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Editor's Note: University and college teachers and students of Economics, Political Science and Sociology/Social Anthropology are invited to send to us questions of wider interest on the subjects of their study. We shall endeavour to publish in subsequent issues of the journal answers to selected questions received by us. This will form a separate section of the journal. The authors of the selected questions shall receive complimentary copies of one year's issues of the journal, as a token of our appreciation.

IS THERE A CASE FOR RE-ORGANISATION OF STATES?
Proceedings of the Seminar
Organised at
INDIAN SCHOOL OF POLITICAL ECONOMY PUNE 411016

Editor's Note on Seminar Proceedings

Indian School of Political Economy organises every year a two-day national seminar in memory of the late Professor V. M. Dandekar, the Founder-Director of the School, on an important theme of topical interest. We invite researchers, policy makers, politicians and activists who are taking an active interest in the selected theme, apart from all the Honorary Fellows, Fellows, Visiting Fellows and Affiliate Fellows of the School.

The seminar organised in 2010 was on the theme, 'Is there a case for Re-organisation of States?' Selected formal papers and Notes submitted by the participants of the seminar were published in Volume XXI (January-December 2009) of this journal, published in 2011. Detailed discussions at the seminar based on the recorded seminar proceedings are being published in full in the present issue of the journal. As transcription and editing of the proceedings took some time, we could not publish them immediately as a follow-up volume of the journal, as expected. The discussions highlight and some times elaborate and add to the various points covered in the research papers and Notes, submitted by the participants, and debate the same. They represent a cross section of views, reservations, arguments and counter-arguments about the various issues encompassing the important yet controversial theme of the seminar as well as the experiences, beliefs, value judgements and sentiments of the participants in regard to the different aspects of this inherently somewhat emotional subject, expressed with a mixture of logic and passion. In spite of the wide ranging and some times intense debate, one cannot hope for a consensus, let alone unanimity, on the subject, because of inadequacy of the research on various underlying issues and limitations in projecting the relevant outcomes as

well as political considerations, emotions and the sense of injustice and differences in assessing what constitutes regional justice on the ground level.

While editing the recorded text of the proceedings, we have tried to keep the rendering as close to the original text as possible, making editorial changes only to the extent required to make the matter coherent and comprehensible and free from repetition and broken, unclear phrases. Unrecorded or unclearly recorded material had, of course, to be dropped. The first copy editing of the transcribed text was done by Mrs. Jyoti Tilak, Affiliate Fellow of the School and the all-important task of identifying the speakers from their voice in the recorded cassettes was carried out by Mr. Abhay Tilak, Fellow of the School. We are thankful to both of them. The edited text was sent to all the participants with a request particularly to check and re-edit their particular contributions in the discussion. It should, however, be clarified that not all participants may have been able to adequately correct their parts of the text within the given time limit.

These discussions are published here in the hope that along with the papers and Notes published in the above-mentioned volume of the journal, they will be of relevance to the politicians, policy makers, social scientists and the general public in assessing the pros and cons of the subject. They may probably serve as a catalogue of the relevant considerations. We hope that the readers would find them of interest and useful. If nothing else, we hope that these discussions may help in creating an understanding of the opposite points of views and tolerance for each others' positions.

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(REVISED) OUTLINE OF THE SEMINAR PROGRAMME

Friday, 27 August 2010

10.00 a.m. - 11.30 a.m.	Welcome and Introduction of Participants; Discussion and Finalisation of the Sessions
11.30 a.m. - 1.00 p.m.	First Session: Bases for Statehood and Emerging Issues of Federal Structure and Formation of States (A) Bases for Statehood: Chairman: Prof. Peter D'Souza
2.00 p.m. - 3.30 p.m.	Second Session: Bases for Statehood and Emerging Issues of Federal Structure and Formation of States (B) Emerging Issues Chairman: Shri Ratnakar Mahajan
3.30 p.m. - 5.00 p.m.	Third Session: Experience of Newly Created States - Performance and Problems Chairman: Prof. P.R. Panchamukhi

Saturday, 28 August 2010

10.00 a.m. - 1.00 p.m.	Fourth Session: Why Are Demands For New States Being Made And Opposed? Will Granting Statehood To Neglected Regions Solve The Existing Problems? Chairman: Dr. Vijay L. Kelkar
2.00 p.m. - 3.00 p.m.	Fifth Session: Why have the Existing Arrangements for Bal- anced Regional Development not Worked? How can these be Strengthened? Chairman: Dr. Yogendra Yadav
3.00 p.m. - 4.00 p.m.	Sixth Session: Which Problems are the new States Likely to Face? Chairman: Prof. Srinivas Khandewale
4.00 p.m. - 5.00 p. m.	Concluding Session: Summing Up and Looking Ahead Chairman: Prof. Srinivas Khandewale

IS THERE A CASE FOR RE-ORGANISATION OF STATES?

Proceedings of the Seminar

Welcome and Introduction of Participants; Discussion and Finalisation of the Sessions

Chairman: Prof. N. Rath

Namaskar - My name is Nilakantha Rath. I welcome all of you on behalf of the Indian School of Political Economy, to this two day Seminar. Before I begin about the School and the Seminar, let me say, how particularly happy at least I am, to see that the people from outside Pune who have chosen to come for this Seminar have brought relief in the nature of rain after a three week drought-spell. We have had our last rain from the 7th of August, is it? After that there has been a complete drought situation in this chronically - what the British used to call the - famine-labile track of the Deccan where Pune is located. So, you have been very helpful in bringing rains. Thank you.

I won't take much time to introduce the Indian School of Political Economy (ISPE) to you because many or most of you, I believe, excepting a few, have come here earlier and must have heard about what this place is. The ISPE was started formally as a registered trust, society, back in 1969-70, essentially, though not with the exclusive purpose, to try to inform the elected political representatives at various levels, beginning from Panchayat to Parliament. Prof. Dantwala, our first Chairman, used to ask Prof. Dandekar, 'Do you think, Parliament members will care to be informed about the trend, etc., by you people?' But whole effort was to do precisely this, way back in 1970-71. I want to take your time to tell how effective it was for the first three years that this programme ran in Lonavala where the School had, with whatever its resources, got a property and started the training programme, for 36 weeks, every year. This programme used to run only

during the winter and summer, avoiding the inconvenient rainy season when there was no training programme. With the declaration of Emergency in June 1975 this whole effort came under a cloud. We began wondering: because it was on the eve of the monsoon session, there was nothing to be done. But we realised that running the programme is going to become very difficult. So, in a lighter vein, half jocularly we told the government that we want to run a programme of Information and Training for elected representatives, on the Twenty Point Programme which was popular at that time, as some of us would remember. The government jumped at it because it had to sanction finances to the elected representatives to meet the expenses from their institutions for coming, going and accommodation and food. We ran the programme for about three/four months. But then it turned out that the government had an eye on it. In some ways they realised that this was not the Twenty Point Programme information that they wanted people to be informed about. So, it all fell through. To cut the long story short - after the withdrawal of Emergency, we realised that political organisations in India, particularly the Congress which was then the dominant organisation, had undergone a complete change. The whole attitude of everybody, beginning from the top and right up to the bottom, was no longer in a receptive mood to discuss, debate, organise and do things. This sort of a programme became completely unnecessary and what was true of the Congress was to a greater or lesser extent true of all other political parties, particularly for the Maharashtra Government which had helped our programme.

So, the School began doing other things for about 8-10 years and then we discovered that it is not good to have an establishment in Lonavala

when we are not doing the type of work with which we had started. So we - the School - sold that property and the sale-proceeds were used to put up here the present premises and the second best alternative was to write about the Indian economy with the help of scholars. Another thing that we started - we invited scholars to come and stay for 3-4-5 months and work on any subject of their interest which we would print and publish. We tried with very distinguished scholars - three-four of them, but nothing came out of it. So we said, since other people are not willing and the senior people are not really able to produce anything like this, we should have a journal in which scholars working in their own places can write and instead of paying them and inviting them here, we shall pay the scholars for publishing their work. That's why this journal, which I believe is the only journal in the country, certainly among social sciences, which does so, began by paying 100 rupees per printed page, to every scholar for his / her accepted article and there was no limit to the length of the article. I remember having published on the Enron and the problems of Enron in America - the way its disaster took place in the United States. One of our leading scholars from IIM, Ahmedabad, wrote an 80 page article on it which we printed in the journal. You see, we have been doing this. No limit to the article length provided it is relevant and useful. This was the second best that we could do in the absence of our basic objective.

A few years after Prof. Dandekar's death in 1995 July, our governing body (which consists of scholars from Maharashtra as well as from outside) decided that we should have a Memorial Seminar rather than a memorial lecture. Dandekar was personally completely, reluctant - to put it mildly- to do anything like this for anybody. He had his peculiarities and this was one of them. So, we said in his memory we shall not do a lecture but we shall have a seminar for a day or two, depending upon the subject of discussion / study.

So, we have been doing this for the past 7-8 years. We choose a subject. We - or some of us - write out 6-7-8 page outline of what the subject is about, its scope and so on and so forth. And we circulate it amongst the invitees who are requested to write back to us their response, suggestions, etc., in a couple of pages at the most. And we have been trying to do this and to bring it out, but we have never succeeded because the discussions are such that we have found it extremely difficult to record, edit and publish them. We have tried at every discussion and although the transcripts are with us, it somehow has not worked. So, this time we are thinking of an alternative and we hope you will all cooperate this. We want to record these proceedings

The practice earlier was to have a 5 to 8 page write-up at most but this time we had many more responses from participants, from you. Further, it has been our experience in the past that some of the write-ups were rather large, relevant but large. So Prof. Chitre and my other colleague in the School (the only other regular academic) Mr. Abhay Tilak between them prepared this document of 34 pages that you have before you - it is the proposed outline of this seminar. This contains not merely what was proposed in the initial document but has contentions from various participants who have sent their written documents. These have been properly classified and summarised. The basic idea in this is - not to ask or even if you permit my saying so, to allow anybody make presentation of his or her paper. No. We have never done this. We classify the subject properly and then anybody who has either submitted a paper or has a point to make begins participating. So, everybody has ample chance of making his presentation, his participation, debate, discussion and so on. What Prof. Chitre and Mr. Tilak have done is prepare this programme for these sessions scheduled for today and tomorrow. I hope that most of you have had an opportunity to read through the total programme. If you think that something needs to be

changed - say, sequencing of the subject matters, etc., for the different sessions - please tell us right now because we will have to request our proposed Chairpersons of the sessions and so on, seek their convenience and all that comes with changes in the proposed format. You can do that for which I give you a little time.

In the meanwhile, I will do the pleasant thing of requesting everybody to introduce himself-/herself to the rest of the participants. I introduce myself. My name is Nilakantha Rath. I am an Honorary Fellow. Incidentally, most of the governing body members are called 'honorary fellows'. They are honorary in the real sense of the term, and most or all of them are academics of some discipline or other from somewhere in the country. Some of them are present here; I am one of those, I have been an Honorary Fellow right from the beginning in 1969-70 and I continue. I have been sitting here (at ISPE) for the last twenty years since my retirement from the Gokhale Institute. I do my work and try to help this School in whatever way I can.

My name is Vijay Kelkar; till recently I was working in Delhi. Now I have shifted to Pune and live in this city.

My name is Yogendra Yadav. I am one of the Honorary Fellows of the ISPE. I am a senior fellow at Centre for Study of Developing Societies (CSDS), Delhi, and a Political Scientist. In this particular context, I should also mention that for the last few years, I have been engaging with a group in North Bengal called Uttar Banga Swayatta Shashan Manch - which is a group thinking about autonomy and separation in North Bengal which is popularly known outside as the Kamtapur Movement.

I am Sandeep Shastri, a Political Scientist based at Bangalore. I am also part of a group with Yogenbhai and Suhasbhai called the 'Lokniti'. I

am specially interested in issues relating to federalism and have done some work with regard to 'Institutional Mechanisms within Federal Systems' and I would like to approach this seminar from that perspective focusing on the question of re-organisation of states, what are the institutional issues and questions and challenges that should come up in that context.

I am Ramakant Pitale. I come from Nagpur in Vidarbha. I belong to the Indian Economic Service. I worked with the Government of India as Joint Secretary, Ministry of Planning and Programme Implementation and retired in 1996 as Economic Adviser from the Ministry of Agriculture. The Vidarbha issue is of great interest to me and I look forward to understanding the various ways of looking at it, not from personal or regional point of view, but as a dispassionate researcher in this seminar and not be oriented towards any political ideology. Thank you.

I am R. P. Kurulkar. I was a Professor of Economics in the Babasaheb Ambedkar Marathwada University, Aurangabad. I retired in 1993 and then joined Govindbhai Shroff's Swami Ramanand Teertha Research Institute, Aurangabad, as honorary director. I was a member of the 'Indicators and Backlog Committee' in 1994. At present, I am the Acting Director / Chairman of the Marathwada Development Board, Aurangabad.

I am Medha Deshpande. I teach Economics in S.N.D.T. Women's University at its Pune Campus. I was long associated with Gokhale Institute, ISPE and with most of the honorary fellows of the ISPE.

I am Vinayak Deshpande. I am from Nagpur and was associated with the Department of Economics of Nagpur University for quite some time. Now, I look after the Department of Business Management and have a special interest

in this particular area since I am a 'Nagpur-ian' and a 'Vidarbha-ite'. I have been observing the development of Vidarbha over the past many years. Over time, I have developed special interest in learning how regional inequalities grow over time and from the perspective of development theories how one can study / understand the under developed regions is something I am trying to study. Thank you very much.

I am Prof. Ashok Naikwade, Head of the Political Science Department, Devgiri College, Aurangabad.

I am Abhay Datar. I am associated with the Department of Politics, University of Pune.

I am Abhay Tilak, primarily a student of Prof. Rath and Prof Chitre while at the Gokhale Institute. Currently, I am a Faculty Member with the Indian School of Political Economy (ISPE), mainly looking after the publication of our Marathi monthly, 'Arthabodh Patrika'.

I am Sriraman from the Department of Economics, University of Mumbai. I have not been really working on the topic that is going to be discussed today with focus on the smaller states. But since I specialise in transport economics, we have had opportunity to study extensively the effort of Indian Railways trying to split up its operations into decentralised zones. More recently, we have been looking at Maharashtra State Road Transport Corporation (MSRTC) as a regional level organisation. So, in some sense I have been working in the same areas and, may be, I could get a lot of ideas from here in terms of what measures and indices to use and on my part I could share my experiences with all of you. Thank you.

Thank you, I am Dr. P R Panchamukhi, currently associated with Centre for Multi Disciplinary Development Research, Dharwad, as its Chairman. I am also Professor Emeritus of that Institute. Well, although I have not worked on this issue extensively in a formal way, my interest in Public Finance has attracted me to this issue. I have been one of the affected parties, coming from North Karnataka, being a less developed part of Karnataka over several decades. From that point of view, I can tell the story of regional disparities from first hand experience. I was a member of the Government of Karnataka's two-Member Committee to look into this issue even before a major High Power Committee came to be appointed under the Chairmanship of Prof. Nanjundappa. Since I was associated with this issue for quite some time I was also invited by the Government of Karnataka to be a member of the High Power Committee - another high power committee (tongue-in-cheek) - to look into the implementation of the recommendations of Nanjundappa Committee. But I thought that this may not be the way to solve problems of regional disparities. It is better always to be an affected party in order to bring out the problems of regional inequalities sharply rather than to be a third party to advise the government regarding issues of regional injustice. It is in this spirit that I have accepted the invitation to participate in this important seminar. Thank you.

I am a Political activist from Pune. I am Ratnakar Mahajan, former Chairman of the State Planning Board, Maharashtra State.

Prof. Rath: We had invited a few political people who had been active in either the Regional Development Board or in the Regional Planning Committees or in the State Planning Board, political people who are taking interest and trying to understand the issue of regional development. Mr. Ratnakar Mahajan is one of the persons who had agreed to come and so has Mr. Prakash Ambedkar. He has just arrived. I will request

him to introduce himself but I must say here that we are really thankful to both of them for having agreed to spare time for these two days to attend this discussion. Thank you.

I am Peter D'Souza, Director of the Indian Institute of Advanced Study at Shimla. I work in the broad area of Democratic Politics. I am interested in small states. I am originally from Goa. Consider two small states, for example, Himachal Pradesh and Goa, - one well-run which has produced outcomes and another poorly run which has also produced outcomes - and I hope in course of our discussions during the next two days, we shall be able to get some answers as to how this has happened....

Well run!!!..

In the next two days we shall attempt to answer the question but I feel that there are puzzles there which need discussion and I hope over the next two days the phenomenon of small states can be more analytically examined. Thank you.

I am Lalit Deshpande. I retired from Department of Economics, University of Mumbai, as Professor and Director of the Department. At present, I am Honorary Visiting Professor at the Institute for Human Development, New Delhi, and Honorary Fellow of the Indian School of Political Economy. I was a member of the Rest of Maharashtra Development Board and that - if not any other reason - gives me enough justification to be present here.

I am Suhas Palshikar, I teach at the Department of Politics at the University of Pune. I am also associated with this School as an Honorary Fellow and currently I am Director of the Programme for Comparatively Democracy which is located at the Centre for the Study of Developing Societies (CSDS). This programme is also known as Lokniti Programme under which over the last ten-fifteen years we have been mainly doing

studies on Indian Democracy, Party Politics and Elections with Sandeep Shastri and Yogendra Yadav and in his earlier 'avatar' Peter D'Souza too, though, I am sure, he wants to forget that past.

I am Prakash Ambedkar, participant as an Activist.

I am Anjali Maideo, I teach in Karve Institute of Social Service, Pune. I have not been invited but I thought with your permission I would like to listen to the deliberations here. Thank you.

I am Vikas Chitre. I am also honorary fellow of the Indian School of Political Economy. My fields of specialisation are really different: macro-economics, monetary economics, and quantitative economics. But for the last several years I have been engaged in the editing of the journal that we bring out and that has given me an opportunity to think and read about other issues. Of course, I have been engaged in the preparation of the notes for this seminar about which I will talk a minute later. Thank you.

Prof. Rath: And then I request those of you who think that we should do some re-arrangement to please make their suggestions, and we can discuss and finalise changes, if required.

Prof. Chitre: Thank you. Prof. Rath has said that, Abhay Tilak and I, together we have prepared at length the background notes. I must add that we got very valuable inputs from Prof. Suhas Palshikar, Prof. Dhanagare and Prof. Rath, in preparing this Note. After sending the background Note, we received the Notes / responses from the participants as we always do. We have tried to put in our final Note for the proposed outline of the programme-sessions as many points as possible and we picked them out from these various Notes received from you. But I have to say that it is very likely that we may have missed out some important points made by some of you. This is

not intentional but it may have happened. Secondly, some of the Notes arrived a little later than the set date and we did not have time to incorporate their inputs. So, one should treat this as only as a general outline of the issues which have been raised. I am sure that the participants will have additional points to make; and as you proceed, you may please feel free to make your points. One of my close friends - a participant here, commented that this looks too much structured, and wondered if there is scope for unstructured remarks. Let me assure you, there is ample scope for a free discussion and raising unstructured points. You can always make your points with the permission of the Chair. This is the second thing which I wanted to say. We had invited many more people than who finally are attending - we had invited several people from Telangana, and also from Vidarbha. Unfortunately, many of these participants who had at first said that they would be able to attend had to drop out for one or another reason. And I am sorry we would be missing valuable contributions from them. We will have to compensate for the points which they could have made. Some of these points we have incorporated in the Note itself. Now very briefly I could say that the way we shall proceed is that we first nominate a Chairperson (separate one for each session). We normally also deviate here from the usual pattern because we try to keep the persons who are likely to say a lot about a particular issue, free to participate in the debate rather than have 'argumentative' Chairpersons. But at the same time, the Chairperson knows the subject, and can therefore guide the session. The issues noted here are for the guidance of the Chairperson and for the discussions in the session. So, you will make your point and if you have to add on to it, if you want to make a different point, or you want to contradict a point, please feel free. Some of the people will be coming tomorrow; Mr. Khandewale is coming tomorrow

and Dr. Anupama Saxena too is coming tomorrow. So, unfortunately, we will miss their contributions today, but that could not be helped. I think that with these words, may I request Prof. Rath to conduct the discussion further.

Prof. Rath: One thing I would like to add. You can immediately appreciate that Prof. Chitre and Tilak have divided the broad subject into a number of sub-sections. Some amount of repetition is, I realise, unavoidable. But I would request that we should try to avoid as far as possible repetition, so that we make the basic point.

Shri Tilak: I would like to introduce Mrs. Kshirsagar. We introduce her to this audience for two reasons. First thing is, she is from Nagpur. So, we don't even begin our discussion by neglecting her (laughs!!). She is the assistant editor of our Marathi Monthly Publication 'Art-habodh Patrika' ... Mrs. Kshirsagar.

Prof. Kurulkar: I would like to suggest two points - on page 16, there is a subject called working of the Regional Development Boards. Now I would like to suggest that there are two problems before us. The first - the Governor's office is going to appoint a new committee to decide upon the indicators of development as well as method of the estimation of backlog. So, this august body may reflect upon this problem - May be on what could be the method of, say, the identification of 'backward' areas, what could be the development indicators to be taken into account apart from the indicators used for computation of backlog by the Dandekar Committee because Dandekar Committee's methodology is not likely to help us any further. And because it is like an unending process, as you have mentioned in your paper, what other methods can you adopt for the development of backward districts or regions? That is point one. Secondly, the Planning Commission also has stated that the nature of the working of the Boards should change. It should not be only limited to backlog estimation and

removal of backlog. So, what other functions should be entrusted to the development boards should also be clearly mentioned here. So, these two points should be mentioned in our Agenda here. Thank you.

Prof. Rath: Please refer to the outline for the Third Session. Why have the existing arrangements for balanced regional development not worked? How can these arrangements be strengthened? Now this covers not merely the older Dandekar Committee but also the Regional Boards - their failures and that can be discussed. We are going to discuss all these problems that you have mentioned here. You see, if you think that is alright then we merely make a note. We don't know anything about how these things are going to be discussed. I don't know that anybody has prepared notes about new methods relating to how regional imbalances should be measured but if anybody raises this question, this can be discussed. Thank you.

Prof. Chitre: We do expect that these points would come up in the discussion. In fact, there are places where these have been raised in our programme session Note also. But the amplification of the points, as to how, what exactly should be done, will depend on the contributions and participation of the participants.

Dr. Yogendra Yadav: I had two suggestions about a bit of re-organisation - because I think it such a valuable opportunity to discuss this larger question of states re-organisation. The first suggestion is whether we could give a little time right in the beginning to some general considerations. As some of us have remarked, and I too feel very strongly, when the question of states re-organisation is discussed on a case to case basis, we get one perspective. The moment we start looking at general issues, we get a very different perspective. So, I thought it may be useful to locate some general considerations for getting the specific issues we are involved with - that's one

thought. The second thought is that since so much of the discussion here draws upon the Vidarbha case and the strengths and in some ways also possible weaknesses can be that we keep drawing on Vidarbha as an example. The more I think about it, the more I am convinced Vidarbha is a very unrepresentative case for the rest of the country. To think about states re-organisation, Vidarbha is not a very representative example. It is a case apart. It is a class apart, and so on. So, do we want to think of some session to be devoted exclusively to the Vidarbha question to ensure that it does not dominate the rest of the discussions? My real point is that the entire discussion should not be flooded by Vidarbha. I can see that there are strong concerns here and this, in a sense, is the strength of meeting in a place like this. But there is that difficulty that does come up; and if it comes up right in the beginning the way it is structured here, it appears to be an invitation to plunge into discussion about Vidarbha straight away and then further during the rest of the seminar, we can keep drawing implications from Vidarbha which is not what I would like to do.

Prof. Chitre: In fact, I should agree that this question has bothered us when we prepared this Note for the proposed sessions. First of all we thought that we shall take general issues which we would raise first and then we go to the specifics. But somehow we - Abhay and I - we discussed and felt we should first get the idea about the actual problems involved in this case and other related cases. Then, at a later stage, we could go on to generalise - about the statehood and so on from then on. This is what we thought about the design. While one could have started with the general perception - what should be the optimum size of the state, what are the considerations determining whether one should make a different state or not, etc., which are included in some of your Notes. I appreciate that but we have put it towards the end. Having discussed the cases then, what are the general points arising out of that discussion? We are open to suggestions and

change. Yet we can take a counter-view and discuss whether we want to change it or not. We thought that somehow there could be other considerations too. We felt participants, particularly from Vidarbha, have a much larger representation here today and we thought they might like first of all to share their experiences, their sentiments about this problem. Then we can go on, at a later stage, to analysing the situation obtaining in different states and also some general issues which arise out of the discussion. This is how we have designed it. A few questions would overflow from the discussion related to Vidarbha into some other, different sessions also. This is going to be unavoidable because different aspects have been put under various sessions. How those particular aspects relate to Vidarbha and other states would emerge and I think we may have to consider how to avoid repetition. A point which has been made in one session may not be repeated - the Chairman can say that we have discussed this earlier. But as far as the other states are concerned, the first session tomorrow morning, is on the experience of the newly formed states. What has been their experience - this would appear again before the final winding up of the overall issues. So, that is how we have structured the sessions and if you think this is all right, we can continue. But if you have to, if you think that no, first begin with the theoretical structure, then...

Dr. Yadav: Yes. That is a strong issue...

Prof. Chitre: True. That is correct. I think we have debated between ourselves for some time and reached a consensus that somehow, unless we come to concrete cases, discussing in abstract may become a little difficult. So, let us see the cases. And, as I explained, we wanted several people to represent / come from Telangana; we wanted a number of people also from Karnataka. Prof Panchamukhi and Prof Shastri are here. Others are also knowledgeable, but there will be other such demands. As regards the case for Bundelkhand, we could not think of any particular person

to be invited for this session. But these are also the cases which we would want to be discussed. In fact, there are other aspects of the re-organisation of states which might come up and we are leaving that open for discussion, right now.

