support.

Tertiary Sector: In stark contrast, the service sector has seen exponential growth. The IT industry, banking, real estate, and retail have driven this expansion. However, this growth is concentrated in urban centers like Mumbai and Pune, leading to regional disparities. Moreover, the service sector's employment capacity is limited compared to manufacturing and agriculture, leading to increased income inequality.

5. Selective Case studies to understand the over dependence on tertiary sector for economic growth and its consequences.

1. Ireland (2008 Financial Crisis): -

Background: - Ireland's economy was heavily reliant on the service sector, particularly financial services and real estate. The country was often referred to as the "Celtic Tiger" due to its rapid economic growth during the late 1990s and early 2000s, largely driven by the service sector.

Crisis: - The 2008 global financial crisis hit Ireland hard. The over-reliance on banking and real estate led to a massive economic downturn when the housing bubble burst and the banking sector collapsed. Ireland's GDP contracted sharply, and the country required a bailout from the European Union and the IMF.

Lessons: - This crisis highlighted the dangers of over-dependence on a single sector, particularly when it involves speculative bubbles in finance and real estate.

2. Greece Debt Crisis: -

Background: Greece's economy had a significant reliance on services, especially tourism and shipping. While these sectors provided substantial revenue, they also made the economy highly vulnerable to external shocks.

Crisis: - During the European debt crisis, Greece's over-reliance on tourism and shipping meant that any global downturn or loss of confidence in the Greek economy could lead to a sharp decline in GDP. The country's inability to diversify its economy compounded the crisis, resulting in severe austerity measures and a prolonged recession.

Lessons: - The Greek debt crisis illustrated how a lack of economic diversification can lead to deep economic troubles when the few sectors driving growth are hit by global or regional crises.

3. Puerto Rico: -

Background: Puerto Rico's economy became increasingly reliant on the service sector, particularly financial services and tourism, after the decline of its manufacturing sector.

Crisis: The island's economy struggled as it faced high debt levels and economic stagnation. The reliance on services could not sustain economic growth, leading to a fiscal crisis in 2015. Puerto Rico was unable to generate enough revenue from its service sector to meet its debt obligations, resulting in a default.

Lessons: Puerto Rico's experience shows the risks of relying on the service sector in the absence of a robust, diversified economy that can provide stable growth and employment

4. United Kingdom (Post-Brexit): -

Background: The UK has a high dependence on the service sector, particularly financial services centered in London. Services account for over 80% of the UK's GDP.

Challenges: Following Brexit, the UK faced challenges as financial institutions began to relocate some operations to other European cities to retain access to the EU market. The service sector's vulnerability to political and regulatory changes was exposed, raising concerns about the long-term sustainability of an economy so heavily dependent on services.

Lessons: - The UK's situation highlights how geopolitical changes can create significant risks for economies overly reliant on a single sector, especially one as sensitive to international trade and regulation as services.

Discussion based on the above cases (Comparison of Maharashtra with other nations): -

The analysis in the topic no.4 Data Presentation and interpretation and analysis suggests that Maharashtra may be on a path similar to these regions. The state's over-reliance on the service sector, coupled with neglect of the primary and secondary sectors, could lead to economic vulnerabilities. Factors such as rising urban unemployment, regional disparities, and income inequality could exacerbate these vulnerabilities, leading to a potential crisis in the event of a global economic downturn

6. Findings and Suggestions: -

6.1 Findings: -

1. The service sector has become the primary contributor to Maharashtra's GDP.
2. The state's Gross State Domestic Product (GSDP) increased from USD 182.9 billion in 2011-12 to USD 444.0 billion in 2021-22, indicating robust economic growth.
3. The tertiary sector grew by 177%, while agriculture and manufacturing saw more modest growth at 110% and 100%, respectively.
4. This shift raises concerns about the sustainability of growth and rising income inequality, particularly for those still reliant on agriculture.
5. The primary sector's declining employment share and stagnation in manufacturing signal the need for balanced job creation strategies.
6. Comparative case studies from Ireland, Greece, and Puerto Rico demonstrate the risks of over-reliance on the service sector, particularly during economic downturns.
7. Maharashtra could face potential vulnerabilities, such as rising urban unemployment and regional disparities, if it continues to neglect agriculture and manufacturing.
8. Strengthening both the agricultural and industrial sectors is essential for building a resilient and inclusive economy for the future.

6.2. Suggestions: -

1. Creating Social Awareness about Agriculture and Manufacturing

Promoting agriculture and manufacturing requires public support, which can be enhanced through social awareness campaigns. Initiatives in India, such as farmer empowerment programs, have been crucial in increasing farmer participation in decision-making and policy implementation. For instance, campaigns focused on the importance of agriculture to national development have inspired community support and advocacy for better agricultural practices. Rao (2016) highlights how outreach programs emphasizing the critical role of farmers not only raise awareness but also contribute to increased investment in farming technologies and infrastructure. Social awareness is key to creating a supportive environment where people understand the value of agriculture and the manufacturing industry in sustaining the economy.