Shri Prakash Ambedkar: I think what we are considering is basically the bigger states facing some issues and therefore the outcry for the smaller states. That is what we are looking at. I would focus on the Indian context. However, I think that certain issues are developing for which we have to look even outside the Indian context and basically those are the North-Eastern states. I don't find them reflected, in this paper - the recent developments taking place across the border and in the border-states in relation to China and Bangladesh. They are going to have a bigger impact than what we are demanding today, namely, the smaller state. So, I think some of us who have been on the forefront of those issues, should at least highlight the issues as part of the discussion process. It should be done since they are related to natural resources - in addition to water, electricity and even mining rights. So, these are basic rights on which the states survive and if there is going to be a conflict on these issues, I think that is also a vital issue which will form a part of present discussion. If you can include these aspects, I think, some of us could throw light on these perspectives also.

Prof. Chitre: I think as far as I understand you, some of these questions about sharing of water resources, etc., they have appeared in the outline of our Note.

Shri Prakash Ambedkar: They are basically related, you can say, to issues within the states, within the nation. I am speaking of a question where resources are shared within the nation and outside the nation. And they are going to have an impact on those states and adjoining states and

you should also be prepared to discuss as to what should be done in this context as it will have impact on the Union itself.

Prof. Chitre: We need not rule out the implications of what you are saying, although discussing those things might take us very far away from the main theme. But we do have a session, the last session on concluding remarks and looking ahead. Some of these issues would come up there or before that in the session about formation of states and implications thereof. These remarks could be taken up at that point. So, your point is well taken, and you can make the points where you think it is relevant in the discussion. I think there are two-three places where you may be able to make those points. What are the implications for the border-states when the questions relating to the formation of states and the implications thereof are being discussed?

Shri Prakash Ambedkar: I have made this point because I have noticed that there is always a feeling among the people of border-states that they are not being discussed. And therefore in every seminar, wherever North-east is put as a separate head, I think, the message goes very far and wide, that they have also considered the North-eastern states.

Prof. Chitre: I am just making a suggestion; I wonder how this can be incorporated perhaps as Border States - special problems of the border states. Wherever you think they are relevant, you are always welcome to make those points. But this will come again in different places because we have taken it issue-wise. And tomorrow morning, when we are talking about the experience of the different newly made states, after that discussion is over, we can save some five-ten minutes for some people to make remarks about the border states. They are also small states. So, this is what you can do; this is one way in which we can accommodate it. Thank you.

Dr. Pitale: Sir, with regard to this structuring of the seminar and the sequencing that has been done, it seems to be alright for the reason that in the generalities, specifics should not be lost. Because if you generalise too much then what can we say in the case of Vidarbha? You see the points and you derive from there. If you go for the realities of the states re-organisation - what happens? This is on the ground. Besides, as you had very correctly mentioned, this is not a purely academic seminar - lot of social, political and many other points will emerge. And in the context of this states re-organisation, one very important point that has arisen is the Constitution. How do we look at that issue of states re-organisation? Much before Maharashtra came into existence, way back in 1956, article 371-2 was added. What was the significance of it? Was that to be flouted? These are some of the basic issues which are very much there which will relate to that larger issue. And they may be lost sight of if we do not get that into the discussion. That's why the suggestion.

Prof. Vinayak Deshpande: Shall I? Well, I am sorry for raising an issue. I am not sure if it is relevant or not, but I would like to ask a question point-blank. What is the purpose of this seminar? If the purpose of the seminar is to promote a particular view point or to have some sort of publicity to a particular view point, then it has to be handled in a different way. But if it is typically an intellectual exercise, to look into the problems and see their relevance, then it has a different role to play. This particularly bothers me when I see the general paper start with Vidarbha. Why not start with the other? I am not opposed to taking it on a case by case basis. We should examine this on a case to case basis. But I think as academicians concerned with realities, we should consider the broad parameters and then refer to the cases. Otherwise, I am afraid there are journalists here who would want to report about it. If that is the case then I think it will lose its purpose. So, we should really think of the issues in a broader framework, this is my view. Let us start from a

broader framework and then draw our attention to the specific issues and see whether something can be done in that direction; otherwise I do not know whether we will be losing control over the entire discussion. I hope I have made my point clear.

Prof. Panchamukhi: Sorry, if I may add. If I have to discuss the specific issues, then the specific issues are not represented very well in this particular platform. Take Karnataka - Only Dr. Shastri and I are here. And we may also be not very well informed about all the specific social, economic and political aspects, such as those of say, North Karnataka, Hyderabad Karnataka, Coorg, etc., which have been raising voices for a separate state within Karnataka for their own specific reasons. I think therefore, that discussion of only specific issues in this seminar may not be proper at least in the case of Karnataka

Dr. Shastri: After hearing the points which have been made and looking back at the title of our whole two day programme - is there a case for re-organisation of states, I would also plead the point that we need to look at the broader questions first. Because our focus is - is there case of re-organisation of states - and I would join those who have in the last 15 minutes pleaded for a broader discussion on the theme which then allows us to focus on specifics in that larger debate of re-organisation of states. And as Yogenbhai very rightly put it, I think we need somewhere also look at the discourse on two perspectives - specificities of certain demands and the general question of re-organisation of states. If we put that somewhere in the beginning, I think we would be able to fit in the different dimensions that we have listed out for the debate in this Note. It would be possible then to fit into various dimensions once you are able to outline the broad issues in the beginning. That would be my submission also. And, of course, somewhere - may be this is a vested interest, I would plead for a slot or a space - as students of politics we can look at

institutional questions of re-organisation of states. I know it is there on day two at certain points of time, but if it could be more specific or focused, it would contribute to the larger theme we are looking at in this seminar.

Prof. Lalit Deshpande: I think the theme of each session is well-specified by the organisers. Hence, I would leave the decision regarding how the theme should be discussed to the Chair of each session. If the Chair thought that the general principles should be discussed first and the specific cases later, the participants should follow this sequence. In any case, most discussants would be moving from principles to cases and vice-versa very frequently. They should have this flexibility.

Shri Abhay Tilak: Sir, as a partner to preparation of our entire structure for the seminar, what we have been thinking for the last about couple of months was that earlier we started with the premise of what happens if smaller states are formed. So, the question was whether we should go for a model smaller state created out of larger states for better development and balanced regional aspirations. But then somehow we said that instead of talking only about smaller states let us talk about the overall question of re-organisation of states, primarily in the light of the current demands concerning Vidarbha and Telangana. The first premise why we chose to take the two cases first was perhaps that - as Prof. Chitre explained - the larger issues concerning re-organisation of states, the political, economic and social angles and even some kind of the angles concerning the Constitution, have been enlisted in the last session. We thought that we should or ought to have some kind of a concrete reference point, where we can draw attention to, namely, if a smaller state is formed or a new state is formed out of a larger state, what is likely to happen to its economy? So, we have a Note from Dr. Pitale, who is present here. He has made some calculations about what will be the size of Vidarbha as

an economy, as an independent state. So what happens to that? What happens to the measures which have been adopted so far to ameliorate regional imbalances? We have a case in Maharashtra in the form of Dandekar Committee. So, why we have chosen to start with Vidarbha and Telangana is that at least there is some kind of concrete framework which we can refer to always when we talk about larger issues concerning re-organisation of states because there is some amount of earlier thinking, some amount of data, some amount of research which is already available within our framework. This is point one. Secondly, as Prof. Panchamukhi has rightly said, as a student, and Sir, I am also partly a journalist, my impression is that - no, as we all see it in popular media today - the impression one gathers from following the discussion concerning creation of new states is that formation of new states is primarily a political issue. Now we would like to at least make an attempt here, to at least enlist the issues involved in the re-organisation of states and the issues that the newly created states are likely to face once they are created. So, I think that in the present seminar our modest aim is to at least prepare a list or make an inventory of issues that one would need to consider before we come to any kind of conclusion regarding re-organisation or otherwise. Now, how do we make the proceedings of this discussion available to a larger public - for wider public discussion - is a different and difficult issue. In our modest attempt, we at least should try to look at the entire issue in its totality rather than just calling it only a political issue. That is why we have been discussing this for the past three months. This was basically the idea behind the exercise.

Prof. Vinayak Deshpande: Sir, the basic issue as has been pointed out is about Vidarbha and Telangana. Our objective of this seminar - as I understand is to find out specific cases like Vidarbha and Telangana. Earlier when states were formed, we never bothered about generalising any particular things. States were formed

by considering these specific issues. There was no thinking about a Second Re-organisation Commission in general or about how to form the other states, smaller states which probably would be facing similar problems in future. Therefore, what I feel is that there are certain specific issues relating to certain specific regions and therefore case by case approach would help us to know in general what should be done in order to have the re-organisation of states. So, my suggestion would be we can go according to whatever is planned and then we can think about the generalising on the basis of the discussions about the specific cases. Thank you very much.

Dr. Vijay Kelkar: Thank you, Chairman Sir. I came to this conference because I was attracted by the theme - is there a case for reorganising of states? I am in agreement with Yogendra - perhaps we should start by looking at the analytical framework because as Prof. Shastri says India is a quasi federation. It is time now to look at both the pathology and anatomy of federalism, to see the larger perspective - we first discuss that and then perhaps take concrete cases as you wish. But I did not think this meeting is for Vidarbha or for Telangana. I really thought that this meeting was for discussing a very important issue - the most important issues not even covered in this paper - which are going to create much larger stress in our polity and economy, namely, the demand for city states. I can see that the real threat to Indian federation is going to be the demand for city states. Hence I mentioned it here. So, I think perhaps we should accept what Yogendra has said and we should start the analytics first - look at the sort of evolutionary Indian federation system. What are the stresses and strains, what is the pathology of Indian federalism and anatomy of it and then come to this concrete issue of Vidarbha, and Vidarbha is important -- in the interest of full disclosure, I was born in Vidarbha (laughs!!). So, it is not that I am not just sympathetic to issues of Vidarbha but I will resist that for the purpose of - (when the invitation came for the conference, I

thought not much of the names of leading participants but of) - the analytics of it, to look at - because my recent engagement with the issues of federalism has prompted me - a very important issue. A lot of stress is going to appear in the Indian federation. We are not sort of discussing it analytically and perhaps this is one reason why we should first look for the analytics of it and then come to the very important issue. I am not undermining / minimising Telangana and Vidarbha. That too is very important. But that could be discussed in the second part of this seminar and the first part could be thinking collectively - Can we look at this analytically?

Prof. Chitre: - I think if it is a general perception that we should begin with the general issues first, then I suggest the following - we have say, two sessions scheduled for tomorrow - that is session number six which is on the basis of statehood and emerging issues of federal structure and formation of states. Part A of it is basis of statehood. And the second part of that session focuses on emerging issues of federation. These are both conceptual sessions. If you think that the discussion will be more rewarding and fruitful by doing so then we can shift those sessions for the first two sessions today rather than beginning with these specific cases. I think it is quite feasible. I wonder whether in that case we should change the chairpersons accordingly.

Prof. Rath: That is not feasible, because your scheduled chairperson has not arrived.

Prof. Chitre: So, we shall have to request somebody else to chair and we can make some alternative arrangement. Is that agreeable to all? Then we start. Frankly speaking, we thought that with the abstract discussion coming first, many people coming from Vidarbha, Telangana and so on will be somewhat put off. So, we thought let us begin with the case by case issues first. Now, one thing I would like to make clear at the outset. We are not here at all to project any particular ideology.

It is going to be an intellectual discussion of what the issues in this are and what the specific suggestions are. In fact, we tried to make the Note as balanced as possible with that in mind and at the same time individual participants will have strong opinions and there will be a give and take.

The second issue was whether to begin with concrete cases and go to abstract, or from abstract to concrete cases. We can reverse the arrangement that we have thought. As I told you, this is something which bothered us also very much. But we will now concede to the point being made and we shall take the Sessions No. 6 and 7 to begin with and then we will go to other sessions.

There may be spill-over and if a lot of discussion involves to referring to concrete cases, then we will have to do that. Now, this is a change we are doing at the spur of the moment. So, we have to bear with some of the problems which might arise with that.

First Session: Bases for Statehood and Emerging Issues of Federal Structure and Formation of States (A) Bases for statehood:

Chairman: Prof. Peter D'Souza

Prof. Chitre: We can go to session 6. We will then stick to the chairman whom we have designated here since he is present. This session is titled - Bases for Statehood and Emerging Issues of Federal Structure at Formation of States. This is divided into two sessions. The first is basically the bases of statehood. I request Prof. Peter D'Souza kindly to chair the session.

Prof. D'Souza: Thank you Dr. Chitre. I think for the last 40 years I have never been able to escape this problem. One should always go prepared for an exam. I was supposed to chair the session tomorrow and I thought I would have time to organise my thoughts. But it has always been like this; for 40 years I have always been got out. Let

me begin by making a few remarks in terms of general analytics that have been suggested. I think the Note does actually list a lot of the issues that we would discuss while assessing the question: Is there a case for Re-organisation of the States? But I would like to just make three or four initial comments which I think would help us. I hope it would help us to have a look at the specifics, a little more carefully. I think the first is to try and understand whether the question itself is about federalism or whether the question is about development. There seems to be a kind of analytical overlap if not confusion because most of the demand that has been emerging seems to be a demand that emerges in terms of neglect, in terms of democratic development deficits, in terms of basically regions which have not got their fair share in the development of the state. So, if this is primarily a development driver or a development motivation, then how does the federal question come in? Because a federal question is not only a development question. The federal question is a question about democracy, about citizenship, about involving people into the thing. So, I think, that's one analytic that we need to be a little clear about because there is an overlap and I suspect that it is primarily a development motivation that has formulated our specifics. If it is a federal question, then we should be asking much more about participation; even if there is lack of federal development, as long as there is participation benefit, as long as citizens get an equal say in the sharing of power, then you know, that is all right. Federal question is asked somewhat differently.

The second question I think we need to perhaps keep in mind, in terms of analytics, is the Indian experience. I mean, implicit is the framing that the Indian federal experience is somehow deficient which is not really the case. I mean if you look at the last 60 years, the Indian experience as an evolving federalism has been fairly innovative in terms of the architecture of federalism that has emerged in India. I mean, we have special status

states, we have councils of states, we have, as you know, a federation within a federation, we have autonomous regions, we have development boards within states; there is a lot of institutional innovation that has taken place over the last 60 years, and when you compare this to the federal structures in other regions of the world, I think Indian story is an interesting and exciting story. So, if our aim is a federal aim then we must look at the Indian experience and we must look at the institutional innovations that have characterised the last 60 years. Because these institutional innovations are not just in terms of various institutional forms that have emerged, as I said, from special status states such as Jammu and Kashmir to a council of a state, a federation within a federation in the North-East, to development boards, to autonomous council which is higher than development boards, the *Gorkhaland* region, etc., and now, most recently a Panchayati Raj. I mean very often in our federal discussions we ignore the third tier, and yet in global debates on federalism the third tier as an instrument of development and as an instrument of participation - these being two normative principles - I think is very important. In fact, there was a special issue of the *Journal of Federalism* published on federalism in India about 2003, a special issue devoted to the federal experience in India. So, that is the third broad issue that I would like to raise.

The fourth issue that I think we need to raise and is missing in the entire document and I think it is extremely important because there is an assumption in the document that if we get the architecture right, development will follow. The fault is with architecture - sharing of power - getting the levels right and if we get that right then the region will flourish. As I said in my opening remarks, I come from two small states and I am not sure that that is a valid argument. I mean, what is missing in this whole argument is really political economy. What is missing in this whole argument is the emergence of whole new class of

political entrepreneurs who are actually the beneficiaries of development, who are the drivers of development, who manipulate the development process and their story must feature in the story of the re-organisation of states. So, you reorganise Jharkhand on the principle that now you are bringing the state closer to the tribal population of the state and you get predators that you have seen. So, you know, the relationship between the new predators and the small states need to be looked at as a very complex puzzle which, I think, our old ways of thinking may not help us understand.

And the final point that needs to be brought into analytics is the market. No where in this whole discussion is there a discussion of the market, a discussion of the huge growth of the Indian market over the last 15 years, particularly because it is producing a huge impact on all our political institutions. So, it is not that development is coming only because of state policy. Development is coming because of the drivers of the market. So, you know, say the east coast of India which was always a neglected region is today having huge investments in infrastructure, in steel and in a lot of industries.

These five or six analytical issues can be kept in mind. I don't expect that we will be able to discuss them adequately. One is whether we are asking a development question or we are asking a federal question. Second is in terms of the experience of Indian federalism, which has been very innovative in terms of its institution forms. Third is the emergence of the new political entrepreneur class and the fourth is the question of the market which has also grown and over which the institutional architecture has to sit. These are the questions that I have come to the seminar with; but the six questions that have been listed here are very valuable and very well framed; they are all before you; and perhaps I could just say a little bit about each of these.

I think, Suhas, probably there is lot of echo of your Note with the section. So, may be, would you like just to summarise these points? I think it is implicit in this section that small states are good because they bring the state closer to the people. They bring them closer in terms of participation; they bring them closer in terms of decision-making over local resources; they bring them closer because they bring in the community into the picture; and they bring them closer in the sense that they consolidate the federal structure. More balanced development emerges and they allow political and cultural identities to have a voice. Some of these questions have been listed in this section. In small states, minorities have a much better chance of maintaining their political and cultural identity because the majority does not become so oppressive. That is another dimension that can perhaps be placed on the table. Now, how do we proceed? Do we just open it up for discussion?

Prof. Suhas Palshikar: You are right, Peter, that a couple of issues raised under the sixth session of the original schedule were suggested by me but I would also like to raise a couple of other issues to begin with because we have, in a sense, changed the whole logic in which we are going to discuss this issue. Why not also begin by asking certain questions - and I would say three questions. One question is - how was the process of state formation done? How did state formation actually happen? We have never critiqued the whole idea of our process of state formation in India over the last 60 years. We take it for granted that linguistic states is one basis for the formation of the states but we know that exceptions were made, agitations took place and then in an *ad hoc* manner linguistic states were granted one by one, not at one go, not as a policy. Secondly, also we know that in spite of this supposed policy of linguistic states, we have states which speak the same language but they are different states and that has been happening even now. Therefore, do we have a policy that the state should be on a linguistic

basis? I think this is a misconception that there is a policy of linguistic states. It is just for convenience of certain politics that linguistic states is put forward as a basis. The second criticism of the process of the state formation would be that there is basically no logic behind state formation that has taken place from time to time, which has given rise to a huge asymmetry in terms of size, population and resources. You have on the one hand states like Maharashtra or West Bengal or U.P. or Bihar of even today; and on the other hand, you have tiny states of the size of a couple of districts of these larger states. So, that asymmetry flows from the absence of any specific logic behind state formation, or I should say, there is no clear basis for the formation of states. That is why, as you rightly pointed out, we have this confusion as to why you demand new states. What is the basis for demanding a new state? To be provocative, one could say that the basis for demanding a new state often is a function of the convenience of the political elites of that region. Whenever the political elite of a particular region find that language is a good basis for demanding the state, they would use that as a basis, as it happened, for example, in the case of Maharashtra or as in the case of Punjab - the Punjabi Subha. When that becomes inadequate, development is picked up by the political elite as a basis for demanding a separate state as it is happening in a number of other instances. Our state formation process does not seem to have ended and that is why the question whether we need a second states re-organisation commission becomes imminent, because if you simply put a table as to formation of the state and in year in which the state was formed, right from 1953, 1955, 1956, the process is going on till more recently; and then you have agitation in Telangana and demand in Vidarbha and then probably there would be a political response to those demands. This is one issue.

The second issue is this. We never normally discuss also the fact that there is no well thought out constitutional policy for the formation of states. Again, I agree with this assessment that there are certain good things that the Indian Constitution has done in terms of creating asymmetrical federalism in creating a number of new institutional frameworks. However, these also are partly a response to various critical movements rather than a well thought out policy as a constitutional policy or a country's policy for the formation of the states. And thirdly which would come later on in our discussion and therefore we might not want to spend more time at this moment, is having created this institutional paraphernalia how do we run it, whether it is for disputes management, for even creation of new states, or for Panchayati Raj? Someone like you would say Panchayati Raj, is in a sense, the fourth tier or third tier, whatever, of our Federal Arrangement. But is it really so projected by the Constitution? And my answer is definitely in the negative. The Constitution does not look upon it so. It is by hindsight that we say, oh, how great! The Indian Federal structure has a third tier. You have the centre, you have the states and then you have the local governments. And also, as all of us know, the way in which the local governments are actually functioning and the way in which state governments want them to function and the Central Government wants them to function does not actually encourage us to say that it is the third tier of our Federal Arrangement. In other words, if at all it is a third arrangement, it is symptomatic of the other hierarchy of Indian Federal Arrangement that you have the Union, you have the State and then you have the Local, which is in a hierarchical manner, not in terms of democratisation or democratic decentralisation. I see that before we go into any other issues, it would be useful if we have some clarity on these. In other words, unless there is a critique of what has happened so far, there is just no point in taking up any specific issue of democratic decentralisation or any specific issue of development. So,

I thought that I should seize the opportunity you gave so generously right at the beginning to make these points. Thank you.

Prof. D'Souza: Thank you. Follow the format of people speaking and then also you can respond to each of these, let us not just have a set of observations. But let us also have a response to these observations.

Dr. Yogendra Yadav: In the spirit of putting certain things on the table right away, let me begin by saying that this goes back to the reason I had made that intervention to change the order some what. It leads to very different ways of thinking about this question. One is that you can start looking at one case of Vidarbha, then you look at Telangana, then you look at North Bengal, you look at Bundelkhand. And then you say, are we looking at a large scale re-organisation of India? That is one way of proceeding, which is what we tend to do mostly. So, we say there are several good cases. Looking case by case we realise that the number of cases we are looking at is so large that we might possibly call it a re-organisation of the Indian States. Another approach I would prefer is to begin by asking a big question, which is - should the Union of India be re-scaled? Is the Union of India currently correctly scaled? Are the States, the boundaries and the sizes they have, are these sizes actually not very good sizes for healthy functioning of democracy?

I have put certain figures in my Note, basically to say, one of the things we forget to do is to compare India with the rest of the world. This is a typical Indian and American obsession, these two large democracies of the world are so obsessed with themselves internally, that they never care to look outside. What we call small in this country is very big globally. Vidarbha, if it becomes a State, would be one of the top fifty countries in the world. We forget this effect. What we call a small State like Himachal Pradesh is still among the upper-half of the United Nations

member States. Mizoram, a tiny State, and Meghalaya are still ahead of at least fifty countries of the UN. And I am not speaking just of Vatican City and such like, you know. So, I think that that in itself is not decisive argument.

Other countries of the world can be what they are; the other question - the other way to look at it would be to ask: Is the scale of representations such that the connect between the representative and the represented involves a distance which is almost unreachable? On that criterion too, I think there is an obvious case for de-scaling the Indian Union, which is to say most of our States which we have got used to considering as being alright are actually just too large. So, just to put my prejudice on Vidarbha clearly, I think it is one of the clearest possible cases in the Indian Union for making a separate State. If Vidarbha is not a good case, then I do not know what a good case is. Then we should stop discussion about any other case. But any way forget that; Vidarbha is not the main point I am making.

The second thing is in thinking about small states, we should stop framing it in a way which is very harmful. The usual way the question is posed - Will small states solve the problem of the farmers of Vidarbha? Will Telangana solve the problem of weavers of Telangana? I can tell you absolutely - No. Of Course, this never happens. But that is because we are asking a wrong question. That is not - I mean, I do not know - why we get into this rhetorical mode of forming questions. The real question is, relative to where they are today, would they be better off? Or even better question is - Does this re-scaling of polity provide conditions which are more likely to generate processes which may make these people relatively better off than they are today? That to my mind is a real question. This rhetorical way of asking questions leads to questions like: Has Uttarakhand become a *swarg* (heaven) after becoming a State? Of course, nothing happens like that. Political units do not change these

things. The real question to ask is - Are people of Haryana a little better off than they would have been if they were part of a small hinterland colony of Punjab for which they work or was Himachal Pradesh better off as a tiny Pahadi place which no Pubjabi cared for, etc. To me, that is the real way of framing this question. And the moment we frame this question in a realistic way, instead of making an impossibly strong case, if we make a plausibly weak case, then we actually see there is a very strong case for smaller states.

I would not actually like just to pick a small difference with Prof. Palshikar. He seems to think that what has happened in India is without pattern, without logic, without too much consideration. I think we are very unfair to Indian Union and how its experience has been. Once we, hopefully he and I, write textbooks on Indian experience, we would see that our institutional constitutional federal design has been far more innovative than we think it has been and I endorse what Peter said here. I think while they did not offer us good textbook accounts of what they were doing, what they were actually doing was something very complex. And Suhas Palshikar is absolutely right in reminding us that they actually did not create linguistic states. This was offered as a justification but what we really have is a very complex mix of three or four considerations which were very judiciously seized in creating these states, which is precisely the spirit that we need to carry forward, whether it was logical and correct - Suhasbhai, political boundaries in no part of the world are ever logically devised and executed according to any plan. If there is one aspect of human life, collective life, which is arbitrary, it is political boundaries. Political boundaries all over the world, both the internal and external, are arbitrary boundaries. Some bit of rationalisation takes place at times, but you know we have to live with that and think of the underlined principles which have formed them.

Finally, I hope some of us can be persuaded that there is a very strong case for de-scaling the Indian union, which is to say bring the scale down. Fortunately, when we talk about re-organisation, we all know we are not talking about joining states and creating bigger states. In this country, re-organisation means de-scaling - creating smaller states. Once we agree that there is a strong case for de-scaling the Indian union, then we can look at two or three alternative routes for doing it. Small state is only one of the routes of doing it, probably a very good, probably a necessary component of that de-scaling of Indian union but not a sufficient one. It is necessary but not sufficient. I think we should also look at two other instrumentalities. One is, creating district level governments which would be a very powerful instrument. In fact, Indian district is roughly close to the global average of where effective governance is carried out all over the world. And we should begin to look at district as a very important place where many powers should devolve.

Second route would be, of course, greater functionaries, finances and functions to local bodies. We should also look at innovative suggestions like, innovative things like Schedule 5 and Schedule 6 Areas which have been useful. The one constitutional device which has not worked and I am again putting my prejudice on table, are all these regional autonomy councils and boards, which have completely failed in our country. This is one constitutional device which has failed. Schedule 6 has worked, Schedule 5 has worked. These regional autonomous councils, etc., are made of the kind in Vidarbha and North Bengal, etc. They have completely failed so we have to think of alternative ways. So, basically that is my point. Let us think about de-scaling the Indian Union; let us think about smaller states as one possible route; not the only route and not a sufficient answer to this. Let us think of other ways of doing it as well. Thank you.

Dr. Sandeep Shastri: I would like to just take this debate forward and focus on two points. I would like to put, in spite of Yogenbhai, not as rhetorical questions. I will go back to a question which Peter referred to. Federal questions are inherently development questions; and I also would make the point in response to what Suhasbhai said - if you look at and trace the ways state formation has happened, I think, I would not agree that it has been in fits and starts; but I think there has been a logic to its happening. You had language and over a period of time, in the 60s and the 70s and the 80s, you had ethnicity or identities. And then the question of development comes up. So, I think there has to be a logical way in which the demands for states have been conceded and I would also endorse the point which Peter made that the local has essentially become a part of the federal and I would not like to read the original constitutional text to search for that. It has evolved over time. It is developed over time and it has become something which has been part of that federal arrangement over time. So, I think to respond to some of the points made, there is a logical way in which we have done federalism in this country. And a lot of that has been a response to the reality of political and economic changes that have happened over time; and I think that this is something that has to be budgeted into any of our discussion on this issue.

A second point I would like to stress - which I very strongly feel and would want this group to look at - a lot of our discussion on re-organisation of states in particular and federal issues in general, have been Union centred. The Union - the government in Delhi - has been the focus, driver, initiator, patron of all these changes; and I think part of problem lies there. I may be indulging in polemics, but I would still make the point that the time has come where we need to separate central and federal powers of India. And I think the re-organisation of states brings in an opportune moment to do that. We need to have local powers; we need to have state powers; we need to have

central powers; and we need to have federal powers. And by federal I would imply something which not only involves government in Delhi but actively involves the states in the whole process. Because I think the reality of politics in India demands that to happen, we will be doing justice to any question of re-organisation of states only when we bring that in. And it is in this context I will say that the whole question of re-organisation of states must involve a federal authority - be it the Rajya Sabha, be it an interstate council, be it such bodies where Chief Ministers of States have a legitimate role to play.

The second point I would like to make is that I am not too convinced of the argument that small states would lead to greater democratisation, representation, participation because I do not think the recent political history of the country has actually proved that point. The only factor that it proved and indexes of economic growth have shown is that small states may have benefited - from economic perspective. But I think as a political question, the rationale for a small state is not the process of democratisation - we need to look for that answer elsewhere. I also would like other participants here to favour small states but I think the logic for that has to be significantly different. And for here, I would take the example of Karnataka. If you look at Coorg, now here is a part of Karnataka which has lost representation over time. You had a certain number of assembly seats - these got reduced with re-organisations. You are either bracketed with your neighboring district and when re-organisation or delimitation of constituencies happens you get bracketed with another district. Result? You have never had a representative form there in the Lok Sabha since 1960. Or the case of North Karnataka - I am sure Prof. Panchamukhi will talk about the economic question. But as a student of politics, I would argue if you look at government formation in Karnataka since the 50s, North Karnataka has had the highest representation in percentage terms. Portfolios? Best portfolios ...

Prof. Panchamukhi: But North Karnataka has been a neglected area despite so many chief ministers being from that region...

Dr. Sandeep Shastri: Now!! But then where do you fault? No, who and where do you fault for that to happen, you see. So, I think there are very significantly larger questions which we need to address as Yogenbhai very rightly put it. I think somewhere the rationale question of why re-organisation needs to be met with a phased head-note. I would close my comments here and may be come back later for other points that may take place.

Prof. D'Souza: I think 4 or 5 interesting issues have emerged which perhaps could be summarised for the continuing discussion. The first is about how federalism has evolved in this country, whether it followed a road map, which Suhas suggested it did not. Has it been a process of muddling through? And I think Sandeep summed it up very well. How has this country done federalism? Is it / is it not I think that the word 'done federalism' is a crucial metaphor to explain the federal process. I think and may be could reflect on that because there are two strategies that emerged - one is the road map strategy: that you have a very clear road map set out in the Constitution. Then you develop a federal structure according to that or you just muddle through depending on political contingencies of the time.

I think the second interesting question is the federalising structure and which Yogendra did mention when we talked in terms of re-organising of states. We have only a single agenda which is to make smaller states and yet I think there is a small beginning of counter position which is emerging particularly in the four southern States, namely, to have an association of states. So, small states by themselves are not giving that critical mass because you have to carry the burden of the laggard states. Some states are doing well. In fact, Dr. Kelkar can comment on these States that are

doing well. Are they beginning to feel - why we should carry the burden of the laggard states and let us form some kind of informal association of States? So, it is not just moving into smaller sizes, it is also movement into larger unions but of different institutional form.

I think the third point is the point about union government having federal power - and I think that is a very important point - separating the ideal of looking at separate powers, institutional power location - not union, not state and not local but federal. I think something like the inter-state council or the Rajya Sabha.

And I think the fourth point that is emerging is the relationship between the architecture of federalism and the political processes that it produces. I think this is a continuous, a dialectical relationship. This is not the architecture which once and for all sets certain outcomes in place. The outcomes which evolve - so small states model can produce outcomes which are intended or not intended. You can have huge predators, and the small state model can also produce outcomes which have great governors. So, you know what the relationship between the architecture and process is and it is location dependent. In states which are mineral rich, resource rich, small states produce predators. But in states which are resource poor may be they produce good governance. So, I think whole lot of very interesting questions have come up and may be we can start the second round here.

Dr. Pitale: Sir, with respect to the states re-organisation, federalism and all points that you have correctly mentioned, one of the important consideration in the states re-organisation as I see it and from a practical point of view - the two factors that govern the division of states or the amalgamation of states earlier is the point of governance and point of development. When the first States Re-organisation Commission (SRC) worked, it worked on the principle of language:

one language, one state. So, all persons speaking the same language is a cohesive group, with no conflict of interest, and hence economic development would speed up. That was a gentlemen's agreement perhaps amongst all those who spoke the same language. This did not materialise later on, to which we will come later in the discussion. So, it was expected that governance would be better, development would be faster. But what has been the experience? The second round of States Re-organisation was not prompted by central government specifically but by economic and political necessities over-riding the very formation of the states. So, in the second round you have Haryana. Nobody considered what it was - it was a division of a state, it was in the better and greater Punjab. But they found that their interests were not being served. They got separated within six years because they had that strength of leadership. That state was formed - for better governance and for better development which one sees today. The Haryana state that separated from Punjab has no Mumbai (Bombay), has no big city. Yet its per capita income is better than even that of Maharashtra. Then came the three states - which were demanded on the basis of very weak agitations - like Uttarakhand, Jharkhand and Chhattisgarh. And Chhattisgarh is a classic case where there was no agitation at all. The State perhaps came forward and said, look here, governance is very difficult. People are not being attended to. They have had a very gentle government. So, they said all right, let them develop themselves. And today we see that they are developing faster. This particular point has been made that if the new states come into existence they will be a liability, they will not prosper, will not develop. These are our own preconceived notions. Facts tell otherwise. We have to look into that when we come to the states re-organisation. This is the third round of States Re-organisation which has taken place.

The fourth round of re-organisation that is being debated and that is related to Telangana and Vidarbha are those states which were recommended by the first SRC. So, we are coming to a situation before Re-organisation of the States - that is the first States Re-organisation when there were 26 states. A class states 9, B class states 8, and C class states 9; there were 26. The States Re-organisation Commission had recommended 16 states. The Government did not agree. They said Vidarbha, you join Maharashtra and Telangana should join Andhra Pradesh. So, they made 14 states. Later on, 4 states have been added.

Now you see in the fourth round if these two states are to be granted statehood, Telangana and Vidarbha, it should be on the basis of economic and political considerations as well - else the agitation breaks each others' heads and those states are formed, that is not a very good situation to come to. But in the fourth round 10 states have been demanded; you minus these two from the list which the home ministry has given. Now how are those states? What kind of states re-organisation is going to help? Take for instance, I will say that Harid Pradesh some districts of U.P., then take for instance Bhojpur - areas of Eastern U.P., Bihar and Chhattisgarh. So, it is an inter-state problem also. Those states will have to sit together. Nobody will sit in judgment. So, in the fourth round of the States Re-organisation the inter-state considerations will have to weigh much more than the state or states to which they belong and in the U.P. the Chief Minister Mayawati herself has come out that she wants six states. She wants to divide the big U.P. So, where is the question of federalism? It's development. I would now say that big question will come as you said - Though our Vidarbha has been put on the back-burner, it doesn't matter. We take it sportingly. And let's see why this economic issue is burning. Because what is happening due to the regional disparities, we believed in a very sensible way that we all belong to the same language so

all will be very considerate to each other; economic development will be balanced; but it did not happen. And whatever the practical problems / situations are there, we will discuss when the Vidarbha issue comes up. But now economics is becoming predominant. Unlike in rest of Maharashtra, the main dish in Vidarbha is development and the side dish is language. In rest of Maharashtra, their side-dish is full, now their main dish is language. See every now and then, the leaders are becoming big on the basis of language, this does not happen in Vidarbha. Nobody can come out with the particular language and say I am the big man, I represent democracy, I represent the party. No. It's the economic issue for us (from Vidarbha), development is the main issue and all states will insist on that. They are not bothered about language. Language is secondary. In that context, how are you going to look at the states re-organisation? Nobody will give any judgment and setting up committees and Commission is just to prolong non-formation of those states which are demanding statehood because, these days on computer, at the click of the mouse, you get all data. Why that Commission is required? We can prepare a few papers and place before you, come out, discuss, finish the decision-making process. You don't need this kind of things these days. That was all right when it was States Re-organisation Commission in 1953; data was not available; you had to collect it and that kind of thing is not very much essential these days. Decision-making is most important and all other aspects are going to be over-ridden by economic necessities. As far as the principal point of federalism is concerned, nobody is going out of the federal state of India; that is very much sure. You are now in the SRC of subdividing the states. You are not amalgamating.

Dr. Vijay Kelkar: Thank you Mr. Chairman. Mr. Chairman, I was trying to look at the analytical literature on the size of nations. And there are not

many really good papers on what are the economics of nations. What little bit I saw suggests one reason only - optimum size of a country. The optimum size of the country is, it seems to be a function of supply of public goods. And there is literature which suggests that supply of public goods goes down as the size of population goes up. There is some optimum level of population for which supply of public goods takes place at the lowest cost. And that is one consideration. That is not relevant for our discussion because we are not talking about an independent country but we are talking about state. But as an important point - and I saw this middle point made by Mr. Ambedkar - is very valid. North-East region has a number of states, number of micro-states. And there this is very vividly seen that their project is too small. The cost of supply of the public goods is too high and that is why they are dependent on transport.

The second important issue for our context is what is the cost of collective action? It seems to be that supply of or cost of collective action goes down as the size of population goes down, because the population is still homogeneous. Collective action is more difficult, the cost of collective action is large if the society or the civil society is heterogeneous and very large. So, there is some logic in why we want to go for smaller states. Because the cost of collective action is very important for governance. Governance is a key for system performance. So, may be other considerations like - what is the structure of collective action - matter. And it seems to me that the more homogeneous the population, the smaller the population, the cost of collective action will go down, and this, in turn, will improve governance. So, that is a second point.

The third issue which is coming up as a major public goods issue is that of the growth engine - to have growth. Cities are going to be engines of growth for supply of cultural goods, in terms of even improved Indian civilization.

We are obsessed still about villages and rural societies. Isn't that changing? That itself is going to demand different structure for our federal system. How to organise our federation? So to my mind, the logic of what you mentioned, Mr. Chairman, market or globalisation, logic of new public goods, logic of improved or reduced cost of collective action, logic of cost of supply of public goods suggest to me that Indian Federation requires much more fragmentation in terms of size. And we may require larger number of states, City States - because to my mind it is conceivable, I know I am going to put a foot in my mouth, but Mumbai as a part of Maharashtra does not make sense in terms of efficient supply of public goods. And we may require a different model of governance, and may be separate city state, so may be these are going to be fault-lines. Will your fault-lines come from the nature of public good, nature of collective action? And I think what Dr. Ambedkar said is absolutely the right way to get out of this concept of '*Ek Bhasha, Ek Rajya*' ('One language, one state'). I think, we have to forget about that, we have to really have a new model of thinking about organising states and perhaps I do see some sort of logic that India will move towards much smaller states which are homogeneous and which meet the new demands of markets. Finally, I just want to mention, I was just looking at the very interesting article by Prof. Dhanagare in '*Sadhana*' about Vidarbha. I wanted to mention that the problems of Vidarbha and their likes are more of political than economic in nature. And there the whole issue of collective action is going to come up. What Loknayan Aney was fighting for was a different battle, for which collective action was feasible, but the new possibilities are much more difficult as they seem. But I don't want to get into more debate. Prof. Dhanagare will talk much better than I would talk about it. Thank you Mr. Chairman.

Shri Prakash Ambedkar: I was just listening to this discussion and I will comment upon it. Two things struck me when we were speaking of a

federal structure. I think this is a very wrong concept which we are getting into. Because when we speak on federal structure we have the American model with us. When the Constitution speaks, it basically speaks of the Union of States. And that is a different concept as far as I know. I think the word - Union - is used with a specific purpose. And its specific purpose was that we still have sub-nationalities alive in this country. We should not forget that. Time and again they are cropping up, in the form of national resources being shared, being neglected and, I think, we just believe that we are a nation; I will say that we have begun on a road to nationhood. We have not achieved nationhood and therefore when I mentioned an issue of north-eastern states, that is one of the areas which is most neglected so far in the discussion. What is the difficulty in bringing up this nationhood which should be a part of formation of a state and therefore what Dr. Mittal suggested was this, my language is a powerful weapon of sub-nationality. Whether to allow it to flourish or whether it should be allowed to be accepted? And therefore he put the theory of Panikkar forward, that language should not be the basis of the states. You can have many states having the same language and thereby you overcome that issue once and for all.

Second thing that I found in this discussion was about empowering the states. Even today I will go with the concept of Union - that states today in the form in which they are, as in the Constitution itself, they are unstable states, they should remain as unstable states. We should do nothing at this stage to disturb the powers of the Union as far as creation of the States is concerned. If you are going to speak of a federal structure and of a federal power, we are creating a third force in this country. If you are going to create a third force in the country who is going to control that third force? It is like the American system - where we say that the states and the Federal Government are both powerful, but in the whole Constitution what we have not seen, the over-riding powers as

far as military and finances are concerned are given basically to the American Federal System. If that is at the back of our mind in the whole discussion, then I think we are weakening the whole federal structure also. And Dr. Ambedkar spoke also of a political system where - which is not the part of our discussion - if you are going to have a system, where the political system is going to be weak (as we have at present) then our national unity would depend on a political party. It is not that we are a nation. Our nationhood depends on political parties and if these national political parties have developed cracks, it is surviving in some states and they don't survive in some other states. Yet you have representatives in some state and you don't have representatives in some states. I was a part of a process when the BJP led Government was formed and they didn't have any representative for Kerala. If you see that in the last five years' budget, Kerala was totally neglected, and it had to be pointed out that even if the government doesn't have anybody from the state of Kerala it is still the responsibility of the Union Government to provide Kerala with all necessary funds, and then it started. So, I think, an appropriate political system needs to be considered alongside creation of these smaller states. As far as I see, today we need smaller states. But if you ask the same question to me after fifty years, I will say, there again will be a necessity of larger states because the population has started dwindling now. The dependency on a state depends on the population according to me and whether that is governable or not, I think that is what needs to be debated and we could focus on what should amount to 'good governance'. Within that given area, I think we should discuss the formation of states that will be the order till other things develop.

Shri Abhay Tilak: Sir, I have a doubt regarding this entire point of re-organisation of states. Need we look at it as development vs federalism issue? Because whether we call it a federal system as Mr. Ambedkar has said, or as a Union of states -

in case now development has become the main basis for considering the issue of re-organisation of states, the family of new / newly created states that are / will be created on the basis of the development issue or the lack of balanced development in the mother state, would ultimately alter the nature of relationship between the Central Government and the states. Plus, there is the issue - as Mr. Pitale has said - of the inter-state relations. This issue of development has implications for the federal structure in the country. This is one. Secondly, we have quoted some data in the original Note. If you look at the experience of the three newly created states, it brings out the basic implications as far as the fiscal ability of the newly created states is concerned. The carving out of these states has altered the fiscal structure and fiscal balance of the mother state as well as the newly created state. The statistics published by the Reserve Bank of India - some part of it is quoted in the Note - shows that it has some basic implications for the fiscal structure. Although the period focuses on ten years - because all the three states were created in November 2000 - ten years is in a way a small time period to make any final judgment on the financial viability of the newly created states. But the question of federal structure or the question of financial relationship between the centre and the states becomes important if you are going to ultimately land up in a situation where a region or area is granted statehood, in order to correct an imbalance in the developmental process. The mere fact that the basic size of the state is small would ultimately make it dependent on the Centre for the resources which are going to be essential for its overall development. Then are we landing ourselves in a situation where eventually we would have a strong centre and a financially dependent large family of states. Does that kind of autonomy have any real significance? Because while the state gets statehood, and has its own political machinery, financially it is dependent on the Centre. Would that kind of a federal structure or relationship between the Centre and the states

have any meaningful implications when it comes to any kind of decentralisation? That is why I wonder if it is right for us to consider this issue as an issue of development versus federalism or is it an issue of reorganising states because of a developmental basis along with its implications on the family of states and the states' relationship to the Centre?

Dr. Pitale: Just one point of information I want to add, with respect to the small states and the newly formed states. This is in respect of the separated state and the mother state. When they are separated from the mother state then what is the performance level? That study has been conducted by the Central Statistical Organisation of late. This has appeared in the 'Business India' of 26th January 2010. And it gives factual information - not cooked up stories. The Planning Commission or the Central Statistical Organisation does not belong to Maharashtra, or to any other state. When they present a report, it is complete and impartial information and judgment. May be the argument will be made that the newly created states show a better performance because the base was lower. But we have to accept that they made concerted efforts. One is the feeling that it is my state and that I do not now belong to a state which is exploiting me, which was not governing me properly, then people work more with enthusiasm that I have seen personally in Uttarakhand. I visited that state. How much they feel that yes, here is the thing that I have to contribute. So, this point should be very clear that because the new states have been formed, they do much better.

Prof. Lalit Deshpande: Sir, I would like to revert to the issues of political economy touched briefly earlier. The Oxford Companion to Economics in India includes an entry on Regional Disparities by Basubeb Choudhuri et.al. It refers to the findings of studies on inter-regional and intra-regional disparities in India. In these studies states and districts in India are ranked by per capita

incomes or growth in per capita incomes or human development index. These studies show that regional inequalities have increased over time, particularly after liberalisation. Instead of the tendency towards convergence predicted by neo-classical theory, findings support divergence in practice. They also show that rich states stay rich and poor states stay poor. There are 'clubs of states' in the sense that they have similar characteristics. Initial conditions dominate the growth trajectories. The stability of the rich and poor clubs could be attributed to lack of public commitment to the objective of regional convergence. There is a big difference between growth and development. Chhattisgarh will grow at an infinity rate. But are the tribals of Chhattisgarh going to gain from it? You have all public properties being made private; mining and so on ...water and everything... we are trying to say there is discontent about it. So, whether Vidarbha is made a separate zone, would the districts of Vidarbha which are ranked now at the bottom, be raised in their ranking? Are their life and life chances going to improve substantially in that route? That is the question. The discontent in Vidarbha arising from the alleged injustice in allocation of resources in Maharashtra may not be reduced by creation of a new state unless we assume that the elite in the newly formed state of Vidarbha would be more firmly committed to the objective of regional equality than the elite in Maharashtra.

Prof. D'Souza: Before we proceed, there is one big question that is emerging and which is linking many of the interventions. And that is the question of development. Now it is not very clear whether this outcome of development is coming because of the changed architecture of the state. Is the outcome resulting from - I am presenting it as mutually exclusive possibilities though obviously it is the combination of the two - whether it is coming because of the political policy regimes which are being created or it is coming because of political elites. Now in some

cases you have political elites which are altruistic so they are producing all round development and I like you to develop your collective action thesis because the collective action thesis has the implicit idea of altruistic political elites and not predator elites. So, are these outcomes because of altruistic elites or because of predator elites? Because the predator elites may produce all the inter-regional disparities, the regional disparities may still continue while the state - as an aggregate, may show huge growth. And that is beginning to happen in many of the states which are resource-rich, Jharkhand, Chhattisgarh and I think Goa as well. I think this is a very important point that is emerging. The second important point that is emerging is, I think, the importance of cities. New sites demand development; and it perhaps needs to emerge in our discussion because cities are in many ways fueling, not just demographic transfers but also they are fueling the growth of the hinterland. So, the location of cities in each of the states becomes very important. And one third point. Dr. Kelkar - in response to you - when we talk in terms of cost of supply of public goods being too high in heterogeneous societies, a democratic problem emerges: when the states are important to the union even if the costs are too high, transfers are considered to be legitimate because, in some ways, these are able to quell the political protest. So, a question to you is - at what point are transfers within this arrangement deemed to be legitimate?

Shri Ratnakar Mahajan: Mr Chairman and friends, is there a case for re-organisation of states? The answer is yes and no. Yes, on the basis of these five considerations listed in the main paper. No, because it will open a Pandora's Box which nobody will be able to close. Because the term 'smaller states' is a relative term, it does not prescribe the optimum size of a state. The size which will lead to better governance, better development, better dispersal of natural resources, and all that. That is not written in any textbook of political science or economics or

anything like that. Then Article 3 of the Constitution says that the Parliament has the power to create new states from the existing states or redesign the boundaries of the existing states. Now how does Parliament do this? The Parliament does this on the recommendation of the President. The President sends the Bill to the Parliament. Now, how does President send this Bill to the Parliament? Obviously, on the advice of the Council of Ministers. So, is the basis for formation of new states, political or public will or popular will? Apart from the factors that have been mentioned in this paper as factors prompting creation of new states or smaller states, 'popular will' has come to be another basis for justifying re-organisation. Now, how does this 'popular will' exhibit? The 'popular will' exhibits itself in two forms - either by way of a sustained popular agitation around the demand or fighting elections on the basis of that demand. Agitation provided a basis for creation for Andhra Pradesh and Maharashtra. Both of them were popular agitations. One of them even had a casualty of a leader of the agitation. Creation of Maharashtra had one hundred and six casualties for the creation of the state. So, even 'popular will' is not sufficient for creation of states. 'Popular Will' has to be combined with State Will that is the will of the political elites ruling at that particular time. It is a combination of these two factors that leads to either creation of new states or division of existing states. Now, is this dichotomy real - federation or development? We are not a federation in the first instance, we are a Union. We are a Union of states because all residual powers vest with the Centre. India is a Union of States. So, this dichotomy whether federation or development is, according to me, to say the least, an illusory one. It is a different matter, if you want to change the present structure of the Constitution of India. Then that involves a much larger process which is not in the control of those sitting in this hall. Now, development has certain established connotations. We describe development in terms of per capita income and all those things you all

know. But is that the only meaning of development? And is economic development the only impetus for an all round human development? That also has to be taken into consideration. Combined with this, as I say, if you advocate smaller states, you have to look at the national perspective. If you advocate creation of smaller states, smaller states with reference to certain cases, specific cases, then ten others would stand up and say that they also want a smaller state. So, the only way out of this, according to me, is the appointment of a second states re-organisation commission, because whatever we may say, whatever statistics we may present, as Benjamin Disraeli said there are three categories of lies, lies, more lies and statistics. So, statistics can be interpreted in both ways or to be more precise, they can be presented in the way you like to present them. So this - economic development - is not the only criterion, not the only impetus for creation of a separate state. Then, creation of a separate state does not automatically lead to an improvement of quality of life of people residing in that particular region. The better way - I am surprised nobody remembers the 73rd and 74th Constitutional Amendments - the better alternative to taking government to the district levels or governance to the district levels, is the 73rd and 74th Constitutional Amendment. And district is a palpable, actual, geographical entity whereas region is a superficial entity. We say that we are residents of a particular area therefore we are called residents of that particular region. So, if the 73rd Constitutional Amendment is implemented in letter and spirit and for the purpose for which it was made, it can very well lead to taking governance to the grassroots, taking governance for economic development, taking governance to improving quality of life of people residing in that particular district. District Planning Committee is another name of district government. So, if you operate through these, then that would ensure proper development and balanced development in that particular district, rather than using state as an entity and creating or opening doors for

creating intra-regional disparities within the districts. I have seen this. Even within districts, even within regions, there are intra-regional imbalances. For example, in the district plan, a specific amount is given to liquidate the backlog in that particular district. There is what is called a backlog fund. I know the districts where from this backlog fund only 18% of the given amount is spent. So, if district governance is entrusted to district planning committee that would lead to more balanced development and enhancement in the quality of life of the people residing in that particular district. Thank you.