2. Promoting Research in the Secondary Sector for Industrial Innovation

The secondary sector, particularly manufacturing, plays a vital role in job creation and economic stability. To foster growth in this sector, research and development (R&D) are essential. Smith (2018) emphasizes that economies that invest heavily in industrial research are better equipped to adapt to changing market trends and technological advances. By focusing on R&D, industries can innovate, improving both productivity and competitiveness. Governments can incentivize research by funding universities and institutions to study market trends and implement cutting-edge technologies, as seen in developed nations like Germany and South Korea. These strategies not only generate employment opportunities but also ensure sustained industrial growth.

3. Stabilizing the Primary Sector through Strong Governance Frameworks

Brazil's agricultural policies provide an excellent example of how strong governance can stabilize the primary sector. Pereira (2019) discusses how Brazil introduced comprehensive agricultural frameworks, including subsidies, infrastructure investment, and export incentives, to support farmers. By implementing a robust regulatory environment and offering financial support to agricultural enterprises, governments can help farmers withstand market volatility and adverse weather conditions. These policies foster long-term stability by ensuring that agricultural production remains consistent and that farmers have access to global markets. Maharashtra can adopt similar frameworks to enhance stability and productivity in its agriculture sector.

4. Establishing Agricultural Commissions to Address Price Volatility

Price volatility is one of the biggest challenges in agriculture, making it difficult for farmers to earn a consistent income. Establishing agricultural commissions can help monitor and regulate prices. India's Minimum Support Price (MSP) mechanism is a successful model, ensuring that farmers receive fair compensation for their produce regardless of market fluctuations. Chand (2020) highlights how the MSP has protected Indian farmers from the uncertainty of fluctuating global commodity prices. Such commissions can stabilize incomes by ensuring farmers have predictable pricing mechanisms in place, which, in turn, encourages agricultural investment and productivity.

5. Standards (Ind AS) in Agriculture for Transparency

One effective way to attract investments into the agricultural sector is by increasing transparency in financial reporting. Kumar (2021) advocates for the adoption of Indian Accounting Standards (Ind AS) within agriculture to ensure that financial transactions and earnings are clearly reported and audited. This step can boost investor confidence as it brings a formal structure to the financial management of farms and agricultural enterprises. Transparent accounting can also help in securing loans and funding from financial institutions by showing a clear picture of agricultural profitability and financial health.

6. Connecting Agriculture with the Tertiary Sector through Agro-Tourism

Agro-tourism is an innovative way to integrate the tertiary sector with agriculture, providing farmers with additional income streams. Deshmukh (2022) explains how agro-tourism allows farmers to showcase their farms and produce while attracting visitors to rural areas. This not only creates income but also builds awareness of farming practices among urban populations. Agro-tourism helps bridge the gap between rural and urban economies, promoting rural development and diversification of income for farmers. By transforming farms into tourist attractions, states can support farmers' livelihoods while encouraging the conservation of traditional farming methods.

7. Promoting the Dignity of Farmers through National Initiatives

One of the critical ways to foster pride in farming as a profession is by recognizing the contributions of farmers to national development. The "Jay Jawan, Jay Kisan" initiative, introduced by India's former Prime Minister Lal Bahadur Shastri, promotes the dignity of both soldiers and farmers. Singh (2020) underscores the importance of initiatives like these, which celebrate the role of farmers in feeding the nation and contributing to its economic prosperity. By fostering a sense of pride and dignity in their work, such initiatives encourage youth to take up agriculture as a viable career, ensuring continuity in the sector.

8. Channelling Service Sector Growth Toward Agriculture through Digital Platforms

With the rise of digital platforms, there are new opportunities to connect agriculture with the growing service sector. Ouma (2021) discusses how digital platforms can be leveraged to provide farmers with access to markets, financial services, and information about best practices. These platforms, which offer services like online marketplaces, mobile banking, and real-time data on crop prices, can significantly enhance agricultural productivity and income. By bringing digital solutions to rural areas, the service sector can play a transformative role in modernizing agriculture, reducing inefficiencies, and opening up new channels for farmers to increase their revenue.

7. CONCLUSION

Maharashtra's current economic trajectory, characterized by the rapid expansion of the service sector at the expense of agriculture and manufacturing, poses significant risks for the state's future economic stability. Drawing parallels with regions that have faced economic crises due to similar growth patterns, it is evident that Maharashtra needs a more balanced approach to development. By

revitalizing its primary and secondary sectors and ensuring inclusive growth, Maharashtra can safeguard against potential economic vulnerabilities and contribute to sustained national development.

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