Prof. Sriraman: See.... I am going back to my experience with the Railway Board. At the request of the Railway Board, ten years back, I had conducted a fairly detailed study on the speeding up of the railway zones. I am not saying that these are comparable; but in some sense they are because the railways themselves contribute to the country. And they are each one a kingdom by itself - each one is a state by itself. So, I looked into that purely as an economist, as a transport economist. Today, they are really looking at that very seriously because there are now demands for smaller zones. One of the terms of reference of a Working Group on railways that I am now on for the Planning Commission is whether the additional zones should be created because all of them are doing badly. Almost the seven zones that are created after, I think, 2001 or 2002 - almost all of them are doing badly in terms of all the efficiency indicators and performance. And there is a lot of talk about public services you can transfer from the other parts to the railway system. This is precisely what is happening. I am not saying that these are comparable - but in some sense there is comparison that can be made. But this was done purely on the basis of the economic reasoning; and I did it on the basis of a very elaborate econometric exercise as well as the operations research exercise. Dr. Mahajan talked about statistics. May be, I could also include my econometric exercise as part of lies, you know!! I didn't

want to stop with that. I see the other aspect of it like Dr. Kelkar talked about Mumbai as a city, I am not getting into that but that's another problem/ issue that we have been examining for the past twenty years - optimal size of cities themselves. Now, for example, today a local train goes from Churchgate to Dahanu a distance of 124 kilometers much at the sort of annoyance of all the railway officials, because they say it becomes very difficult for them to maintain the services. Given the limited capacity of our services, the costs are extremely high. I have shown all of them - for the Nanjundappa Committee (1994). All these costs are so high that you have to have a certain limit to the suburban railway system. The issues relating to an optimal city also comes into the picture. Now, we can have Mumbai of 26 million people - that is what is expected in 2020. For the past 15 years I have been in Mumbai, I find that despite the fact that I stay on the Mumbai university campus, the quality of life is almost touching the rock bottom - except for the people in the city area which are definitely better taken care off through all the funds they get from the Corporation. One more point is related to the administration. Dr. Mahajan talked about the extent to which money is spent. In all the situations that I have examined, for example, as regards roads, the Panchayat roads, the district roads, the state highways, the national highways, and in all the ministries which I have been looking into ... the sort of utilisation of funds is very very poor and there is no mention of administration of funds and utilisation of funds. Let us admit it. What is the quality of administration? I find that missing in this Note. And the governance part of it which Dr. Kelkar talked about, I am sure, he must have dealt with some of these things in the [Finance] Commission's report. Thank you.

Prof. Chitre: Thank you Mr. Chairman, I have a number of points. First of all, I think the way the discussion has gone, we have got into the question of changing the nature of our federation because

the question was posed as that relating to federation. Now, that is going to require a very large scale revision or amendment of the Constitution; and some of the issues emerge. In fact, some of the issues will be taken up in the next session on emerging issues. For example, if all the states are not of the same size, you make some small states - then all states will not be of the same size. Some states will be large, and some will be small, and we have states of greatly unequal sizes. That can create a great deal of problem. So, you will have to make small states everywhere. And also you know, as Dr. B. R. Ambedkar pointed out, in the US there is Senate, which has equal representation to all the states. And that examines all the finance bills. Now, if you are thinking of small states and if some are small and some are large, then our Rajya Sabha may not function adequately. That is, in that case, you will have to have something like a Senate, where one or a fixed number of representatives from each of the states comes and they discuss, they examine. Otherwise, the balance of power goes to the larger states. This is one problem. The second problem is that if you are thinking of Constitutional changes, certain changes like the further strengthening of the 73rd and 74th amendment will be necessary. Everyone seems to agree that giving greater autonomy to the third tier is what is required. We all agreed - in fact, we had a seminar a few years ago about this very issue of Panchayat Raj institutions. But the point is, that even that requires a further amendment of Constitution because the 73rd and 74th amendments are not adequate - for the simple reason that it is not obligatory for the states to transfer all the powers specified in these amendments to the districts or to the local lower tiers. And it depends on the sweet will of the states as to which of the listed powers are actually transferred to the third tier. You see they have given a list of powers ...

Fifty three subjects.

Yes, they have given all these subjects but all

of them need not be devolved on the panchayats, zilla parishads and urban local governments. So, it will require some change in the Constitution to make it obligatory for all the states to devolve all these powers, functions and functionaries to the lower tiers.

The third point is - we have been talking about smaller states. One thing which bothers me is a political question. Some of the smaller assemblies have shown tendencies toward political instability. You know there are only forty members in the legislative assembly of Goa, for example. With so few members in the assembly, if the two parties have about 18-20 members, when 2-3 members shift sides, then you have a problem of the government going into minority. Such problems can arise in smaller states. So, I am concerned about that particular point, and we are talking about district states and city states. It is true that the district states and city states are useful concepts to think about. But I am worried about the question of the stability of governments in such small states.

One more point about which I am concerned relates to the complementarities of resources and needs. How is this to be tackled when we are talking about such small states as city states and district states? The first Re-organisation Commission paid a lot of attention to this particular problem and they said river valley development projects should, as far as possible, lie within one state. Now, that is not entirely possible with very small states, and even within a large state like Andhra Pradesh we had problems because of the question of just and fair sharing of water intra-state. So, these are some problems of complementarities. If you think of district as an administrative or political unit, then we shall need to consider how to coordinate the river valley projects across districts and there are many subjects which will go across districts which you will have to consider. There is the hinterland question. For example, what would happen to the hinterland

if Bombay is separated from Maharashtra? Hinterland is in Maharashtra - Bombay is separate. Now similar other complementarities we can think about. What happens to these complementarities when you create such small states? This question has been bothering me quite a lot. And the point which we made in our Note - if the smaller states are all becoming dependent on the centre, then what happens to centre-state relations? It becomes relevant to examine - what is happening to autonomy? This point was also made by Shri Abhay Tilak. This question has also been bothering us. We make a smaller state thinking that development will go to the grass-roots. But the development will be carried out by the local, political and economical elites. It will be captured ultimately by one of the dominant interests, as Dr. Palshikar said in his Note. So, making smaller states is not a panacea for development. Development will not automatically take place as we want.

And finally what is bothering me is a question about the minorities in the states. Dr. B. R. Ambedkar said that the smaller the state, the larger will be the size of the minorities and so they will be better looked after. This is true. But then again, we are also thinking of certain progressive elements and the progressive elements in the state also influence the opinions in the state and what happens to the states which are dominated by local elites? One last question which is bothering me is that this large scale re-organisation is going to create considerable upheaval, a fever in the country and as Mr. Mahajan said a Pandora's Box will be opened and considerable political instability will result in the process of creating such large, drastic changes in our Union. In a sense, with whatever political states we have at present, federal or unitary, centre-state arrangements that have been reached, barring a few problem cases, we have reached some kind of a political equilibrium, some kind of a stability of political relationships. If you want to disturb it on a large scale, we have to be prepared to face a large

number of political problems, agitations, and so on. I think, we can discuss here whether we should get into that. Finally, and this is important, when we start defining a different type of political, federal structure for the country, then a question of the extent of autonomy for each state, is going to come up. This is coming up anyway, when you think of a state like Jammu & Kashmir - how much of autonomy is autonomy? This question is coming up before us. But once you start opening up this Pandora's Box of small states, of the changing nature and extent of autonomy and then if a state like Jammu & Kashmir is to be given much greater autonomy, what will happen to the demands for autonomy from the other states? This is a question which we have to think through. We have saved this question for the last session of looking ahead so as to have a reasonable discussion without disturbing the main focus - what is the extent of autonomy that the states will have to have and can be permitted, etc. I think these are some of my questions.

Shri Prakash Ambedkar: At least add one more to this - when the privatisation process took place, it was between the north and south. Transporting goods from north to the south was costlier than importing goods from Australia to southern states. So, once you consider the autonomy issue, you have to consider trade barriers also.

Prof. Rath: I have to make one observation and I should have made it right in the beginning after Dr. Palshikar spoke and I am merely saying it as, if I understood Dr. Palshikar right, he was saying that this linguistic re-organisation of states was more of an accident and is not really very important as many other pressing things. I don't know and he referred to Telangana, Maharashtra and so on. I think the linguistic re-organisation is a much older demand. To the best of my knowledge, it started at the end of the 19th century. It arose essentially because a particular linguistic group of population was divided in

different provinces and depending upon the dominant cultural group of that province, the linguistic minority was in very disadvantaged position. It's not very widely known that in 1895, the people of Sambalpur, district of Orissa - which was not Orissa then, which was part of Bengal Presidency - these people, they were a part of the old central provinces... and they made representations to the Governor General. They took three delegations in successive years to meet the Governor General and said please transfer this district of ours from central provinces and from the Bengal Presidency where the bulk of Odia speaking people are also located. Why? Because, if we are not transferred in this manner, we will cease to be Odia speaking in a matter of a few decades. You see, the Hindi speaking officers of the central provinces in Berar, ordered that all schools, all primary local courts and so on will have their transactions and their media of instruction in Hindi. Finished. Sambalpur people had to thank Lord Curzon, for transferring the District to the Bengal Presidency on the very clear understanding of a linguistic homogeneity. I will give a contrary example of how it happens. Today, Midnapore district - which in English is wrongly written as Midnapore - Midinipore district of West Bengal is a very large district. In the 1901 census, I think it was the first linguistic Census of India also, linguistic division of Midnapore district was as follows: 71% were Odia speaking, a certain proportion, small proportion, was tribals speaking their own dialect, and a very small proportion of the population was Bengali speaking. Today, there are not even 7% Odia speaking (people) in Midinipore. How does it happen? All the Odias migrated? It is a huge, huge district. In the 1970s or the 80s, the Bengali officers of the Bengal Presidency ordered that all primary schools, of course, and middle and high schools will have Bengali as the medium of instruction. In point of fact, the police officers were asked to drive out all the locals teaching the children in Odia. You see, there are people who used to teach

the children in those days. There were not ordinary primary schools like this. So, teachers used to be paid by the householders to teach their children. Now, these fellows who hail from other areas of the linguistic region, the officers said, drive them all out, otherwise tell them that you will be put into prison if you don't run away from here. All this is recorded history. Nearly 71% and not just 7% of all the surnames of the non-scheduled caste, non-tribal population of Medinipore, which are peculiarly Bengalised, are all Odia and are not found in any other part of East or West Bengal. You see, what can happen if a linguistic minority stays in a linguistically dominant area is illustrated by this. This is why the Sambalpur chaps were saying please put us here at least. So, we will have at least Odia as our mother-tongue. The first organised demand for a linguistic state was made in 1903 by Utkal Union Conference. Congress didn't exist as a political organisation in Odisha till 1920. The political organisation in Odisha was the Utkal Union Conference - whose one most important agenda was uniting all the Odia speaking tracks under one province in the British Raj. It is only when the Nagpur Congress adopted this resolution, partly as a result of some of the Odia Utkal Union Conference people going and attending it and pressing it. Congress said yes, provincial Congress Committees shall be on linguistic lines and they designed all their provincial Congress Committees on linguistic lines. In 1912, Bihar and Odisha were separated from the Bengali speaking, Bengal Presidency which then was both east and west Bengal together. Both east and west Bengal had huge populations and they had all the importance in the administration. It is for this reason that there was a separation done. And finally in 1936, you had three linguistic provinces created, Bihar - a Hindi speaking state, Odisha - an Odia speaking state and Sindh - a Sindhi speaking state. It's not as if this is an odd thing and something has come up somewhere. It is nothing like that. It makes the point, as Dr. Ambedkar says and I am quite persuaded by his

line of logic. One language- one state is not necessary. After all, there was not one Hindi speaking state; else, we would have had 40% of the population in a single state. I don't know if Hindi can properly to be regarded as one language but that is another matter into which I do not want to go. You see different regions with different languages and so on but we do not recognise them as yet in the Constitution. The point is Hindi speaking people had a number of states but when it came to the other linguistic groups, we had one language one state. Now, nobody objected to it seriously excepting for thoughtful people like B. R. Ambedkar who said, what is all this? Yes, linguistic state but it does not mean that there should be one language - one state; we should have one state - one language. This is the more reasonable approach. Now, why was this not objected to by the linguistic groups? Because of this background of emotional wrenching that had taken place earlier. So, it is this emotion which guided these people - yes, yes we will all stay together. But having stayed together, all the problems that Ambedkar was writing about in December 1955 came up. I mean I was astounded - I did not know these things in details. He refers to the Maratha caste which is a dominant caste in our state here. He says, what understanding and what relation does a Maratha from Satara have with another from Aurangabad or, for that matter, from Nagpur or Wardha? Nothing! I was taken aback when I read this long ago...

My point is - despite this, people did not object to the Nagpur Pact that was done because of this emotional consideration. That yes, yes we should all stay together, we are one linguistic state, one linguistic people. But it is not necessary that this be so. Administration - you see, one of the major reasons, as far as I can see, that separates whether it is in Karnataka, whether it is in Andhra, whether it is in Maharashtra or whether it is in many other parts of the country while there is a demand for this, there is complete lack of empathy of the leadership from one region of the state with the

same linguistic/language speaking people of another region. There is no understanding, there is no sympathy. Nobody interacts. You will excuse me. But as a non-Maharashtrian staying in Pune for the last sixty years, I have developed certain understandings of this place. You see a very sensible politician like Yeshwantrao Chavan who became a minister, and a minister in every position. I have noticed it, I have not got statistics. But every time he leaves Delhi, he comes to Bombay, or Pune when Pune became an Airport, but before that, Bombay, then Pune and then Karad. It is Bombay and western Maharashtra which was his traveling ground. He rarely went to Nagpur and even more rarely to any other part of the country though he was the home-minister of India. Sardar Patel as home-minister knew every district level Congress politician.

You see, here we have a group of politicians coming up and the same was with most of Maharashtra's top politicians; they have this sort of an emotional attachment. The requirement of understanding people of their different regions, is just not taking place. It is at the root of this division, and this is what Ambedkar was referring to when he asked - what relation did they have when they have no understanding of the others' ways? When we are talking of political re-organisation, one of the things that is leading to it is this. By looking at that, we will divide the states - not very systematically like the Americans - North-Americans- did along the latitude and longitude lines; we can't do this. These are historical societies which have developed and they will have to be taken care of in this manner. So, the emotional attachments are not strong and when they are not strong, it is best that they stay separate. It is a great advantage to have a multilingual state. I mean a multi-language state. This single language business is a type of a linguistic chauvinism - I will use this expression - that you would see coming up in different parts,

will get much more strengthened, if you have different language-groups, I mean linguistic states. Thank you.

Prof. D'Souza: Thank you, we don't have much time; we can have two small comments.

Prof. Yogendra Yadav: One is about the Pandora's Box, one of the advantages of the seminar is this that you can actually open the Pandora's Box as long as the door is shut. I really want this Pandora Box to be opened in this room and see what lies in this Pandora's Box. I don't want us to get away from this matter further. What is there in this Pandora's Box of which we are afraid? This tone was set in a kind of anxiety in the 1950s of the country's integrity been affected by these things. What we probably don't realise is that we have traveled a long way. Yugoslavia collapsed, Soviet Union did, yet we did not; and that we today speak on these questions from a position of strength. And, in fact, one of the nice things that lives in the Pandora's Box which Prof. Rath mentioned towards the end - if there are two Telugu speaking states, if there are three Marathi speaking states, as for national integrity - if that was a primary concern - you are much stronger, you are in a situation where there is much lesser threat to national integrity if at all that is a concern. Second, is related to the question of federalism, because it came up several times. I think we live in a somewhat mistaken assumption that federalism is equal to US federalism. That used to be the case 50-60 years ago. Fortunately, scholarship and thinking of federalism have moved a long way now. US now seems to be, and rightly so, one of the very peculiar and very strange examples of federalism - which is a coming together of states. We belong to a different category. Call it Union; call it a different federation whatever. I think federalism is a very good name for what we actually practice in this country. We are a different kind of federalism - for which, we have to think of our logic. So, instead of being worried about this expression, I

would simply say let us think of different forms of federation, us being different and the logic of our federation. Third, a one liner on political elites - I think in this discussion we seemed to be assuming that political elites play a role only in certain kinds of situation. My assumption is that among those who demand small states the demand for small states is driven by political elites. The opposition to small states is also driven by political elites. Creation of nation states is driven by elites. Opposition to nation states is driven by elites. So, how does that become a deciding consideration unless someone can demonstrate that creation of Vidarbha or Telangana or something would leave ordinary people exactly the way they were and benefits would accrue only and only to a tiny elite which is probably not a very good argument.

Dr. Vijay Kelkar: No, I don't want to reinforce the point made by Prof. Yadav. I think even an eminent jurist like Nariman calls India as a collection of fiddles; even he described its Constitution as federal, and in literature, as mentioned by Prof. Yadav, I think, probably the Indian federalism is a more mature cooperative federalism which is our own model that evolved over 60 years - it is a very creative model which was mentioned by both our Chairman and also Palshikar. And I think we have to face a Pandora's Box, which is - India is changing; the underlined forces are demanding change. You can't pretend that the changes will not come. If you don't do it - staying ahead of the curve - it will be forced upon in a much more different way because the present scheme of things has become dysfunctional. I am coming again to urban India and the present system begins to look dysfunctional. It is not sustainable. Demands will be coming, so let's face it, let's accept that changes will be required and this design is very much which makes disruption as little as possible and merrily makes for long term gains.

Prof. D'Souza: Let us close the discussion now.

OK ... the last comment -

Prof. Vinayak Deshpande: The discussion which we are having is about small states. The data which I have got relates to Telangana - about size of population, for example. So, if we consider 2001 census and if we work out median population size for the states, it comes out to about 21 million for the whole India and if we consider the population of Telangana it comes out to about 30 million. If we see median population, Telangana population and even Vidarbha, for that matter - when the Maharashtra state was formed - it was 75 lakh; now it is more than 2.5 crore. So, you can see the change in the total population size also. With changing situation and circumstances, we have to think about this kind of states re-organisation and then about decentralisation issue which Mahajansaab has raised. In 1969, it was decided that district would be the unit and accordingly funds were allotted. But over a period of time it is realised that districts could not get adequate amount of funds. And that the whole exercise of decentralisation was a big failure; and therefore decentralisation has not served the purpose of solving the problem of underdeveloped regions. That was the experience of decentralisation in most of the cases and when we talk about the 73rd-74th amendments and the whole process of decentralisation, I feel that the exercise has not worked at all. The reason is that when developed regions grow (the experience in relation with Maharashtra and most of the states is that the developed regions are over-developed now) they become the dominant regions and once they become dominant, I feel that the whole process goes out of control of the government and this is what is exactly happening at the moment. The Government is not in a position to control it. May be because of liberalisation, may be because of privatisation, you can't expect that those people (industry) will come to the backward region and

therefore the developed region becomes over-developed and we face the problem of regional inequalities, which we are now facing. These are the points which I wanted to make.

Prof. D'Souza: Thank you. I think we had a very a rich session. Lots of issues have come up for deliberation over the next two days. Let me just sum up. I am summing up and not really trying to prepare a list of all the issues that came up, but at least tying up and present some of the debating themes that we need to keep in mind. I think a paradox has emerged. It is implicit in our discussion throughout that smaller states will in some sense remedy the neglect of the last 60 years that the regions have faced. How do we read this argument with the political argument? Because I think a point came about the political system. The political system itself has now emerged in a kind of a federal politics. The party system has by and large evolved in most of the states as a kind of coalition politics. How is it that the era of coalition politics allows us to have regions which are neglected? Is it about the political representatives from the regions that they are unable to represent? Because these are large regions - these are not small regions - Telangana, Vidarbha or Bundelkhand. What is it about the representatives of those regions, in conjunction with coalition politics that does not allow them to, in a sense, twist the system such that benefits flow for their regions? This is a paradox.

Second, I take the question of development versus federalism. I presented it as a kind of dichotomy not because I thought to push the argument as to whether we can get development through other instrumentalities, rather than federalism. And one suggestion came up that perhaps you could do it through the 73rd and 74th amendments. In other words, there are other instrumentalities rather than going in for the creation of new state, because if we create new states, perhaps you are representing the interests of the local elites much more than of the state

elites, much more than the interests of the general population of these neglected areas. And there is evidence both ways. There is evidence of state elites becoming predator elites and state elites looking at all-round development, like in the state of Himachal Pradesh. I don't think we can push back that question by just saying that if you look at the aggregate statistics, we see whichever route you follow, whatever form of elites you follow, you will get development. I think we have to make fine distinctions here. If outcome is all that we are looking for then democracy and federalism are arguments that have to be thrown out because Singapore has wonderful outcomes but it does not have democracy.

I think we have to look at the question of predator elites exactly because the third important question that came up is the question of intra-regional disparities and intra-group disparities. Leave resources with state predator elites and you may have fifty states. You could have states which begin to look like a Zimbabwe; and when I say Zimbabwe, what I am trying to say is things begin to fall apart. Every possible, political institution gets taken over by predator elites, who are such major rent takers that even the production and promotion of public interest doesn't really happen. I am giving Zimbabwe as an example, because it was the food basket of Africa. Today, it is in a situation where one third of its population is not having access to security.

I think the fourth question which came up is the question of the relationship between architecture and process. This is repetition of the third point. But I think we need to map that in political economy terms because it is not just enough to locate it only in terms of architecture in terms of public administration. What is the process doing to this architecture? And again the story is mixed, because the architecture in some cases may be better for our national elites and state elites, because the state elites are really unchecked. They control the press, they control the party, they

control the police, and they control all the instruments of the state at the national level. While elites are also self-serving, there are counter elites which are able to check them. I am presenting paradoxes. Please don't see this as a kind of argument again. I am just saying as we have to argue, because this is the reality. And then, of course, there are the administrative questions, whether it is the administration of funds or the co-ordination of projects - issues that I think you have to look at too.

Two final questions, one is I think this, again this paradox which is emerging, that if you have small states you have an increase in political economy but you have increase in financial dependence. And how do you then bridge these two contrary tendencies that are emerging. And finally I think the question of minorities. I think, while homogeneous states reduce the cost of collective action for majorities, they may increase the cost of action for minorities and what then happens to minorities whether the linguistic minorities like the Odias of that region in West Bengal or the religious minorities that the Sachar Committee Report points out very clearly, or, the caste minorities. I think it is important to make sure that the argument of homogeneity has these costs as well. So thank you, these are questions for discussion over the next two days. Thank you very much for the very very interesting and rich discussion. And do we close for lunch now? -

Yes.

Prof. Chitre: As per the changed programme, the next session will really be the session listed here which is on the Emerging Issues of Federal Structure and Formation of States. This was to be tomorrow and Prof. Khandewale was to chair it, but since we have shifted it to today and since Prof. Khandewale is not here, I am requesting Shri Ratnakar Mahajan kindly to chair this section.

Second Session: Bases for Statehood and Emerging Issues of Federal Structure and Formation of States

(B) Emerging Issues:

Chairman: Dr. Ratnakar Mahajan

Shri Ratnakar Mahajan: Friends, welcome to the post-lunch session. In a way, this is the extension of the previous session. Some of the preliminary observations made are sort of general observations made in the last session; we want to go further with the emerging issues in case of creation of states in a federal framework. I would like Mr. Palshikar to initiate the discussion.

Prof. Palshikar: In a sense, this is in continuation of some of the issues that came up in the morning and also some of the issues that I would have probably liked to mention in the earlier session itself. So thank you Mr. Chairman to link it up with what we were saying in the morning. I think there are a couple of references that kept recurring all through the discussion in the morning. One was to the Ambedkar formula and Ambedkar's arguments about protection of minorities and the other was about the district as a unit of governance. I thought we might benefit if we try to explore further if - in a sense this is not really the place to indulge into Ambedkar scholarship - but as a good starting point if one looks at what Ambedkar was saying about this state formation issue. That he was talking about one state-one language formula and he also made an argument about the states not being a burden on the minorities; but at the same time if one understands Ambedkar right there is also always a paradoxical theme in Ambedkar which is about the issue of what is the location of power? The distant the location of power, the greater the possibility that it would be less amenable to local systems of domination; and that is why he was more in favour of Union government than local governments, etc. And his famous outburst in the Constituent Assembly about villages and village republics can be read in light of this. So, I am not very sure just by quoting Ambedkar we can say that small state is really the answer to the problem that we are talking about. In other words,

what I am saying is this - that if there are smaller states, one issue that immediately emerges is, who will be, and what will be the social composition of, political elites of those states. Is it possible that smaller states because they are less heterogeneous, because they are less diverse, they would be more open to domination of caste elites, of dominant castes, at the local level? And I don't want to get into the Vidarbha discussion at all but Vidarbha is really a very good illustration of this, because Vidarbha is a part of Maharashtra. Look at Maharashtra's social composition. Because of Vidarbha, in Maharashtra's social composition you have, around 30% share of the Maratha caste. Minus Vidarbha it would rise much higher; and to that extent, I would say that Maharashtra would be impoverished in terms of diversity. So, it is not merely a question of how many Marathas there are and whether this is good or bad. It is also a diversity argument. Are our smaller states going to be less diverse; and if they are going to be less diverse, as in the morning there was reference to this issue, is it going to be a blessing in disguise or is it going to be a problem in disguise? That is one of the issues that probably did not get discussed and I think and I have an equivocal position on this; but I think that we need to take this into consideration because more and more smaller states would invite people to be more identity-prone, to be more attached to their local affinities and identities and to that extent less open to diversities. They would be less open to the idea of diversity as a life experience. In principle, everybody would say diversity is great; but then India would, in that sense, become a museum of differences rather than a live social diversity. That's one danger.

The other issue that came up in the morning is about the district as a unit. Again this is a very attractive proposition; again there is a long history of discourse about democratic decentralisation, etc. But the same point that I made earlier a moment ago applies to the district ...because if you look at any state of India and since many of

us are conversant with Maharashtra, if we look at Maharashtra and give more powers to the districts, it is really speaking to certain castes in those districts - we are inviting them to dominate decision-making formally, in that district. You can take as a case a district like Raigad, you can take a district like Jalgaon, you can take any other district and you will suddenly find that the locus of decision-making shifts from the possibility of many people participating in policy making to only one group dominating decision-making. And, therefore, I think we need to take both these with a pinch of salt.

The third issue is how we understand this because Peter in the morning mentioned these two principles as principles around which argument is going on. One is the federal principle and the other is the development principle. The third principle increasingly which is being invoked at least by some supporters of the demands for statehood is the difference principle - that we are different. Vidarbha, at the moment might not be doing this argument.

Yes. Different in the sense that we are not Marathi really - that is exactly what is happening in Telangana. They are saying that - no... no, it is a misunderstanding to say that all of us speak the same language. They speak the Andhra language and we speak the Telugu language. That's the difference and I have illustrated this by giving the example of Gorkhaland - that we are Gorkha, so we are different. Now this difference is increasingly becoming a basis for an argument in favour of a separate state which also needs to be examined. Whether we want that to be the basis of a separate state or not? I think that if we take into consideration this possibility of local systems of domination getting reinforced, that certain caste(s) getting priority in decision-making and that difference is becoming more as an organising principle for politics - that is to say identity politics - then we can suddenly start looking at the issue of small states in a different light and I

am deliberately doing it almost as the counter point to what Yogendra was saying in the morning, that while on the one hand de-scaling is an eminently important democratic principle for re-organisation of the states, the effect of that de-scaling would be small states which would invite us to look at these problems. Thank you.

Shri Prakash Ambedkar: I will begin where we left in the morning itself. Basically, when we speak of a federal structure, we are including even the 73rd amendment itself and the 73rd amendment is nothing but an extension of the caste system into the Panchayat Raj System. Again, the main question for village level development is: Do you need a Panchayat Raj? That is the basic issue which I am raising. You need a Panchayat Raj and the necessary developmental decision making capacity at the village level. Have we created instruments where they will be in a position to take those decisions? This is the first point. Second, again, is if we devolve power at the last door steps, I am not saying at the middle level but at the last door steps, then the question is who is going to be dominant over there? As Dr. Palshikar has already pointed out, it is the major caste that is going to be dominant over there. But if you come a little higher than the caste structure ... higher power structure, say, you come up to Panchayat Level or you come up to Zilla Parishad Level or you come up to a second tier system which we have in the state assemblies. Now, what has happened is that the population in the state has grown large; therefore, the constituencies have become large and since the constituencies have become large, the older principle that the dominant class is going to dominate has now to be extended. Therefore, the rest have been left out.

We must also realise that if we think of the caste based census which has been advocated - there are two theories relating to it. One theory is the OBC theory according to which they would like to have the own population known. But the

other theory which has not been looked into, and which has been advocated is that with the kind of political and economic changes that we have brought about in the last 50-60 years of the independence, what has happened to those smaller castes - castes that do not have a face and do not have a political system? In studies I have undertaken, I have found that nearly 22 different communities have just been extinguished. Thus, you do not find their relatives or anybody from the younger generation. If you are going to continue with this process of structural changes, I think, what we are going to do is that these smaller communities would not have any economic means left; or those who had some economic means of dependence in the older economic order of the caste system, will have been displaced with the changing economic order. That whole business, if I may call it, in that sense, the caste-based business - that whole caste-based business has undergone a change. There is a replacement. In this, those castes which were big, they have been able to survive, because they could agitate, they could bring about the change which they desired and could demand something from the government, and the government came forward. But those which are smaller - less than 50 thousand, say, according to me some of them have been just extinguished. Those which have remained because they are the largest population if we take constituency-wise, - I think - that's one of the biggest issues - and is a concern. They constitute near about 60% of population in a given constituency. But each community is so small that they hardly have any significance but collectively they have significance. And this collectivity is what Dr. Ambedkar spoke of when he said minority doesn't refer to only linguistic minority, he does not refer to religious minority but he refers to the caste-based minorities. When he speaks of a smaller state and the minority he speaks of are smaller caste minorities who will have more representation in a system with smaller constituencies than in a large constituency. Because there even a smaller number, we can say

like four to five thousand, becomes a winning margin and since it becomes a winning margin any candidate, any political party, in that constituency will have to address or will have to take that group into consideration and therefore they are more secure and their rights will be more secure. I say, this is one aspect we need to take care of.

As one of the advocates of the smaller states which I have been - and I have been advocating smaller states because I carried out this experiment - let me put it across. I have been successful in galvanising these forces together, bringing them to power. So is this possible? Yes, this is possible and when it is possible, it is possible in smaller constituencies. I have been able to do it in Panchayat Samitis; I have been able to do it in Zilla Parishads; but I have not been able to do it at the higher levels. And one of the constraints is that you have a dominating community which is large enough to influence the rest / the others. And this can be broken off only if we have a smaller state and the issue which came about in the context of that fair structure, namely, that of political instability needs to be considered also. We speak of political instability - I think we have Goa before us but we don't have Chhattisgarh or other states where the number of elected members is more and therefore the instability crops up less often. I think the Constitution provides nearly about 75 thousands to one lakh per constituency. If we began with 75 thousand and then slowly as population increases, the number of seats will also increase. I think that the instability issue can be addressed in a roundabout way. We have a large number of elected members and then the instability issue goes off, because then, a larger number is required for the majority; and once you reach that, the instability issue is not there.

The other, the most important emerging issue in a smaller state will be when we consider the financial structure of the state. I do not know whether my proposal which has been given to

Government of Maharashtra will be accepted. I have given this proposal for one of the Municipal Corporations. I think there is an agitation which is going on for abolition of Octroi and other taxes also. I have suggested to the state government and if they accept it that can be a model for the other areas also. What I suggest is the following: Consider the banking transactions which take place in a given area - and I said all banking transactions which take place within that area - within the Corporation limit - I think the bank should be allowed to collect 1% and that 1% should be handed over by the banks to the Corporation, so that becomes a fund. In a constituency, which I have studied, Akola, which happens to be my constituency, in that Corporation, the overall turnover in a year in the Corporation area is nearly about Rupees five thousand crores. Today, the Corporation collects just about thirty crore rupees. If they collect 1% of the banks' turnover during the year, they will have about Rs. 50-60 crores with them. That is sufficient, I think, for running the whole system. They will have more cash than what they have today.

I said the same formula can be repeated for the smaller states as far as their finances are concerned, because you have transactions going on in that state and, as we are saying, we are going to make this state dependent upon the centre. Yes, we are making the states dependent on the centre only because of the present pattern of resource sharing. It should have been challenged at various levels instead of the majority of the funds coming from the central government either in the form of grants in aid or in the form of a sharing system. The question is - Is the Central Government necessitated to do all these actions? According to me, there should not be any initiative from the Central Government to the state governments to carry out certain functions. They should have been left to the state governments. If they had been left to the state governments, I think, the state and the people would have settled it between themselves. But since there is a way out as I have

said, everybody puts the blame on the Central Government and therefore this blame-game would start all over again. Hence, I think, even regarding the finances, the states will have to have independent resources. The sharing between the Centre and the state has to be absolutely direct. It cannot be on a basis where they say, no, you accept this programme because some of the programmes then become non-functional. I have seen this happen. If you take Vidarbha, if I speak of the pattern of financing it is based on the soil condition of Western Maharashtra. The soil condition of the rest of Maharashtra is that you have a soft soil which is nearly about at best eighty meters and as far as Western Maharashtra is concerned, you have a soft soil not even ten meters. So, if the whole calculation is going to be based on those things, there is going to be a mismatch of funds.

And then again there is disagreement about what should be implemented and what should not be implemented. And in the earlier part it was said that you have a fund which is unspent. Basically why is that unspent? We are not going into that issue; we just make a passing comment that it has been unspent. The basic reason for the unspent amount is that the programmes have functioned in such a manner that they become unviable. And the state made programmes in such a way that it depends upon one area or the other, not for the whole state. This is one structural flaw in the planning department which has to be taken up.

This can be addressed only if we go for a smaller state; or, within the Constitution we also have different provisions. We have the provision for autonomous areas. And we have said that the provision for autonomous areas is a failure. This provision, which we have taken up, is a British concept. The British were not able to rule India throughout. They made pockets where they could rule and they had the nomadic criminal tribes back from 1887- where a certain area was carved out and they said that people living within this area

can not move out in the evening and they have to move out only in the morning. And you find such areas and they had given the name to such areas as autonomous areas. And those autonomous areas were under the control of the British. But the officers were totally different and the set up was totally different.

That same set up, I think, was adopted in the Constitution, that we will have a group which is totally homogeneous and different from the rest. So, wherever such kind of demand comes up, it is for the Government to decide to set up an autonomous unit. Give them full powers of ruling themselves and once they come up to the other level, the autonomous units either remain or they are changed. But this functioning which is / should have been there basically for the tribal belts, today what we are not addressing, is the tribal base taking up arms across the state. Today the political system - if we are talking about infrastructure for example - I think this is also one of the relevant issues - that the tribal belt and the adjoining tribal belt have now no faith in democracy if I may put it that way. Or, they are looking for an alternative form of government where their natural resources are going to be protected. If you are going to speak of this structure of state-hood, then we will have to speak also of this area which is now designated as the disturbed area. We have nearly about 225 districts which are disturbed areas. Out of 465 districts, 225 districts are disturbed districts. Then I think, the situation is very alarming; and if it is alarming, what needs to be done in this context, as to how these people also can be brought into the fold of a Constitutional method, I think - this is one of the issues which I thought of placing before you. We can have a discussion on it.

Shri Ratnakar Mahajan: How will these issues as you say which have arisen in the districts be affected by Naxalism, be corrected if we accept the concept of Maharashtra...?

Shri Prakash Ambedkar: No, the point is basically your concept of development is at fault. Now, let us take Kudremukh area. Was Kudremukh an area for your development or was it for the supply of your ore to Iran? You uprooted the tribals from Kudremukh - just to have international relations with Iran. The same kind of development you have now in Balasore area. The question is whether you need these natural resources for yourself or whether you need them just for the MNCs to fatten themselves up. You must address this issue first. If you need for development, yes, sit across with the adivasis, those who are the owners of that area and you will have results.

Dr. Yogendra Yadav: I think this session invites us to look at two very serious concerns about small states. As argued in the morning, I think on questions of governance and so on, the argument is so overwhelmingly in favour of small state, that is, small by Indian standards, not by other standards. But the real issues are two, which came up in this session. One is financial viability which came up in the morning as well and given the kind of economists in this room, I think, I really wish to understand - so I am not offering any comment - but just inviting the economists to please explain. How much of the financial non-viability is a function of smallness? I think what happens is that there are lots of arguments for or against small states. But they are not conclusive - because much of the statistics that is provided is not a lie, but it is not sophisticated statistics either, which is to say that there are not enough controls being applied. It so happens that a large number of small states in our country are from the north-east and these carry a north east effect with them. So, in order to get sophisticated statistics, we have to take the north-east effect out of that data. So is the question about non-viability. Do we have strong evidence to suggest that small states remain financially unviable even after taking out the small state effect, the north-east effect; which is a very special case which has nothing to do with smallness or bigness; it is a different kind of

situation altogether. That applies to Jammu-Kashmir as well; that applies to lots of other situations. But that is only a question.

The second part is about the minority question. And on that I actually happen to agree with Prof. Palshikar in some ways. Because this is a serious issue and I was actually surprised when I read Dr. Ambedkar's quotation which has been used here. Because I thought Dr. Ambedkar being plugged as he was in American discussions very closely, he would have picked up the American argument. An American argument is exactly what Prof. Palshikar said- which is that the smaller the unit the more oppressive it would be for minorities. The bigger the unit the better it is for minorities. That is the standard American argument in federalist papers and everywhere. And so it is a surprise to see Dr. Ambedkar making the opposite argument, but then it is a qualified argument of course.

Now, instead of taking those arguments as given, I think the best strategy would be to look at the Indian experience very closely and see which parts work where. There are two things happening - I mean there are immediate effects, that is, what would happen to the politics of these places as soon as a new state is formed or for the first ten years or so. Then there is a long term argument, namely, what would happen thirty or forty years from now. In the immediate, you have two opposite possibilities which open up and the Indian experience gives you enough evidence for both - opposite effects. On the one hand is an effect that in some cases, major, neglected and disadvantaged minorities acquire a voice they did not have before. Jharkhand and Chhattisgarh are very obvious examples. Adivasis in the large state of Bihar had no voice. Now in whichever distorted way - and in politics you cannot demand guarantees - they have a voice, whether they hand their voice over to Shibu Soren or whoever is there, is a very different business which has nothing to do with smallness or bigness of it. It

has to do with peculiarities of politics. On the other hand, the Indian example also gives you the opposite cases. Places where an otherwise dominant social group acquires a monopoly of power - Mizoram, I mean if you actually look at the case of Lushai dominance of Mizoram and how these Chakmas have been treated, I mean Lushais have been able to get Chakmas excluded from the definition of citizenship of India; and this is the extent of dominance. You would look at the case of the Garo dominance of Meghalaya which is substantial. You know there the way they can treat their Jaintias and Khasis! Sorry! The extent to which Khasi dominance can keep Jaintias and Garos so systematically out is substantial. You get something close to that in the Meitei dominance in Manipur which has now just been challenged, but challenged from a very different angle. But where do you get the main stream examples of that? I mean, my own state of Haryana comes close to that. The Jat dominance of Haryana politics would not have acquired the kind of proportions but for this creation of the small state. And I can imagine exactly the same thing happening in the so called 'Harit Pradesh' if it were to be formed. Harit Pradesh is not based on your backwardness argument and that's where Vidarbha is not a good example because here is a prosperous part of U.P. wanting to be separate. And that is a demand for a Jat state straight away and of Jat dominance. So, there is that other aspect. Now that is an immediate effect - what happens within the first ten or fifteen or twenty years of the formation? Two kinds of processes again play a role there. One, there is a tendency for large communities to dominate. If there is a community which is so large that it is dominant and almost monopolistic - then in about two to three decades it begins to fragment. People began to discover that there are 'gotra' differences between Jats of different kinds... this is the logic of democratic politics. You know that because after partition Hindus became bigger majority than they otherwise were - which did not lead to Hindu monopoly of power; it only led to Hindu

fragmentation. This is a long term effect which is bound to take place. So, I would look at that. The other thing that does take place is that coalition making patterns change. So many of so-called castes are produced by political coalitions. In Haryana, one of the results of the rise of Jats in politics was that - Jats are after all only 26% of Haryana - you know the result was a coalition of non-Jats which for a very long time was headed by Bhajan Lal. You see, Bhajan Lal's importance in Haryana politics was precisely this - that he brought all the non-Jats together and showed the Jats that they were only 26%. So, I think both these processes happen and I would therefore caution against deriving that straight American conclusion - that the higher the scale, the greater the room and breathing space for minorities. That is not the case; we are looking at more complicated situations than this.

Prof. Panchamukhi: Thank you Mr. Chairman. I think the position that Dr. Ambedkar took as it is reported in the Note, is precisely the other way round. I think he says that in the large state there is no scope for the minorities. And only in the small states, the situation would be different. I think that is what is reported, isn't it? Yes. And in the small states they have a voice.

Dr. Kelkar: I want to respectfully disagree with Prof. Palshikar and also Mr. Ambedkar. I think India is still in a developing state, and therefore what really matters most is efficiency in supply of public goods. A smaller, homogeneous, efficient state if it works more efficiently it will help everybody whether minority or majority; and, to me, that is far more important than a sense of empowerment with no efficiency. If public goods are supplied efficiently, it helps everybody. Public goods by nature are characterised by non-excludability. We cannot discriminate against any one in respect of access to a public good. Everybody has access to it. So, it helps minorities, majorities, everybody - so it is extremely important to focus on the supply of public goods

for better efficiency. In my view, that's a non-issue, because we have tried with the present system - minority is not better off precisely because the public system never worked for it. I think it's extremely important to focus upon having an organisational structure that supplies public goods and services most efficiently, because it benefits everybody. And as far as the minority-majority question is concerned finally it's a battle between two elites. So, if the rules of the games promote efficient supply of public goods, I think it has a better chance to empower everybody rather than just the elites. So, to my mind this - minority question is a non-issue manufactured by elites of the minorities - so to speak, elites of that system. What is most important is what system delivers the public goods most efficiently to the citizens.

Prof. Rath: That Ambedkar quote appears to be somewhat inconsistent. I have not read everything by Ambedkar, so I really do not know. But this quotation from the 1955 long essay on the states re-organisation commission business, there he specifically talks of minority as we understand it. Not caste minority. Incidentally, it was very surprising and instructive that in that document not even for once does Ambedkar talk about the Dalits. The expressions, scheduled castes or untouchables, or whatever other names by which you refer to them, do not occur. He is talking about the Muslim minority. He gives figures for the Muslim minority. But the other point that Prof. Palshikar made is that in the case of small states he is saying that the minorities will have importance. But when it comes to Village Panchayat, he was opposed to it, to the third tier. I think his opposition to the Village Panchayat was entirely because of the village caste structure. But this does not require elaboration. When he is talking about the small state versus the large state, he is not talking about the Dalits; he is talking of a different type of minority. Now let us not put the words into his mouth in that context. The second - it is true that the Maratha will become a

more dominant group. What is the difference between 30% and 40%? With 30%, the Maratha dominates the Maharashtra scene, political scene, administrative, whatever it is that is taking place. So it won't be any worse. The point with decentralisation - which is what he was really worrying about - was at the district level. And here I want to draw your attention to the 1961 Act of Maharashtra - Decentralisation, Zilla Parishad legislation. You know, it will be very interesting for political scientists to go into that Act, to see how the governance system, the policy making system even at the Zilla Parishad level was designed in that Act. It was not an imitation of the cabinet system of the Centre or the state. For every department of the Zilla Parishad, the decision taking was by a Committee. In the Committee, while there was formally a chairman, he / she has no privileged position, like say, the Chief Minister or the Prime Minister. The Committee was an elected Committee from amongst the members so you have proportional representation roughly of the different groups that are in it. And it is the Committee that takes the decision for every department. I am not saying, by giving this example, that the whole problem of dominance of individual castes, groups, everything will be completely wiped out. After all, what type of a society are we? We can't get out of this by wishing it away or by trying to design a system in which none of this ever becomes operative. The point is, how to minimize its impact, its influence and how to give better representation to the others. This is a much better device, an administrative constitutional device than the cabinet system. It worked very well as I have said in my paper which might have been circulated to you. And I know this because this was the representation given in district after district to our regional imbalance committee. People said - Sir, when the Zilla Parishad functioned as the planning authority in this state between 1961 and 1971, within the first two - three years, the Zilla Parishad people did not know how to plan, how to do anything. They had to be taught, and time was taken in the

learning process. But once the thing began working, the villager was running after his representative in the Zilla Parishad or in the Panchayat Samiti. He was not looking at the elected representatives in the legislature, not to speak of the Lok Sabha. So much so, that towards the end of this decade, ten years or so later, the legislators in Maharashtra as well as the Ministers said: what has happened? Even the dog doesn't bark when we come to the village! This is the horrible thing that had happened for them. You see, here there are two things; in our whole process of representation, our legislators, year after year, election after election, have never learnt what the functions of the different legislatures are. The central legislature, the state legislature, the Zilla Parishad, the Panchayat Samiti, they have different functions. You must address yourself to these functions. Parliament Members go on talking about their village roads. That is not the business in the Parliament. See, this sort of a thing never happened, hasn't happened unfortunately in the last sixty years. But giving power to the Zilla Parishads in the manner in which that Act gave, completely forced people to look at their representatives in the appropriate forum for their needs, and the legislators not realising what their function in the state legislature is, said that we have no where to go. Nobody asks us. See, this is the real problem in our democratic set-up. We don't seem to realise whose function is what. Now, if you do this at the Zilla Parishad level, I don't think, things will be solved for all times to come in this tremendously caste ridden society of ours. But certainly improvement will take place. You will be able to control and suppress to some extent possible these sharp caste differences. By this sort of Committee function, by what Dr. Kelkar is referring to, as the public goods provision, you see universalisation of public goods has not taken place in this country. I don't want to speak on this at this session but at some other time. But even the Planning Commission has been guilty of this. I had written a letter to Dr. Kelkar and a proposal, his committee obviously didn't

think my proposal was worth much. But the point is, you must realise what we have done. 60-70-80 percent of the population lives in villages. Independent India should have made at least what Dr. Kelkar calls public goods, which I call the socio-economic infrastructure in the village. Roads, Schools, Primary Education, Hospitals, Drinking Water facility and such other things - make access to it universal and make it universal not in the manner in which Rajas use to do it, by gifting it out. Today, Prime Minister's Road Yojana is a very good idea; but whosoever asks for roads should be given. Instead, those that have powerful politicians at the village at the back or the well-wishing bureaucrats, get money enough to concretise their village roads. There are others where such elements are not there, not even a kachha road has been built. This is no way of distributing public resources for development of public goods. And we never understand this. This is the real trouble. You do this, you provide this, you build the basic infrastructure, and you give them rights. Look at the American scene, what do the county councils do? In America, in mid-America in particular for industrial development, the people who have done some work were county councils. They invited the companies. The Toyota Company was invited not by a state government or the federal government but by a county council. Because they had land, they say we will provide you land here; we will do a road for you, from the highway; come here; and the Toyota Company went there. You see, we can do this, you give the rights to the Village Panchayat, and things can be done. They will begin developing their things, linking up and so on and so forth. A whole lot of possibilities can emerge. These are not public goods but these are investment lines which they can open up and try to do things. We have no notions of this. Thank you.

Dr. Sriraman: I have comments relating to what Dr. Yadav talked about; sorry, it is about the

North-East effect. You know, you said economists may not be really looking at the North-East effect. Now, yes I do not know what it means, but at least we locate it objectively in the sense of providing the efficient public good or efficiency in making sure that public goods are served efficiently at minimum cost and so on and so forth. But then the point is, if you are thinking of Gujarat or any other state you are talking of, say Andhra, then there will be the Andhra effect or the Telangana effect and so on and so forth. If that's what you mean, each cause has its effect ... The other thing is related to the public goods which Prof. Kelkar and Prof. Rath have been talking about. I had a chance to do a study for MSRTC (Maharashtra State Road Transport Corporation) - it had given me a study under the 11th Finance Commission - to look at the efficiency of state transport undertakings. I did the study for all sixty undertakings in the country. In that context, I found that if Maharashtra were split up into 7 to 8 regions, it should do very well. On the other hand, Tamil Nadu has split up at the district level, into 19 - 20 corporations and was doing extremely well. So, it is not enough to ensure that public goods are provided but there again there is a question of the level at which they are provided. Roads or public services can be provided at a certain level. But again the question remains that there is no uniform model that can be worked out for each of the services that can be provided. That is another dimension to it....

Dr. Yogendra Yadav: ... just you clarify what is meant by the North-East effect. It is a sheer accident of history that we, most of what we call small states in our country, a very large number of them are located on this North-East periphery which is hilly, difficult terrain, insurgency-prone. Democratic politics has still sort of taken off in some places and not quite so in other and so on ... and these states were very poorly administered even during British time. Some of them were outside the British controlled area. As said, these

were also areas which were not governed, officially they were not governed. Now that makes this area a completely exceptional area. It is simply an accident of history that many of the smaller states are located there. If we start drawing conclusions about small states based on that, these will be very fallacious conclusions. If say, we had twelve states in India located around Bombay and Pune and so on and so forth, we would be saying small states are doing so wonderfully, etc., calling it the Bombay - Pune effect. That is what I meant.

Dr. Narendra Dadhich: For the sake of clarity and because I happen to be a scientist in this audience, I ought to defend the scientific method. So, whenever a new decision is applied, it has some problems of its own. That is why, I think, there are lies and profound lies and then statistics. This term was given by Neil Bohr - he is a scientist. But we have come a long way from this. Now 6-sigma is a well respected discipline. Just as in technology and science, it could always be misused; there is no surprise if they get misused in social sciences. So, that is on a different level. But when I apply statistics, I do count out these exceptional cases, the points which are lying outside the 6 sigma limit, the outliers - I throw them out.

Shri Abhay Tilak: Small or large state is a relatively less important issue. The major issue is, having given statehood to a certain region, how it affects the economic base of the two entities and what effect it has on the potential, as you rightly said. I will give an example. Consider what happened to the positions of the newly created states, for example, Jharkhand. Now Jharkhand is a state which is primarily dependent on the single industry that is mining. That is the core of the economic base of the state. If that particular economic base comes under some kind of a danger, then the entire economic fabric of the state is affected. It's highly susceptible. If creation of a new state is going to affect, as Prof.

Palshikar said, the political diversity, the same logic also applies to economic diversity or the diversity of the base, economic base. So, are we going to create states which, having attained the statehood, are going to lose their economic viability and, in a way, then are going to become more susceptible to changes in the market conditions or overall economic conditions at the national or international level? That is issue one. Two, as Dr. Kelkar has been rightly harping on, what happens to public goods, to a large extent, depends upon what kind of resources are at the command of the newly created states. My limited exposure to Uttaranchal is that when separate statehood is accorded to a region, it is basically the huge capital investment requirements of the state which need to be addressed, because all the infrastructure related to public goods, such as roads, power, irrigation, etc., is highly capital intensive. Now the problem is that because the economic base of the newly created state is small, its potential for creating adequate resources is also limited. To that extent, its dependence on the Centre for capital transfers is higher. An alternative is that the newly created states can approach the market for raising funds at the commercial rate. That again has serious implications for the finances and fiscal position of the state because it increases the interest burden. So, there is a question. There is a danger that if the state takes a recourse to raising loans in the open market, it enhances its interest burden, which leads to revenue deficit, that is, deficit on the revenue account and the whole downward spiral begins.

Shri Prakash Ambedkar: It's not true of Goa.... I will give you the example of Vidarbha immediately. Yes, Twelve thousand crore rupees is the official figure which has been given for revenue collection by the state. Now, if you add to that eight thousand crore rupees which will come as the Central grant, it becomes twenty thousand crore rupees. The expenditure which is there, given by the state as of today is just about twelve

thousand crore rupees. So, you have a surplus of eight thousand crore rupees which is there for investment. The figures which have been supplied are not always true, they hide the picture. In a dominant state the region which is undeveloped, is always shown to be a deficit region. When we started questioning that, facts are now coming out. They say, it will be a surplus state. So, that is what it is, so don't generalise what you are saying now. Dr. Yadav was referring to the North-eastern states. Basically, in the North-eastern states, the situation is that the tribes are the ruling clans. They have yet to adjust the non-ruling tribes into their ruling clans; and therefore this government went on with the process that those who are the ruling clans, if they are asking for a state-hood, grant state-hood. I am making this statement because I am even today banned from coming to Arunachal Pradesh. The assembly has passed the resolution for taking up the issues of some of the North-eastern tribes which still have not been assimilated amongst them. Therefore, the question of dominance is there. What resources should be transferred to those states? The states are held up; and they are now giving it to those who are ruling the states. They are giving it via the government. They have made some other methods through which the funds are flowing to those tribes which are non-ruling. So, this is an administrative set up which each government makes and that needs also to be reflected when these kinds of statements are made.

Shri Abhay Tilak: The first thing is statistics that I am talking about is not generalised. It is the statistics that is generated by a completely third body that is the Reserve Bank of India. Second, as you rightly said, there is no dispute that once a separate state is created the potential of the separate state will have to be assessed independently. This point is well taken. The general trend that has been reflected so far is, barring traditional small states like Pondicherry, Goa or North-eastern states, in the newly created states which

have come into being during last 10 years, we see a distinct pattern. That pattern too is perpetuated year after year. So, that throws up certain issues because if the efficiency of the supply of public goods is the variable that is to be monitored, then these issues have serious implications for the fiscal position. And it then poses a systemic problem, namely, what happens in this case to financial viability of that particular state and ultimately to the fiscal relations between the centre and the state. So, your point is well taken that from state to state the picture will vary. But largely the pattern that we see is that once the basic economic potential of the two entities, the mother state and the newly created state, is altered it poses a new set of questions. And we cannot neglect those questions.

Shri Vijay Jawandhiya: Thank you Mr. Chairman. First, I want to make my point clear on your statement in the previous session that 110 people sacrificed their lives for Maharashtra. That was not correct, that was for Mumbai, and not for Maharashtra because this is the argument which is always raised to deny Vidarbha.

But the main point for which I want to intervene is regarding the economic feasibility of the state. I think that is not at all important. The states have not been formed with the feasibility yardstick. It's a political decision. If we are discussing what will happen to the small states, which are formed, what about their economic feasibility? So, those states are today in existence and if they are not economically viable, why is there no discussion of merging them with some other states? I think it is the need for administrative and political reasons that a new state is to be formed. Thank you.

Prof. Rath: What was the great resource endowment of Punjab - agricultural land and irrigation water? But most of the time the reference in the discussions is not to agricultural land and irrigation water but to mineral resources. I would like

to submit that there are two things which are involved in the problems of mineral based states. Number one - in regard to development of minerals, larger financial right and responsibility is with the Union Government, not with the state. Resources - the revenue resources - are to a larger extent, taken up by the central government and not by the state government. The state governments with major mines in the country are some of the central and the eastern Indian states. They have formed their non-official union and are continuously pressing the Government of India: you don't do this; give a larger share of the revenue to us, because these are our resources. The Government of India doesn't do this, in a variety of ways; I shall not try to go into this.

So, this is number one problem of these mineral resource based states. But the other problem is a much more serious one. I read in the newspapers some months back that when Mr. Jairam Ramesh met Naveen Patnaik in Bhubaneswar, he came out and told the press - this is what I read in the press - he told the Chief Minister that a mine state is a cursed state. And, I think, whatever his other rights or wrong, in this matter, Jairam Ramesh was very right. A mine-based state is a cursed state. You have also to go and see what has happened to the areas where the mines have been operated over the last 100 years. Some of the mines have become exhausted. What is the state of affairs with that land? You have to further go and see where the mines are working. You go to a place like ... let me say Talcher area of Orissa. In Talcher area, the average temperature has gone up by 5 degree Celsius. The entire atmosphere is full of dust. Houses cannot be kept clean. The rivers, from which the companies draw water, are all full of ash and silt. It's an utter disaster. What will happen will require some physical scientists, soil scientists and others to check the physical and chemical compositions of the soil which remains after the mine has been operated. What is the state of affairs? You have to go to the mine areas of Bihar ... I went there 30

years ago, as Chairman of the Consumer Price Index Committee, to see in Dhanbad area. Horrifying. We went to find out how the prices were collected and the people sitting before their huts, they thought these are all government people. So they said: *Hamara Ghar dekhiye. Kya huva Bhai?* Every house wall was cracked and these were ordinary mud houses of ordinary workers. We asked, what is the matter? They said Sir, every 3-4 years the house collapses because the ground is sinking. See, the empty mines are not being even filled up. There is a law of the land that mines, once exhausted, will be filled up with sand and this and that ... Nothing of the sort is being done, though the mine business - coal mining is an exclusive privilege - monopoly of the states in India. This is only in coal mine area. You go to other mines; the soil will get exhausted of any nutrients and will have very undesirable chemical elements in it. So, for the next 100 - 150 years nothing worthwhile can grow there. I am not a scientist; so, I really can't say it on the basis of first hand studies, but I read about the state of Montana in United States and I was horrified. A state which was entirely a mine state, the researcher from California says - that for the next 150 years, this will remain like this for the land to become fit for ordinary growing of trees or grass. It's completely a waste land. If we want to clean it up in American style, it will require several hundred billion dollars to clean up the soil of its undesirable elements which prevent any growth of organic substance. You see. It is in this sense that I agreed with Jairam Ramesh that these mine states are cursed states.

Third point Sir, take for example; there is this report, we are generating power ... thermal power in Vidarbha and it comes to Bombay - wherever it is in larger demand, Bombay, Poona, etc. They are saying we don't require so much of power you are cutting our power supply and you are taking all the power there and you are saying this is Vidarbha's development. What is this development? This is true. This is happening all over the

country. But this is partly because of the manner of pricing of electricity. This was happening for many years, as Dr. Kelkar would know, with regard to steel. For 30 years, the steel companies were crying out to the Government of India that this uniform pricing of steel all over the country must stop, because steel is manufactured in Tata Nagar, in Roorkeela, in Bhilai in Bihar, and all the industry is coming up in Madras and Bombay; because price of steel next door to Bihar, Roorkeela, Bhilai, Tata Nagar is the same as it is in Bombay and Madras. So, people put it up there. This is exactly what is happening with electricity generation. The power for any company, any industry next to the generating station is not cheaper. It's a uniformly priced power all over the state - nonsense. This is why Jyotibabu and company fought for years ... decades before this was undone.

And the last point Sir - basic mineral resources never give rise to industry there. A steel mill and aluminium factory is like a banyan tree under which nothing grows; because steel mill and aluminium factory doesn't require anything from any small or medium industry and its products are sent all over the country, all over the world. There are no industries which will take advantage of its starting there. They will go to places where the products of this industry were used for products that the market requires. There is no market for this here. I am saying this because in this matter of resource requirement, all the mineral states are saying we are rich underground and we are very rich states. They don't realise that they are cursed states. Thank you.

Prof. D'Souza: I want to pursue the point with which we began. Prof. Palshikar talked in terms of small states having risk of domination by the dominant groups or the dominant castes, etc. I want to pursue this by providing some inconvenient facts in response to the argument that where public goods are supplied efficiently, this will not happen. And the examples I want to take come

from the United States. If you look at local government in United States - it is exactly because public goods are not supplied efficiently that federal government had to step in. In the areas of housing and in areas of schools, local governments developed strategies to exclude minority cultural groups that they did not want to be part of their neighbourhoods. The whole zoning strategy was developed by the federal government by invoking the principles of the 'bill of rights' (which actually over-ruled the jurisdiction of the local government) and they did this repeatedly. There a lot of case-law which has emerged. So, how does one deal with that? I think the point would be to find expressions in the most market-friendly economy in the domain of local government.

Secondly, in terms of domain of health - again in the United States - 40% of population does not have medical insurance because they cannot afford it since the supply of health services has been captured by insurance companies. And therefore I think what emerges from these two examples is the time factor - that in the long run the principle may be right- but local elites do not think of long run, they think of immediate benefits. And for immediate benefit they may be willing to get windfall benefits even if in the long term the locality loses. And therefore time becomes an important factor and one must factor in time - because one sees in the Indian context, local elites thinking only in terms of the short term and not the long term - where the principle may be right. In the short term, they are prepared to promote a culture of predation and a culture of cronyism. And predation and cronyism do not benefit everybody. They only benefit those who are in control of the states' structures. And when they are in control of state structures - whether in terms of education, where huge privatisation of education is taking place, or super specialty hospitals which again only cater to cronies - that

is beginning to happen in India and I am not sure small states are anyway going to be able to resist that.

Mr. Mahajan: Thank you all for those who have contributed to the discussion. We are supposed to dwell on the bases for statehood and emerging issues of federal structure and formation of states. Though we have strayed quite a lot, some issues did come up. They can be grouped into broadly three notes. Some of them are social issues; some of them are political issues, while some are economic and financial issues. It is not possible to come to concrete conclusions in such a short time or in such a small group. But this will go on. I think the exchange of ideas should go on because that is the essence of democracy. In a democracy, you debate, deliberate and then decide. So, this should go on without prejudice to any concept or without prejudice against any concept, but basing it on objective facts that is the essence of democracy. I hope some base line thinking on the issue is formed during the last one and half hours. I now return to my point about the genesis of the states after independence. See, British India had certain structures and architecture. But after independence you needed to have a different architecture or different re-organisation of the states. While dwelling on that, I had said that we can sight two states which were formed after independence as a result of popular will. And in that I refer to the casualties that took place in both the states. Beyond this I did not mean anything in that statement. I only wanted to say that one of the reasons for re-organisation of states or formation of new states was popular will as exhibited by the sustained mass agitation. That was the point I wanted to make, nothing beyond that. Thank you very much.

Prof. Chitre: I want to thank Mr. Mahajan for Chairing this session.

Third Session: The Experience of the Newly Created States - Performance and Problems

Chairman: Prof. P. R. Panchamukhi

Prof. Chitre: - We are now coming to the last session of today. This session is about the experience of the newly created states - their performance and problems. I first of all request Prof. P. R. Panchamukhi to kindly Chair this session.

Prof. Panchamukhi: Thank you Prof. Chitre. I thank ISPE for inviting me to this important seminar, which has been organised at the most appropriate time when voices for creating separate states are being raised in several states. The discussions in the present session might make us alert about the consequences of accepting such demands. Of course, history may not repeat itself; but we need to be aware of the likely fall outs. Well, now I think we have already taken off in the course of today's discussion so far about the broad issues of state reorganisation and we are in the midst of a very serious discussion; and it is time for us to see what is the effect of reorganisation of the states in the past, particularly with regard to newly created states within the past decade or so. The preliminary observations are made by Prof. Chitre and Abhay Tilak. And I would request them to make a few observations to start the discussions.

Prof. Chitre: See, the question of financial viability of the new states has been recurring in the morning sessions. In fact, the question that has been posed - whether the smaller states are likely to be less viable or more viable. What will happen to the new states is even more difficult to say. What we thought was that we could make a small exercise first of all, to see what has been the experience of states which were created in the year 2000. What happened to their fiscal position and what happened to the fiscal position of the parent states, this is what we have done. We have used the RBI data on revenue receipts, revenue

expenditure, capital receipts, capital expenditure - these are the four items which we have seen. Now, it is true that our exercise is limited in many ways. We have taken only these states and some other states such as Andhra Pradesh, Maharashtra, etc., also for a comparison. The data is there. The Table shows for each item, the percentage of the item to the total in that table. And we have taken the average of the percentages over the nine years before and after the formation of the states in 2000 - that is, 1991-2000 and 2001-2010. We are trying to compare - what happened to some of the major items of the receipts, the revenue account receipts, capital account receipts, revenue account expenditure, and capital account expenditure. We do observe certain things and, of course, this will have to be qualified in that we have not taken into account all other states and compared them with all other states, and so on. Many questions will arise. This is just to get the discussion going. So, first of all, Abhay will say a few things and then I shall talk about capital expenditure, etc.

Shri Abhay Tilak: Thank you Sir - as Prof. Chitre explained this exercise is a very preliminary one, but it has been tried and attempted here to drive the particular point home that a decision to create a separate state has economic implications. We will not attempt here - in this Note - to pass any value judgment - whether this is good or bad, whether this should be avoided or shouldn't be avoided, whether economic considerations should be the basis for arriving at a decision to accord statehood to a region or not. There is nothing - no position has been taken here. It only states the facts as have been reflected in the official statistics published by the Reserve Bank of India. Every year the Reserve Bank of India publishes a report pertaining to the state of state finances. An attempt has been made here to look at this data serially so that we don't get, or we don't jump at any conclusion by looking at only one year's data or a one-point data. Now, there seems to be some interesting features that have

been highlighted here. There were about two-three features that need to be kept in mind. One is that, as mentioned in the earlier session, creation of a separate state out of an erstwhile larger state alters the fiscal position of both the entities. There is a remarkable change in the fiscal composition, particularly the receipts and expenditures of the mother state as well as the newly created state. These features have been simply put here. The first thing that we notice when we look at the revenue composition - the revenue receipts particularly - primarily focused on six states here (the three newly created states of Uttarakhand, Chhattisgarh and Jharkhand and their respective mother states, namely, Uttar Pradesh, Bihar and Madhya Pradesh) - how has the fiscal position of these six entities got altered after statehood was accorded to some of these regions is the point in discussion. The data from 1990-1991 up to 2009-2010, for almost 20 years, should be broken into two parts. That is, before the statehood was accorded to these three areas in 2000 and what happened after 2000.

As far as the composition of the revenue receipts is concerned, we see that there is a distinct pattern - in the sense that in all the three new states, namely, Jharkhand, Chhattisgarh and Uttarakhand the fact that becomes strikingly visible is their financial dependence on the Central Government. This is reflected in a relatively larger share of the two sources, viz. Share in Central Taxes and Grants from the Centre in the revenue composition of the Revenue Receipts of these three States. In terms of these, their dependence on central transfers is in the range of almost 60 to 45% - that is the average picture that emerges out of this. That means that where the resources are at the command of the state (where they have full powers regarding determination of tax rates, exemptions, which taxes to be levied, what non-tax revenues should be tapped, to a certain extent), these states are dependent on central transfers. And these central transfers are primarily in the form of grants from the centre.

Thus, the states' share in the shared taxes between central and state governments needs to be looked into. This is one. Similarly, if we look at the fiscal position of the parent states, that is Bihar, Madhya Pradesh and Uttar Pradesh - again the picture prior to division wasn't much different, because these three states (compared to other developed states in the country) were, right from the beginning, primarily dependent on central transfers because of the peculiarities of their economic composition. But after the statehood was granted to these three areas, we see a very interesting picture. If we look at the revenue compositions, the revenue receipts of the three mother states of Bihar, Uttar Pradesh and Madhya Pradesh, after the three areas were carved out from the original states, the dependence of these three mother states on transfers from the centre seems to have increased. The data shows that their dependence on central transfers has increased. So, the question of financial viability or dependence of states on Centre and its implications for the nature of the union and the centre-state financial relations has this dual implication. The newly created states by the virtue of the fact that they are new states and their potential is yet to be exploited fully are dependent on central assistance. Not only that. The dependence of the erstwhile mother states on the centre seems to have grown too.

Now where do the dependences seem to have grown? If you look at the revenue composition and between these two components of tax revenue and non-tax revenue, the data clearly shows that the contribution to the state exchequer by way of non-tax revenue has declined drastically, in case of Bihar, Madhya Pradesh. One of the possible reasons for this is that from Bihar Jharkhand was separated which is primarily a mine state. So, most of the revenues in the forms of royalties which used to probably go to the state of Bihar have now been appropriated by Jharkhand. That major source of non-tax revenue has now been awarded to a separate state. So Bihar's share of the contribution of non-tax revenue to the total

revenue receipts show a considerable decline of almost 8 to 9 percentage points. If you take the average between 1991 and 1999 - 2000, that is, period A and 2000 - 2001 to 2009-2010, period B, the same picture emerges in the case of Madhya Pradesh. The dependency of Madhya Pradesh on central transfers seems to have been increased again- because the share of non-tax revenue in total revenue receipts has declined - it is basically probably because of forest area. Chhattisgarh, which is carved out of Madhya Pradesh, is a forest rich state. That is the resource. One needs to ponder over these issues that creation of a separate state has important fiscal implications as far as the revenue receipts, the financial independence of the state and primarily the fiscal or the revenue composition of both entities - that is, the states that are being newly created and the mother states. When we come to the expenditure part at least it appears that there are not marked differences when compared to other states. But again the point here is that, if you look at the composition of revenue expenditure, particularly the expenditure on administration, expenditure on salaries, expenditure on pensions and expenditure on interest and debt servicing, the average expenditure for these three newly created states varies in the range of 12% to 20%. To that extent, a part of the revenue expenditure is in some way tied expenditure - these are all committed expenditures. The state government has to make provisions for the payment of these items of expenditure.

When it comes to capital receipts again the pattern emerges - where it seems that among the three newly created states, it is only Jharkhand which seems to have been successful, relatively more successful, in tapping loans - it could take recourse to raising loans in the open market as compared to other two states of Chhattisgarh and Uttarakhnad. So, on the one hand, the own resource base is limited, the dependence on central transfers is more, and the ability to raise loans or capital in the open market for meeting

developmental / capital expenditure, on the other hand, is limited. Now this seems to have or will definitely have some repercussions. As far as provision of basic amenities and primarily if the states have been created for a better balance in the provision of the basic amenities or on the basis of imbalances in development, then tackling the issue of imbalance in development, while managing the fiscal position efficiently, is going to be a tricky problem at least as is reflected in the data that is been presented by Reserve Bank of India. Thank you.

Shri Prakash Ambedkar: A question is, when you speak of say - that collection part which is there as far as the government is concerned, it is not that efficient - which should be reflected because two things are here. One is - if you look at the revenue collection part, it is not as efficient as it should be and this has to be looked at and this has to be projected. Also, if you look at the total turnover of the state, it will give you what kind of VAT or what other kinds of (direct) collections need to be garnered. We can have a projection of VAT also, and then we can compare whether this is small or right. I think that will give a better picture than just looking at what these states are doing with it.

Let us take Vidarbha as a case. The total sales tax collection today is shown to be round about eight thousand crores. When I sat with the officials and the others and I said what will be the exact tax collection if we have a proper tax collection system? They said it will shoot up to eighteen to twenty thousand crore rupees. And then I asked them what the basis for this estimate of collection was. Then they said the basis of this collection is, we have gone around finding out what the turnover in banks is. For businessman turnover is related to his business transacted - since that is related to his business that gives you the turnover which he has carried on. If he has carried about say 100 rupees then he has to pay 12% as a sales tax. So, we make a simple

calculation - this simple calculation of receipts comes to much more than that but the conservative figure that we are giving you is about 18 thousand crores. I say, this also needs to be studied in these states. Second is that there are BIMARU states and while allotting the central budget, there were more allotments to the BIMARU states than the others. Therefore, the dependency, as rightly pointed out, has increased. And what is the percentage dependency also needs to be pointed out.

Prof. Panchamukhi: No. I think more than the potential, I would say that another set of data that may be helpful for analysis of this type of issue is to see what has happened in the backward districts. As in the case of Chhattisgarh state there are some such districts, what was the expenditure in those districts when Chhattisgarh was part of Madhya Pradesh. What are the receipts which are mobilised from those districts? I am afraid those data may not be available readily, particularly the resource generation. As regards expenditure, yes, from the district reports, you can certainly get the expenditure data district-wise, but then what about the resource mobilisation from those districts? It is those comparisons which would be more meaningful.

Shri Prakash Ambedkar: I say this because when Bombay Municipal Commissioner was facing a very big issue somewhere in 1980-82 because the Bombay Municipal Corporation was undergoing heavy financial strain. And this is the exercise he carried out - he asked for all the banks in Bombay, I just want your transactions which are taking place in Bombay. The immediate outcome was that the octroi collections doubled. What he was collecting - one thousand five hundred crore shot up immediately to three thousand five hundred crore within a span of six months.

Shri Abhay Tilak - The point probably Mr. Ambedkar is trying to raise is, you see, these figures pertaining to receipts and expenditures -

particularly receipts are with the prevailing structure of taxes, prevailing set of exemptions and prevailing set up of inefficiencies. - Right; and compliance. So, as you rightly said, if you take a complete review of the tax rates, the exemptions granted, the loopholes, the evasions, then probably we will arrive at some amount or other figure regarding mobilising potential for the resource.

Dr. Yogendra Yadav: I have another set of questions for clarifications. I should say that your assumption is quite well taken - I will accept that because, taking existing levels of inefficiencies, etc., I think, it is a very, very valid assumption to start from. Because one would assume that inefficiencies would be on both sides and what Prof. Rath has pointed out is absolutely well taken. I am looking at the reason - I am asking this important question though Vijaybhai thinks it is not an important question. I understand in the last instance, politics over-rides, but if someone were to present me with the data - to say every single small state that has been formed is financially unviable, at least I would be shaken. Therefore, I want to look at these three cases very closely. A set of three variables we need to bring into play; and I was wondering if you have been able to control for these three. One is the decade of the 'nineties and the decade of 2001 to 2010 in the Indian economy happened to be very different kinds of decades - especially in terms of federal finances. Now, in one way, one would say - it makes it incomparable, but not quite so. Suppose actually instead of looking at the percentages within a state, if you begin to look at federal transfers of a state as proportion of the total federal transfers - Instead of saying Chhattisgarh received 55% of its budget from federal transfers, if we said 1.3% of federal transfers went to Chhattisgarh. And then we see that as a proportion of the state's share of population. So, you begin to see per capita federal transfers - this then probably makes it comparable across the two decades. Because then the one question I would

ask immediately is - they are looking at three states, but tell me if that was happening in Gujarat, was it happening in Rajasthan, was it happening in Punjab? Unless I know this, what do I conclude from this? If every single state of the country was receiving greater support, greater dependence, then how does it matter, if Chhattisgarh was? And so on and so forth. That's one set of clarification. So, these are two - one is decadal difference; the other is comparing it to the other states. And both of these can be controlled by this one single measure if you begin to look at it - with different percentage, as I stated earlier. The third - which you correctly mentioned - is the new state effect. The moment you create a new state, for the first ten or fifteen years there are certain capital costs. I mean, literally there is a capital cost. You build a capital and things of that kind and you create new kind of bureaucracy and everything, etc. Now that is a transition cost. So, we have to find certain ways of being able to take it out and then come to a conclusion. So, if you can throw some light on these, we can begin to understand / we can conclude from the data that you have presented; otherwise, it is not clear as yet.

Prof. Chitre: Now, the first thing I started by saying was that this is a very limited exercise. For example, to answer Mr. Prakash Ambedkar's question, one is required to carry out a much more elaborate exercise, which is difficult particularly for outside persons who have little access to the tax gathering/tax collection agencies. They will give you some figure. But if I were to do it then I will try to see how the potential is going to evolve in Vidarbha or in some new state and what might happen to total income and what might happen to that of all states taken together. Then a more elaborate exercise is required. We have not done that. It takes more than normal time, but the limited exercise that we did was - as Abhay has explained - how has this separation affected finances of the mother-state and the new state. Now, as far as the new state is concerned, what we found was, say, for example, in respect of

capital expenditure, you find some of the things very clearly. If you look at the capital expenditure, now I am summarising from my memory. Capital disbursements include discharge of interest, debt, repayment of loans to centre and loans and advances by the state government. Now, consider capital outlay as percentage of total capital disbursements in Bihar. The capital outlay itself averages 39 % or so during 1991 - 2000, prior to separation, but it declined after separation of Jharkhand to 29 %. So, capital outlay as percentage of total capital disbursement declined. On the other hand, it was higher at 39.39% during the years 2000 to 2010 for Jharkhand. That means for Bihar capital outlay as percentage of total capital disbursements has declined whereas for Jharkhand it has remained the same. Now that means as far as Bihar is concerned, the burden of repayment of debt, burden of interest and debt has increased. Capital outlay proper has not increased as a proportion of capital disbursement. Now this is a definite effect on Bihar when the two are separated, whereas Jharkhand is able to maintain a much higher level of capital outlay. Now, how is it possible, why, etc., one needs to go into that; I have not gone into that. But just the figures tell us that capital outlay as percentage of capital disbursements has increased. Similarly, in Madhya Pradesh, it came down from 59% to 22%. Capital outlay has come down. Average percentage share of capital outlay in capital disbursements was not very high in Chhattisgarh. Chhattisgarh is very different from Jharkhand in that respect. Now, why is it not so high? One really needs to explain - which we will not be able to do quickly. But the point is, it has gone down for Madhya Pradesh. Capital outlays as percentage of capital disbursements has gone down. Uttar Pradesh and Uttarakhand also present a picture similar to Madhya Pradesh and Chhattisgarh. Prior to separation of Uttarakhand from Uttar Pradesh, capital outlay average fell from 39 to 34%. But it fell dramatically to 20% after separation - that means this is affecting the mother-state really more. We are worrying more

about this. For example, you see, I have this worry. Vidarbha can prosper - actually Vidarbha will do very much better than what it is doing now. But Maharashtra, rest of Maharashtra is going to get into problems, and, particularly if, as some people are saying, Mumbai/ Bombay is to be made into a separate state. If Bombay is made into a separate state and Maharashtra is kept a separate state and Vidarbha is separated, Maharashtra is going to be in problems. This is why I really worry. And a similar thing has happened to Bihar, similar thing has happened to Madhya Pradesh, similar thing has happened to Uttar Pradesh. Now, this can be discussed further. Whether that means that Uttar Pradesh should not be separated is not my point - what this is going to do is; and as far as Vidarbha is concerned, since it is a newly to be created state all these types of figures one will not have - so one has to then guess, what will be happening. Now, as far as Vidarbha is concerned, first of all, to develop its power projects, to develop its irrigation projects, a lot of capital is going to be required. Now, this capital either has to come from the centre in the form of grants or share of taxes, but it may also have to be raised from the market by way of loans - so the interest burden will increase. Secondly, to promote private investment, again Vidarbha will also have to give inducements to private enterprise, private investors; how far they can do so is another question. The point of this is that, as far as Vidarbha is concerned, at least in transition, with this capital cost - for Power Projects, Irrigation Projects, etc., is going to increase. Now it is a part of the larger state. I think the larger state has played a foolish role in not looking after Vidarbha. The real problem is they do not realise their own self-interest when they have neglected Vidarbha - the ultimate consequence is going to be their own misfortune. You see, the point is that these regions are all interdependent regions; we depend on Bombay, Bombay depends on us. We depend on Vidarbha, Vidarbha depends on us. Actually, Vidarbha has cotton. You see, if they had developed cotton textiles there, which

they neglected, handloom industry is there and they have neglected it. Vidarbha cotton should be used also for power looms in Bhiwandi. If we neglect cotton then your basic/original economy is disturbed. We are going to sugarcane. Now, that is affecting all these regions. As far as this little exercise is concerned, what we are doing is simply saying - look, we don't know what will happen to Vidarbha, because it depends on, how the people develop that potential and some of those problems will come up tomorrow. I don't want to preempt those, because we will be required to understand those particular problems. The only limited point we are making is - just look at the newly created states. We have ten years data on them. How have they functioned? If you look at the data year by year, there are many more complications. For example, you mentioned the two decades; you are quite right. The second decade has the very large influence of the Sixth Pay Commission. The revenue expenditures have greatly been influenced by that, but that would happen to both the states. That would happen to the mother-state as well as the new state. So, in this case the mother-state's performance has worsened and the new state's performance also has worsened. Now, if it is only because of the Pay Commissions then that factor has to be really separated out and one can talk about that.

There are some things, which I took out from this RBI's other report, *State Finances: A Study of Budgets of 2009-10*. Similar trends are observed in respect of developmental expenditure also. If you take developmental expenditure, that is, expenditure on economic and social services - then the same thing has happened. I don't want to get into the figures. But same thing has happened. Developmental expenditure as proportion of total capital disbursements has increased for the new states but gone down for the old states. And not only that but this RBI's other source has expressed something of the nature of what you are saying - what would have happened on a per capita basis. I will read out because I don't remember all the

figures. Prior to the separation of Jharkhand from Bihar, the average per capita capital outlay of Bihar was Rs. 66/- just over in 1990-95; it was Rs. 92 between 1995 to 2000 - this is before separation. And it increased to Rs. 161/- in 2000-2005 and Rs. 696/- in 2005-2010 for Bihar. By comparison, for Jharkhand it was much higher at Rs. 458/- compared to Rs. 161/- in Bihar- in 2000-2005 and Rs. 1,067/- compared to Rs. 696/- in Bihar- in 2005-2010. It means in Jharkhand the performance as regards the per capita capital outlay is much better. Now this is on per capita basis, and as you say, it is almost comparable. The same figures for Madhya Pradesh -I am just quoting - Rs. 157/- and Rs. 195/- for the two five year periods, before separation. For Chhattisgarh, for the two five year periods after separation, the figures were Rs. 349/- and Rs. 1,184/-. Now across the states the price differential cannot be so high. It is Rs. 195/- compared to Rs. 1,184/-. It means having a smaller population has helped. Then the average for Uttar Pradesh during the above mentioned five year periods prior to separation were Rs. 75/- and Rs. 112/-, and after separation it did increase to Rs. 293/- and Rs. 919/- in the ten years after the separation. Again by comparison, the same figures for Uttarakhand during the two five year periods after its formation were Rs. 538/- against Rs. 293/- in Uttar Pradesh in the first five year period and in the second five year period, they were Rs. 2,064/- in Uttarakhand compared to Rs. 919/- in Uttar Pradesh. So, the smaller states with their smaller populations are able to get much larger per capita outlay and development expenditure. One more figure - the Average per capita social sector expenditure - on capital and revenue account together - shows similar trends, I am not giving the figures, but they are there, in this book. Clearly, the newer and smaller states appeared to have benefited in these respects after separation. This is the general overall submission. I think as far as capital expenditure, development expenditure, social service expenditure, on a per capita basis, they are able to spend more.

The trend of upward increase in capital outlay, development expenditure, and social services expenditure may have been there everywhere. I agree with you - yes, overall trend is in the upward direction, therefore one has to expand the scope of the comparison to the other states to see whether these states are doing better than them and so on. Also, whether our analysis has taken into account the inflation factor, if you take the expenditures and receipts in real terms, what happens, for this these will need to be calculated. But our exercise was very limited, given the time.

Dr. Ramakant Pitale: Sir, just one point, that is regarding - as you mentioned - when the states get separated what happens to the mother state and to the separated state. And in case of Maharashtra, the rest of Maharashtra will have also some difficulties. They may not be able to get on as they are doing at present. At present, the mother states, when they are having these kinds of rich areas with them, they are relaxed. They are relaxed because, you spend elsewhere less, spend more here, don't do the recovery and please a particular section or a particular region. Just one figure which I have got from the CAG's report ending 2009 - it says, you might have read it also - I just went through the details on the computer. It says that the amount due on account of recovery for irrigation charges in Maharashtra is to the extent of Rs. 1500 crore and the majority of that has not been recovered - which is a source of borrowing. But you are not treating the receipts which you should have legitimately got, because you are giving the irrigation to those farmers and others. Already you are giving electricity at a concessional rate; a lot of subsidy is being given. More the irrigation more the subsidy - it is a simple thing. Now 1,500 crore of rupees you are not recovering because you are relaxed. That is all from Western Maharashtra and cane growing areas, at least 85% of it. That is what the CAG says. So, that comes as a difficulty to the mother

state. They will have to sit up, manage themselves, be more financially disciplined, we will bring those points.

Prof. Chitre: Please listen to me on this point. See, as far as Maharashtra is concerned, if you look at the 13th Finance Commission report - the recovery rate on irrigation charges is 93%. So, this Rs. 1500 crore which has not been collected is 7% of total.

Dr. Ramakant Pitale: But there was an absolute resource available.

Prof. Chitre: Oh, yes. You can raise it from 93 to 100 percent, yes. Compare it to the average - if all the states are taken into account, the average may be 30%.

Dr. Ramakant Pitale: Less than that.

Prof. Chitre: Yes, so the point is that Maharashtra as a state is doing very much better compared to other states in recovery?

Dr. Ramakant Pitale: We are talking about this, why do you want to borrow more? Because you don't want to recover, otherwise recover thousand five hundred crore rupees and to that extent borrowing requirement will be reduced.

Prof. Rath: And look at how much of subsidy - which is outright payments to Maharashtra Marketing Federation been given by the state government over the years, on running the monopoly procurement of cotton. It is a fantastic figure - where has this gone? Maharashtra will be happy because bulk of the cotton is in Vidarbha. There would not have any problems of them committing suicides if monopoly procurement of cotton was working, because there is an abundance of production. No, no, but the point is this is what is happening. If you go into different things you will find somewhere tax is collected somewhere heavy subsidy is being given. What

is sauce for the gander is sauce for the goose. We cannot choose. This is not the line of attack in this question - the selective subsidies and tax evasions. This is not a proper line of discussion to my mind. Despite you and Yogendra Yadav agreeing to the relevance of the per capita figures, I am not very convinced about their usefulness. I would say, there are - project costs overhangs. So money is being spent so far as this state is concerned. How is the state using its resources, in what projects, what manner? You look at how much of the state's resource is from central government grants, aids and not on per capita but as percentage. This is what Abhay was trying to say and if you are going to do that - I don't see that small or large state has necessarily any particular pattern. Not merely small or large state but in separating one region from a state, something is gained, something lost, nothing of this sort. There are different types of gains and losses. So, look at it. Central tax devolvement. This is not a matter of choice. This is the matter of Finance Commission's doing. You can't begin talking about this by saying that it is a small state; it is favoured by somebody. No. It depends upon whatever is the principle on the basis of which the division is taking place. Look at the grants from the centre. Are they giving extraordinary grant in order to help this? Nothing of the sort is visible. That the small states have been given larger grants or the large states which have now lost some area are being given much larger than what is their share or what used to be their share. There is no such consistent picture that is emerging. Each situation may be an individual state phenomenon. But then if you look at other states which are not subjected to any divisions, you will find similar situations. Some of them are large states, some of them are not so large states, so it is very difficult to put data like this one after the other and then quickly draw a conclusion - that the mother state has gained and the off shoot has lost or the other way about. None of this is inferable from this type of data. This I submit sir.

Prof. Chitre: I am not yet convinced that this comparison is entirely wrong. Per capita has an effect of population and that I have well taken into account. So let's discuss other things.

Prof. Panchamukhi: No, somehow we are so much suffering from money theism, which I call as another type of an illusion. We are considering only money. Let us come to something other than the resources issue. Development experience, consisting of resource utilisation, production of goods and services as a result of resource use, and challenges ahead and the question of political stability, governance, law and order issues, etc...

Prof. Sriraman: Yes, that was clarification. We talked about that the two decades are different. Yes, but I think what is important is that there was structural break; the earlier decade and the later decade you can't compare. That's one thing. The second thing is someone talked about the potential. Just as a matter of trying, look at the budgetary figures and try to locate in terms of the budget estimates and the actual which the budget estimate normally gives you.

Shri Prakash Ambedkar: Basically in an exercise like this whether it is possible to calculate the actual - that is one of the major issues according to me. I think if you look at the banking system, the banking system is - I consider - 99% hassle free in the sense that you get information about whatever transaction is there of a particular branch. If you can combine the transactions of a branch and distinguish personal transactions and business transaction - I think you can get the transaction for the whole state or whole area itself.

Prof. Chitre: On bank transactions, I am not very clear immediately how one could estimate the bank transactions for business purposes and so on. May be we take current account deposits and that transactions means the turnover of it. That turnover data is not available. Data on bank transactions turnover are not easily available. The

second thing is about taxing the bank transactions. Generally economists think that taxing the bank transactions is not desirable because although you can collect revenues, it affects peoples' choice about whether to use bank or not to use bank, and whether to use white money or black, also. So there are problems about taxing bank transactions. That relates to your earlier point but the second point which you are making of looking at bank transactions, you see data available about bank deposits is at a point of time. What is the value of total cheque clearances during the year? That one can get. If you think that will give an idea of bank transactions one can get that data.

Dr. Yogendra Yadav: So just one clarification. You see, I am not an economist but when I said that these two decades are not comparable, I did not have either economic liberalisation in mind, nor did I have Fifth or Sixth Pay Commission in mind. I have something simple in mind which is that throughout the 'nineties most of the states were bankrupt. Something happens towards the end of the 'nineties in the early years of 2000 which has something to do with VAT and other changes that are taking place. A large number of those states are economically more buoyant today than they looked in the decade of the nineties. That is my impression.

Prof. Chitre: If I may speculate, one thing which has happened in recent years, perhaps post-2000 the growth rates have been very high. The growth rates of GDP being very high the fiscal position of the states also must have improved because of that. Then I think in the 'nineties there was a problem of the states being overburdened with the debt and the interest payments, which probably has improved with this fiscal consolidation. So, it is possible - I am just speculating - that in the second decade the fiscal position of the states has improved.

Prof. Rath: In this sense, you see, I was trying to write something for Orissa - what is happening? I had some employment data aggregate, so I was trying to look at what is happening in different sectors. It is in this context that I looked at the state budget. Merely take - forget the capital account- let us take only the revenue account of the state of Orissa. During the 'nineties, average - till 2000 over ten years, the average expenditure on education was about 20%, on health four and half percent, on public administration excluding tax collection about 7 or 8, say about 9% including tax collection, (Tax collection is always given as a separate account in the expenditure head) and on repayment of loans or payment of interest it was sixteen and a half percent and on pension, it was 3.5 percent. These are the bulk items; half a dozen other heads are smaller. I mention this because in the first decade of the 21st century, for every head excepting repayment of loans and pension, the percentage has grossly come down. Education which was 20% - 21% has come down to 16%. Health which was four and half percent has come down to three and half percent. So has the percentage of expenditure on public administration. Tax collection which was nine percent has come down to six-seven percent. The only thing that has increased in percentage is repayment of loans which like I told you - from sixteen-seventeen percent has gone up to 29% and pension which was 3.5 percent is today 10.5 percent of state expenditure. As a result of this, in the total revenue budget of the state, repayment of loans and pension today is 39%. So, there has been decline in every other item and the biggest decline in terms of percentage is in education and public administration. In the public administration and this I suspect - I have not seen these figures elsewhere - so I dare not say it with confidence but I think this is what has happened: In every state there has been moratorium on new recruitment; and filling up of posts does not take place if somebody retires. As a result - and this is very interesting - the Economic censuses show the actual number of regular employees in field

of education and health has distinctly declined in this state. This is the only broad sector in which there is a decline. And if you take into account the fact that between 1998 and 2005, private organisations catering to education and health - non-aided by government - have increased in number, then on government account the fall is tremendously drastic. There has been a four and half percent fall in total employment in these two sectors and if you take only public sector it must be much larger than four and half percent. You see they are trying to balance the budget, by cutting all these expenditures - meeting their loan repayment and pension heads. Pension heads, they cannot do - it is a protected item in the legal sense. Now this is what is making some state governments appear very nice by World Bank standards. For 5, 6, 7 years the Chief Minister of Orissa was projected by the national press, particularly by economic daily press, as the best Chief Minister of the country. Why? Because of this. Now, we call this great development of the state. This is what it has all come down to - cut public expenditure everywhere. Dr. Kelkar is not here at present. Where is money for the public goods? See, this is a terrible situation and I am suspicious that excepting possibly a state or two, bulk of the Indian states will show a pattern which will not be very different from what I have seen in case of Orissa. I spoke this at some length because you asked this question as to whether things have become much better. If you call this better, yes.

Prof. Chitre: You see, you have made a point about growth rates of these new states and compared them with the mother states. So, if you would like to make a point of that, it is noted here.

Dr. Pitale: That shows a positive direction- when they are separated, their growth rate is here and so that shows the incremental growth and it is data analysed by Central Statistical Organisation. We cannot say that it is sham and all that. In a limited way whatever study they could do, so they could

make comparisons. So, separating the state does not mean that they may not be able to make headway. They will be able to make headway and as we say because they come closer to the people unlike when they are distant from the people - as I was mentioning, a man from Chandrapur and Gadchiroli thinking of coming all the way to Bombay in a big ocean of administration. He can reach in 2-3 hours to Nagpur. You are not realising the non-economic factors that will push the growth, the participation here. Tomorrow, I shall make all those points because we have reserved it for tomorrow - right from finance, non-finance and also the non-economic organisation.

Prof. Vinayak Deshpande: I have some information relating to the states. This is Planning Commission of India's statistics relating to Chhattisgarh. The targeted growth rate and the achieved growth rate are given; and then along with that what is happening to the parent state - that also is mentioned. If we see Chhattisgarh then targeted growth rate was 6.1% and achieved growth rate was 9.2%. Along with that if we see Madhya Pradesh, the parent state - 7% was the targeted growth rate and the achieved growth rate was 4.3%. Uttarakhand - 6.8% targeted, 8.8% achieved. If we see the parent state, 7.6% targeted, 4.6 achieved. Jharkhand - targeted 6.9%, achieved 11.1%; and then for Bihar, the parent state, 6.2% was targeted and 4.7% achieved. So, almost similar trend you find in terms of growth rate also. The only caveat is that if we see the composition of this growth rate, then in certain cases we find that manufacturing sector has started performing better after separation.

Shri Vijay Jawandhiya: Another factor about Vidarbha, there is a new buyer class. See in Vidarbha, today's situation is that the wages are much more. The wages are not increased just because of NREGA. We must admit that the NREGA is successful in Maharashtra because the whole scheme is so transparent that there cannot

be any leakages. Under the EGS there are so many leakages that the administration is very keen on implementing it because you can get money whereas under NREGA there is no such facility available. Every agricultural activity is now getting turned into contract and they have now formed gangs and through these gangs the works have been done. Therefore, EGS have no more labour now. Not only in the cotton area - even in your sugar belt area. So, this is a new pattern which is emerging now.

Shri Abhay Tilak: One observation that pertains to the points made by Dr. Deshpande. You see, this seems to be precisely the issue. Look at the economy of Madhya Pradesh, Uttar Pradesh and Bihar. Right from the beginning these are agrarian states. Now, if we look at the changes in the pattern of monsoon over last about 3-4 years, it is the agricultural sector in these states that is affected the most. Now, the statistics that you have read becomes relevant in this respect. If you look at the employment pattern today as it is contained in the Census statistics - the average employment in the agricultural sector as cultivator plus agriculture labour together for the nation as a whole is 53 - 54 % in 2001 Census statistics. For Madhya Pradesh, Bihar and Uttar Pradesh, it is way above 70%. Now, with this kind of dependence on agriculture, if a region, where most of the non-agricultural activities are concentrated - Jharkhand, for example, is taken away, the economy of the mother state becomes more vulnerable. This is precisely going to happen, so the growth rate we are talking about - Planning Commission had estimated Bihar to grow at a certain rate - cannot happen because probably it has lost her diversity and resilience. So, it becomes an issue. You might get pleasure to say - OK you enjoyed benefits of development for so many years, now what happens if you suffer? That is not the question - the question is separation of a state has implications for both the states. And can we then afford this kind of a

pattern in development where some of the economies or economies of some of the states lose their vitality and become more susceptible to either changes in weather or changes in the market conditions?

Prof. Panchamukhi: It is better we conclude now. A number of important issues have come to the surface, which deserve to be probed further. I thank all the distinguished participants who made useful contributions to the discussion. Thank you, thank you very much.

Fourth Session: Why Are Demands for New States Being Made and Opposed? Will Granting Statehood to Neglected Regions Solve the Existing Problems?

Chairman: Dr. Vijay Kelkar

Prof. Chitre: I suggest that we start the sessions. Let me just make a few remarks - Yesterday we had some discussion about the possible rearrangement of the sessions and the consensus was that we should take up the general issues relating to the bases of statehood, and the emerging issues relating to federation coming out of that first, and then take up the specific issues relating to the demands for separate statehood. In our Note and in our (earlier) plan, we have put it the other way around. First, the specifics be discussed and then we go to the general questions of federation and bases of statehood and what the other problems which are likely to come up. But the consensus was that we should do it the other way round - start from the general issues first, which were largely political questions. They were discussed yesterday in the first two session and it was decided that we should take up the specifics of Vidarbha, Telangana later on. The third session that we had was about the special problems which the newly created states in year 2000 might have faced or might not have faced, in respect of their fiscal issues and certain developmental issues.

So, today we are coming to this first session which is about - why demands for new states are being made and will granting statehood to neglected regions solve the existing problems? This is the first session for today.

The second session today will be about why the existing arrangements for balanced regional development have not worked and the ways in which we can strengthen these mechanisms.

And in the third session today we would focus on the problems which the newly created states are likely to face. I should say that for those of you who were not present yesterday, it should not be difficult to find an appropriate place where they can still make their points although they might have to put these slightly differently to keep up with the flow of the discussion but they would definitely find a slot where they can make their points. So, with this introduction, I request Dr. Vijay Kelkar to kindly chair this session and conduct the proceedings.

Dr. Vijay Kelkar: Thank you Prof. Chitre. I want to first thank the Indian School for inviting me and asking me to chair this session. Let me welcome each one of you. Yesterday's discussion was very rich but Peter tells me that I missed the most interesting part of yesterday's meeting - the last session was most interesting. We have ample time with us in today's session. They have given us two hours. The title of the session is - why are demands for the new states being made and opposed, will granting statehood to the neglected regions solve the existing problems? In this background Note which they have circulated, are highlighted two major demands right on table: One for Vidarbha and the other Telangana. So, what I propose, if it is OK with you, we will first discuss Vidarbha and then take up Telangana. Let me invite Mr. Ramakant Pitale to introduce the issues and we can then have discussion.

Dr. Ramakant Pitale: Thank you Chairman Sir, for giving me this opportunity to introduce the subject. As we discussed yesterday, the tenor of the arguments was on both sides - whether there should be small or big states. How are problems seen? What are the elite classes going to do in small or big states? And there was a lot of conceptualisation. But today we are on a very specific issue and as I had mentioned, in the earlier round of States Re-organisation, it recommended Vidarbha as a separate state but because of the political exigencies, it did not take place. Even then, it was taken in a very sportive manner. One language one state even if it is big, it is a homogeneous group speaking the same language; so, let us work together in good faith. Having said that, let us see what has been the journey, the economic development, during the last fifty years and especially I will say, since 1970. Was there any apprehension that there is going to be a very serious regional disparity? If regional disparities are on account of natural endowments, one can accept it. But if it is a created disparity, created inequality, engineered by certain section of the politicians, how do we tackle that? The answer was provided right in the beginning - even when Maharashtra was formed, as I mentioned yesterday, with the introduction of the Article 371/2 in November 1956 itself when it was a bilingual state. And that was why the development boards and that kind of equalising mechanisms were provided. Why? And that too why only for Vidarbha, and only for Maharashtra and for Gujarat? These are the only two states stated in Article 371/2. That means there was apprehension that perhaps some of these regions are with different cultures, different endowments - and if they come together, may be, some region becomes more dominant and tries to exploit the other region. The homogeneity is not going to work as it is expected. So, taking that as a starting point, a fair trial has been given during the last 30 years that regional disparities are evened out. It

was realised sometime in the mid-eighties that something was not right; something is not good for all the regions. So, there was a hue and cry, disparities are taking place, we are being neglected. But what is the mechanism to find out that you are neglected? How does one quantify these inequalities? And for the quantification of the inequalities, we know that the Dandekar Committee was set up in 1983-84. The State Government took 10 years to deliberate on that committee's recommendations and then, at the behest of the state government itself, a proposal was sent to the President of India to please intervene and make these corrections under Article 371/2 - by setting up the development boards. Now, to me, Article 371/2, in fact, is de jure a kind of Presidential rule in the economic management of the state - which the State Government was not doing and which it should have done in normal course - so the President (of India) had to intervene through the governor. All right, if these disparities are widening, some are taking away some resources - to which I will come later. But at that point of time, this good faith was reposed in Article 371/2. The boards were set up for five years, thinking that the disparities will vanish. If not vanished, at least, they will get reduced over a period of five years. Then it was found that nobody was paying attention to reducing inequalities in development. Till the year 2000, it was left to the state government. Governor did not intervene; he did not give any directions. It is only from 2000 that the governor started giving directions - give so much to Vidarbha, so much to Marathwada, and ensure that all things get done from 2000. To my knowledge, at least till 2009-10, it is a saga of non-compliance. That means not implementing the Presidential will also. What of orders? So, this is the kind of situation that has emerged. So, my first point is that Article 371/2 has not been honoured - there is a constitutional crisis here. After five years, another five years' extension,

another five years' extension in good faith and every time the disparities are growing and growing and growing. Is it not nullifying the prestige of the President of this country and not a word of regret, no apologies? Sir, saying that this must have happened by mistake - even that graciousness is also not there and that is the most painful part. So, my first point is that there is a constitutional crisis and somebody said why not go to Supreme Court for that constitutional crisis? What is the need for us to go to the Supreme Court? The Supreme Court takes a certain view on legal grounds and it may say that Article 371/2 has failed. There is a constitutional crisis. Now who should feel that there is a constitutional crisis? It is the President, because the President's order is being flouted outright, and there is not a word of apology. Now, that is the kind of situation; and, therefore, we are not to appeal to the Supreme Court. In my individual capacity, I sent, on my own, a brief note on this topic, giving all information, statistics, data, everything, by speed-post to President of India, informing him that Government of Maharashtra will approach you for extension of the tenure of the Boards. The State Government has flouted rules for the last fifteen years. Don't give the Development Boards any extension. I know that the political parties will not take this up on their letterheads. Why were the orders being flouted? I don't have any public position, I don't hold any public office, I don't have any sort of letterhead on which it can have some weight; doesn't matter. I sent it to all persons who are involved in this process and I mentioned that when it comes to your table, please look into this. If you don't look into this, of course, I can't do anything. So, that is the point that we want to take now, even if the Boards have been given extension for five years, it doesn't matter. It can be always nullified. All right, you take the Boards for other states. For our region, we don't want it. We want a separate state; that is our first point.

Now, coming to the next point, this constitutional failure which is a very serious thing, - it is not to be taken in a lighter vein. It has to be taken very seriously and must be reported by the august gathering of this type and elsewhere also; let this be brought to the notice of the President. That is the next point.

Next, I come to Dandekar Committee; it was very helpful. Then the second committee - the Indicators Committee - also was very helpful in quantifying those things, putting before the governor, putting before the State Chief Minister and his cabinet colleagues. The things did not change. Now this issue of regional disparity, regional equality was raised in the Parliament - in the Rajya Sabha - in 2006 March through a non-official resolution of Shri Datta Meghe, who was the member of the Rajya Sabha, and also supported by Shri Vijay Darda. He said that there is economic distress and, with all this happening, the central government is just turning a blind eye. It was thoroughly discussed; I do not know, perhaps Dr. Man Mohan Singh may be present in the House on that day. This was on the 3rd of March, perhaps going back to his office, he instructed the Planning Commission to set up a fact finding committee: Let me know, what all that is happening. Nothing is coming out properly. There is no impartial assessment of this issue. So, the directions went to the Planning Commission. Planning Commission immediately set up a Fact Finding Committee and within three months - by May 2006, the Fact Finding Committee submitted its report. Now somebody says, 'Oh, that statistics is not good, that statistics is bad, that is shame and lies, and all kinds of things.' As I replied yesterday, whenever it is convenient you quote, whenever it is convenient, you discard it; that cannot be allowed. So, the Planning Commission went into this issue very thoroughly. The Planning Commission does not belong to the state government; they do not belong to Vidarbha or

anybody. They are independent people assessing the situation. But the conclusion they arrived at was that there was historical disregard of the constitutional provision (Article 371) for appropriate investment. This is on page 23 of that report. And the worst comment which any government claiming that we are in the most advanced stage can have is - lack of political will is still evidenced for the implementation. What more certificate you want of the total negligence of, and of not caring for, the development of Vidarbha? We are not giving those figures. Those are the figures given by the Planning Commission, based on what they had discussed and got documentary evidence. Just for instance to tell you - there is already not much development of irrigation in Vidarbha, not completing the projects. Gosaipur project started in 1983-84 Rajiv Gandhi laid the foundation stone of that and it has completed Silver Jubilee of non-completion. Just see, you have enough money to spend elsewhere. I will come to that just a few minutes later. Even the State Minister himself had said that during the last 27 years not a single irrigation project has been completed in Chandrapur and Gadchiroli. The Naxalites want that. Don't do anything there. It is good. We will carve it out so forgetting about terrorism and all that - which I am not going to enter into - the situation, is so bad and it is made worse. The groundwater is there; only it is to be taken out by the pumps. Just see, if you are fair minded, the Planning Commission says 3,57,000 pumps are given extra to the Western Maharashtra region and Vidarbha has a backlog of 2,38,000. So, whatever water was there, let us get at least that water; let us get that much electricity. Forget even if you don't give us that subsidy; even then our farmers would have survived. Now this is one example; there are so many things which have been given in the Report. The report has given all the details and comes to the conclusion that there is no political will to develop Vidarbha. Sir, when you don't have any political will to develop

this region, then why do you want Vidarbha? Why do you fear if Vidarbha becomes a separate state? Let it go away. No, but Sir, we cannot allow you to go because wherefrom will we get our electricity free of cost? So, you find that in spite of Article 371/2 and the Governor's order, the State Government keeps neglecting Vidarbha. I have given you this information in my first paper. The MIDC's Annual Report for 2009-10 is an eye opener. This report also confirms this neglect. Under this very Article still the same thing is going on. The SEZs are to be developed. 2009-10 Report says - total amount spent on SEZs is Rs.133.9 crore. Out of that -and these are printed, government's figures - Pune, Sinnar in Nashik, Khushnur in Nanded took away Rs. 129 crore or 97%. Vidarbha got Rs. 40,000 for Nagpur, Rs. 3 lakh for Amravati. And the very peculiar situation is that a certain amount is sanctioned on the paper to show how fair we are. Just see, Rs. 54.6 lakh were sanctioned for Marathwada and that too in the area of the Chief Minister's constituency. How much did they spend? Rs. 11.39 crore. Sanctioned 54 lakh, spent in crores. Elsewhere starve them. This is the technique. At the sanctioning stage, all is very fair. When it comes to the implementation stage, instructions go - Don't spend there, spend here! So, these are the illustrations and the people in Vidarbha have not opened any agency to find out what all things they are doing. When we read the Report, we find this. Your own government report says that this is the way the deviations have been made. It is on paper, on record, it is for anybody's reference, there is no secret on that. This is one very important point that the assessment by the CAG has also pointed out. CAG is an independent body. It says that you did not recover one thousand five crore rupees as irrigation duties. Why did you not do that? It is questioning you. Somewhere you recover; somewhere you don't recover. You give more water somewhere; you don't do that elsewhere -

elsewhere you provide no resources. The Planning Commission Report has quoted that when they discussed with the then Chief Minister all these issues about irrigation, what was his reply? Why are you not investing in Vidarbha? It needs a lot of irrigation. His reply is - we don't have the resources. If Vidarbha's irrigation is to be developed (you can read that from the Report), Sir, then the central government should give the grant, only then it can be done. If the central government is to give the grant, then why should it give to Maharashtra? It should give to Vidarbha - we will spend it properly. When it comes to you, again you will do the same tricks. So, this is the loss of faith of that region. This is confirmed by the CAG and confirmed by the Planning Commission's Fact Finding Committee Report. And the third is the Governor's Directive. They say, fix up the responsibility - who has done this diversion of resources, withdrawing from Vidarbha and spending in the rest of the places. Although, it has come out - even then the Governor says that the amount has been sanctioned but released so late that it cannot be spent. So, in the supplementary budget, you take this route. Planning Commission has quoted the same things. We are not getting into non-arguments as somebody suggested yesterday. I am reserving those clarifications for that somebody who raised it. I am only on the economic ground. Now this governance pattern is reflected in the attitude, the approach and the mentality of the rulers. Rest of the things you can correct. But how do you correct that - the governance? That cannot be corrected. In Nagpur, when the former Chief Minister came there, even in the public meeting he said that economic development does not take place like that, you have to drag economic development.

Our public representatives are not taking the cause of Vidarbha's economic development for various reasons, personal or otherwise. But do

you mean to say, that gives a license to the state government or to the state to exploit simply because you have managed the leaders? Simply because you have managed the situation, that does not give you the license. And you think that there is no awareness. People are not bothered and they say there is no awareness, nobody wants Vidarbha. Blanket statement published in all the newspapers without any substance. You do not have any leaders, you don't have any cause and people do not want Vidarbha. Who says that? That awakening is taking place. First, our own media was not in our favour. Last year, as a civil society, we came together in an informal organisation, which had no political linkage, to make the people aware and we said to the media - the print media, especially, the vernacular media - to do something. In 2006, I wrote a number of articles. These went into the press. The English press was not very favorable to us. Sir, they will not publish. They publish only one-sided story. Just to give an illustration, in this connection, Vidarbha Rajya Sangharsha Samiti came and then it started building up. Quietly an article came in the Times of India saying that Vidarbha is not economically viable. I rang up the editor of The Nagpur Times edition. I told him that always you give one sided picture. What is this? Two days back I have sent you this article about how we are financially viable and what our problems are. Why don't you publish that? Be fair. Somehow or the other - I don't know what happened - it got published the next day. And there without any prejudice to anybody we showed what the advantages in Maharashtra are, what our advantages are and it is a - win-win situation if Vidarbha becomes a separate state. Under that title, that paper was published. So, once it goes to the media, it goes to improving the understanding of the people; it builds the opinion. People start phoning. People started phoning me on creating this awareness. Sir, because you come from Khamgaon in Buldhana district, you can understand the feelings

of Vidarbha people. When those papers were written and read by the students in that area, the young people in Chikhli - there is some small college - from that the students phoned me, saying, Sir, we never knew all this is happening, for the first time we are reading this. They got it photo-copied and have circulated it. They are discussing this. That is the awareness. Our public representatives may not do anything. Yesterday there was a point made, asking - where is the popular will? What do you mean by popular will? Number of candidates have not won on the issue of Vidarbha because we do not have the leadership. When we have got the leadership, they will not be elected, we know. You know that it will not be a situation of getting elected on that plank. But the dissatisfaction is there, you cannot ignore that. Take, for instance, today you speak of the fact that inflation is at its peak, food inflation is beyond anybody's control and even then the same government is elected. Does that mean that that is public will? It is not public will. It is not favouring inflation. Don't misinterpret some of the things which you are doing. So, that is the kind of situation it has come to. Now, what is the way out? When we come to that, it is only the public awareness, which takes times - it does not come suddenly in two months or three months - unless we become violent. Then it comes, Sir. Just in ten - fifteen days, it can come. We do not want violence. But take, for instance, way back in the 1960s when I was a young lecturer - at that time in Akola, the Krishi Vidyapeeth, and the Punjabrao Deshmukh Agriculture University was to come up, on the pattern of the land grant colleges in United States. In each state, an agriculture university was set up. In Maharashtra, the location was decided at Akola. And when it was to be set up there and it was to start, suddenly the decision came - No, it will not go to Akola, it will go to Rahuri. That time Vidarbha students got agitated; we got agitated, what is this? You are running away with that University. Students

became violent; even lecturers became violent. What is going on? For five days, there was a curfew in Amravati, Akola and those regions. All right, you set up new university but you can't run away with our asset.

Advocate Prakashji is here. We keep on interacting and we congratulate you especially and the *Sadhana* magazine to place this through the media in Western Maharashtra which was missing. Let me tell you, I used to send the same articles which I wrote for *Tarun Bharat* and to some other newspapers for publishing from Western Maharashtra. Two articles I sent, they did not publish; and I knew that they will not publish. So, the small state, big state those are the issues which will come up later; what about the regional inequalities, how to correct them? And having tried all kinds of techniques, we find that there is no answer to that. But then they plan further disaster for us. Forty three thermal power stations are to be located in Vidarbha! Give us more ash, more heat, take away whatever little irrigation is there. What are you planning? And you want that we should be with you? Why should we be with you when this is a partisan attitude, flagrantly going on in this state, and civil society keeping mum?

Dr. Kelkar: Thank you Ramakant.

Dr. Pitale: Just one last point that I can mention. In all such situations, Sir, when this kind of situation comes that came in the British regime also. We fought through the non-violence means. Our great Mahatma went through that whole process. And when he was asked, Sir, will you summarise the whole lot of agitation and all kinds of movements which you built up, what was your strength? And he replied - which is very important for us at least - When all type of agitations keep going on but not involving violence, he said that at first they will ignore you because they have the

power. They have the money power; they have the state power - everything. So, first they (powers that be) will ignore you, which they did. Then, Mahatma Gandhi says, they will laugh at you. Ha! These Vidarbha people are lazy, and all kinds of things. So they will laugh at you and the British regime was laughing at Mahatma Gandhi - What is this man? Then - he said - a situation, gradually will build up when they will fight you. When they will fight you ... when they will fight you, then you win. Now they are in the process of fighting - as you see the article by Manohar Joshi in a very good magazine, saying that, "Vidarbha magani karanaryana chokh uttar dile jaael!" ('People demanding separate Vidarbha shall get a befitting reply!') What does that mean? You will break our heads? You have come to the point of fighting. And now when you have started fighting, that movement will win. That is the message for us. We do not bother whether it is just taking place in this year or in other five years. But we are not going to leave that part, which is given to us. Thank you very much, Sir.

Dr. Kelkar: - Thank you. Prof. Khandewale.

Prof. Khandewale: I am Khandewale from Nagpur. I was with Nagpur University. For one year, I was a research fellow at Gokhale Institute of Politics and Economics, Pune, where Prof. Dandekar was my teacher. In a way, I am trying to imbibe What Prof. Dandekar said on today's subject. The subject today is whether there is a case for re-organisation of states in India. My submission is: yes, there is a case. I start with a letter Prof. S.A. Deshpande of Nagpur, dated 2nd June 1994. Dr. Deshpande had suggested to Prof. Dandekar that recently then Statutory Regional Development Boards were established in Maharashtra and as a result, there would be some regional justice and regional balance. (Extract of Dandekar's letter in Marathi was read out). An

English rendering of it is as follows. 'You think that the Development Boards will be able to do useful work. This is a matter of everybody's thinking and perception. There is bound to be a difference of opinion in this matter. I myself think that the Development Boards will not change the arithmetic of regional backlog. On the other hand, they will lead to constant debates and the outcome will be in the setting up of three or four independent states. And I believe that is the right thing. Everyone is baffled by the question as to what is to be done with Mumbai. Hence, no one speaks freely on this subject. In my opinion, there is a need to re-organise not only Maharashtra but all states into smaller states. We shall have to appoint a Commission for that purpose. But I do not wish to enter into this subject right now.' Today, all his words are being borne out by facts at hand. I shall try to avoid repetition of what Dr Pitale has already said.

The first thing is that Vidarbha region was merged with Maharashtra against its will. The States Reorganisation Commission under the chairmanship of Justice Fazal Ali had unanimously and explicitly said that Vidarbha can be a sustainable, viable and prosperous state. Dr. Ambedkar had said that the revenue and judiciary of Vidarbha are very good and advised not to disturb them. It was a surplus state by the then standards. Vidarbha has two sub-regions: eastern and western. Eastern part is paddy growing and western Vidarbha is a prominent cotton-growing tract. According to yesterday's reports, due to Bt cotton boom Maharashtra is leading in cotton production in the country, which means Vidarbha, is leading. But if we observe the political economy of Maharashtra, it consists only of sugarcane and not cotton. There is a 'sugar complex' (sakar sankul) devoted to research and development of sugarcane and sugar. But during the whole period of being with Maharashtra state, there has been no cotton complex

(with the same objective) in spite of continued demand. I have been a student of cotton for research degree. The crop produces more than 25 by-products. But hardly any thing is produced in Vidarbha, because R&D is absent. Railway had its commencement in 1853, which ran from Mumbai to Thane. Immediately, it was extended into Vidarbha up to Nagpur and small stations became cotton collection centres to feed the British textile mills. Cotton was developed by appointing Cotton Commissioner for Vidarbha, then a part of Central Province & Berar. The Commissioner, at that time, wrote a memorandum to the Viceroy in 1864, that there are so many rivulets and irrigation possibilities for increasing productivity of cotton. Once the American Civil War and shortage of cotton for British mills was over, the British Government lost interest in Vidarbha's cotton. But the surprise is that Maharashtra state did not pay any attention to the growth of productivity of cotton in Vidarbha. The productivity is the lowest in the country. Irrigation in general and that of cotton in particular has been continuously neglected. It will be startling to mention in this discussion but the British Resident at the Bhonsala Court wrote in 1830 in his report that 'Dhaka Muslins' were woven from Vidarbha cotton which was then known as 'Hinganghat Cotton' and the seeds of this cotton were exported by the British authorities to various colonies of the British empire. This throws light on the cotton-based prosperity of this region.

Vidarbha has two patches of forests, uniquely located in the eastern and western parts. Vidarbha forests are about 80 per cent of Maharashtra's forests. It has 100 per cent stock of coal, limestone, dolomite reserve and 100 per cent orange production. It is ironical to pose a question whether a separate Vidarbha will be a viable, as it is done by some scholars. At present, forests of Vidarbha are being used to produce bamboo

and teak timber. Bamboo is either used for low-cost basket making or cheaply sold to paper mills. The teak, best in the world, is used for furniture making. No by-products of bamboo have been developed as any significant R & D activity has not been undertaken in the 50 years of Vidarbha being in Maharashtra. In Japan and other countries, bamboo, after processing, is used as an industrial raw material for ship-building and other purposes. In Vidarbha, there is no value addition for its major natural resources, viz. cotton, oranges, minerals, fishery, forest products, etc. There should be no surprise if the region remains the poorest part of Maharashtra and the farmers commit suicide.

About 60 per cent of the power produced in Vidarbha is transmitted (exported) everyday out of Vidarbha. It creates jobs and wealth in the rest of Maharashtra and still people ask a question as to how jobs will be created if Vidarbha becomes a separate state?! In geographical language, Vidarbha is described as a region of 'assured rainfall' and many districts of western Maharashtra as belonging to 'rain-shadow'. However, during the 50 years of Maharashtra state's development policy, the rain-shadow districts have become irrigation-surplus and Vidarbha districts have been facing continued droughts! The Aadarsha Mishra Committee report, which was got prepared under the instructions of the Prime Minister in order to understand the phenomenon of farmers' suicides, clearly mentions, on the basis of the state data, about the continued neglect of this region. Even while sanctioning the spinning mills, care was taken to give them outside of Vidarbha, where cotton is not grown.

Let us come to the question of leadership. Absurd arguments are made to say that leadership is required to snatch away the developmental funds from the maze of political tussle and administrative web. It is said that when

Vidarbha got chief minister's post for continuous 11 years, why did those chief ministers not develop Vidarbha? It is easily forgotten that responsibility of the chief minister is to develop the whole state and not his region alone! I submit that when development process starts in a significant way, the policy problems emerge and that leads to the development of leadership. In this sense, leadership development is a part of the total development process. It is remarkable that when the states of Chhattisgarh, Jharkhand and Uttarakhand were created, no body raised a question either about their future viability or about the absence of leadership there. And those who put questions about Vidarbha do not take a note of the highest growth rate under the present leadership of Chhattisgarh. When TRS chairman Chandrashekhar Rao went on a fast unto death, at the last moment, the central government yielded. Does it mean that Telangana became a viable region at that point of time? Immediately, the Communist Party of India also said 'yes' to Telangana state. I wrote to Com. A.B. Bardhan (who hails from Vidarbha), 'You always ask about the viability of Vidarbha, did you ask about the viability of Telangana, while declaring Party's support?'

Now I come to the development theory. I support what Pitale has said: that Vidarbha can be a self-supporting region; it has all the developmental potential. It can develop its own leadership also. Only thing is that it has been neglected.

Development of Mumbai as an exporting centre was the need of the trade of the British Empire for its own development. Therefore, it neglected the development of hinterlands of which Vidarbha was one. In 1960, the government of Maharashtra did not change the policy and the same policy continues. In the process, the

over-concentration of Mumbai- Thane-Pune-Nashik region continues to dominate the industrial, technological, urban development, etc., policies, at the cost of the backward regions of the state.

It is always said that the state of Maharashtra is at number one in attracting foreign capital. If the state slides to the second position, controversy starts among political parties. Our question is, how much foreign capital has come in Vidarbha of its own and how much of it has come as a matter of policy of the government of Maharashtra. None! It may not come of its own. So, what is the duty of the government of Maharashtra for a balanced regional development? Concentration in Mumbai region has terribly increased from 1960-2010. Dandekar Committee report (1984) had made two recommendations: (1) Do not allow further industries to be established in the Mumbai metropolitan region; and (2) Make effort to shift already existing industry to other regions. During the whole period under consideration, these things have not been done. So, previously Mumbai was an exporting centre; then it became a manufacturing centre; and simultaneously it became a financial centre. Then it became a political centre. But during these years, there was no conscious effort for regional balance in development. International experience says that in a liberalised and globalised economy there will be a tendency to concentrate in area where all infrastructural facilities are available. Along with the economic concentration in Mumbai region, the political, cultural, etc., imbalances are also growing. The land, water, power and transport facilities have been historically made adequately and cheaply available (consider a cheap railway pass available to the Mumbai worker which is not available to a worker in Aurangabad or Nagpur) which attracts hordes of people to Mumbai. The concentration of SEZs sanctioned in Western Maharashtra will aggravate the concentration

further for the next fifty years or so. This concentration will lay greater claim on the available resources, depriving the backward regions even in the foreseeable future. Therefore, the question arises whether the people of Vidarbha have a right to chart the course of development of their own or not?

The second point of development is whether the people of Vidarbha suffer from any special disability that they will not be able to do what other newly formed states have done? For example, Chhattisgarh has achieved a rate of growth above 10 per cent for the last five years. It is a widely known fact that Chhattisgarh people never had any experience of development administration for over a century; and there was no readymade leadership to formulate ideas and undertake developmental works.

The third point is that since the art, literature, music, cinema, etc., flourish only where wealth accumulates and therefore they are suffering in Vidarbha. The hegemony of developed region in Maharashtra is very clear and it is getting stronger due to industrial and economic concentration. The cultural hegemony is getting stronger with the growing industrial and economic concentration in the Western Maharashtra. These aspects clearly point to a necessity of a re-organisation of Maharashtra. A poignant dimension of the situation is that it is not even taken into consideration that development of Vidarbha does lead to development of the whole state. Will the development of region with 1.75 crore people and 97000 sq. kms. (equal to area and people of many individual countries) not contribute to national development?

Now I come to the theme of the present seminar again and submit that in India we have a very short experience of development of about 60 years. The principles of organisation and re-organisation are

to be reformulated on the basis of our developmental experience. In the 1960s, Prof. D.R. Gadgil and others thought that larger state meant larger resources and possibility of larger welfare for all. They were not wrong in assuming so; but we have now the developmental behavior of the state before us; and we have to reformulate our ideas on the basis of hard evidence. A very important analysis of development at the level of states appears every year in *India Today* (See: *India Today*, 24-9-2007, Editor of analysis: Prof Bibek Debroy). The data are compiled on eight parameters of development; and states are classified as big, small and Union Territories. The conclusion of the study is that during the last two decades, small states have done better. In the ranking of the large states Maharashtra is at the 6th position and above Maharashtra are (in that order) Kerala, Punjab, Haryana, Tamil Nadu and Gujarat. Rural-urban disparities are low in Punjab, Haryana and widest in Maharashtra. The reason is obvious. There, irrigated lands are about 97 per cent of cultivated area; and hence rural inequalities are also low. In Maharashtra, irrigation facilities have got concentrated mainly in Western Maharashtra, thereby leading to painful regional rural disparities. The striking feature is that in Maharashtra, the industry and irrigation both are concentrated only in one and the same region, Western Maharashtra. Therefore, the developmental needs of Western Maharashtra in terms of natural resources, finances, technology, manpower, energy, etc., will always outstrip availability of its own resources; and it will have to draw upon the resources of other regions; and the logic of 'development first' will shape the policy structure accordingly; and everything will look only logical! The British acquired territories and formed presidencies according to their objectives. The presidencies became multi-lingual and led to rivalries among the lingual groups, to be near the then centre of power. Therefore, after Independence it was thought that to avoid the lingual rivalries it would be better to

have states organised on lingual basis. Although there was no unanimity on this opinion at the national level, the linguistic groups became so organised and opposed each other so bitterly that reorganisation took place on lingual basis. But experience now tells us that 'one language one state' is an inadequate principle and it needs to be understood as Dr. Ambedkar had stated it: 'one state one language.' He was categorical in saying that one need not cram all regions speaking the same language in one state only. The present developmental experience corroborates what Dr. Ambedkar was saying. There is also no reason to assume that people only of one region have permanent capacity to understand and implement the development policy. I had asked two Ph.D. researchers from Western Maharashtra who were doing research on regional politics in Maharashtra, at two separate time-points, whether the politics of Maharashtra can be classified as politics of integration or otherwise. Both of them had said that it was 'otherwise'. If leadership in the developed regions propagates that people of less developed regions lack in leadership qualities and/ or they are idle, etc., surely it is a recipe for the less developed regions preferring to have a separate state, as has happened in the case of Vidarbha.

Vidarbha has been described in Vedic literature as a region having fertile soil and a highly cultured people. Vidarbha has recently contributed to Maharashtra legislative assembly two award-winning legislators, viz., Prof. B.T. Deshmukh and Shri Devendra Fadnavis. In music, there are singers from Vidarbha; there is no dearth of talent, culture, language. Sanskrit Mahavidyalaya, Bhosala Vidyalaya was in Nagpur - one of its kind in Maharashtra. Now Sanskrit University has come up. So, whether we consider from the point of view of the knowledge process, cultural development or economic development, Vidarbha needs to be considered separately; and

for that purpose I again quote Prof. V.M. Dandekar, who sounds visionary in what he said in 1994, that there is a case for re-organisation of states! Thank you.

Dr. Kelkar: Thank you.

Shri Vijay Jawandhia: Thank you Mr. Chairman. Many topics have been covered; but I want to draw your attention to a really political decision, and to underline my point - when Jharkhand, Uttaranchal and Chhattisgarh were formed, at that time itself, Telangana and Vidarbha would have been formed if BJP at the Centre was not in need of the support from the Shiv Sena or the Telugu Desam. Because of this political reason alone, Vidarbha and Telangana were not formed. This is the fact of the day. For Vidarbha and Telangana there is no need to prove that these are viable states - this is my humble submission. We are in Pune and I come from Nagpur. When Nagpur was a capital, Nagpur was bigger than Pune. But today Pune is much bigger than Nagpur. How did this happen? This is a very crystal clear example of how policies are benefiting the Western side of Maharashtra while exploiting the Eastern side.

I will give you the latest example of the loan-waiver by the Central Government. The loan waiver by the Central Government was on the background of the suicides of the farmers of Vidarbha. But the benefit of the loan waiver was pocketed by Western Maharashtra. The Jadhav Committee report also accepted that whatever amount of loan waiver came from the Central Government to Maharashtra, 50% of that has accrued in Western Maharashtra, 18% in Vidarbha and 22% in Marathwada. The Committee was formed by Maharashtra Government.

What is being talked about as backlog, economic backlog will be nullified by some special provisions. I do not cater to that thought - that never can be and I have sent Mr. Chitre a copy of the letter which I wrote to Honourable Bal

Thackeray when their government was ruling Maharashtra and Bal Thackeray was saying - we will not give Vidarbha but we will give you developed Vidarbha.

I say that if we ask for more money from Maharashtra Budget then you will have to ask from some other part of Maharashtra; you will be giving less money to that part. Is it possible? And now we see that after BJP rule and after the rule of Congress, the gap is increasing. What are the subsidies to agriculture in Maharashtra? You have mentioned in your paper that cotton monopoly scheme was scrapped because of Rs. 5,000/- crore of losses. I think when Vilasrao Deshmukh was Chief Minister, he decided to dismantle the advance bonus payment in cotton monopoly scheme. But then we fought for that and that year it was continued but after that it was removed. But the loss of five thousand crores rupees to cotton monopoly is having pressure on the Maharashtra Budget. But my argument is this - what is the subsidy to sugarcane farmers? Canal irrigation is heavily subsidised, electricity is heavily subsidised, fertiliser subsidy is pocketed by sugarcane farmers, drip irrigation and other subsidies and finances go to sugar mills. There are other subsidies. And how much is the sugarcane area in Maharashtra? Just 7% or 8% and the cotton area is 28%. So, if we calculate in this way, five thousand crore rupees is insignificant; but still that is being painted like a threat to Maharashtra economy; and the advance bonus was withdrawn; and the suicides of farmers started in Vidarbha. Suicides of farmers were not taking place in Vidarbha when suicides of farmers started in Andhra Pradesh. I want to underline this. The withdrawal of the advance bonus and the payment for cotton in three installments spilled into one year that caused the suicides of farmers in Vidarbha.

So, this way we can give lots of examples about how priorities in development are distorted. Irrigation projects - Jayakwadi and Wardha

Upper were inaugurated at the same day; but Jayakwadi was finished and completed long ago and to-date Wardha Upper is not completed. And Wardha Lower ... I don't know when it will be completed. So, in irrigation also this is going on. Sir, I want to draw your attention to what is the debt of Maharashtra and there should be analysis of how much of this debt is used in each sector. I think there too we will find that the economic gap has increased. I will give one example. During the BJP - Shiv Sena rule there were the irrigation Mandals formed; and the bonds were sold. The bonds for Western Maharashtra irrigation were more than for Vidarbha. Interest on that is a liability of the Maharashtra. So, there also the economic gap was increased; and this I talked at that time. Mr. Mahadev Shivankar was the Finance Minister then. I had talked to him.

Now, see how policy decisions are taken today. Floriculture is developed in Western Maharashtra and recently Government of Maharashtra has announced that the interest on the loan taken by the floriculture farmer is waived. Wineries are formed in Western Maharashtra and there is a statement yesterday or the day before from Chhagan Bhujbalji that we are ready to help wineries, but we are not taking decision because media will attack us. Last two years, Vidarbha was suffering from a severe drought. Soya bean crop was not harvested by many farmers in Vidarbha. Only one or two quintals of yield of soya bean was there but there is no economic help to the farmer in Vidarbha. Today's situation in Vidarbha is that we are facing excess rains. We had two years of drought and this year we have excess rain. In Vidarbha, today the farmer is indebted more, three times more, than when he got the benefit from the Prime Minister's loan-waiver scheme. This is the ground reality today in Vidarbha, but nobody is talking about it.

I do not blame only Western Maharashtra leaders. I blame our leaders and I blame myself that we are really not fighting for the cause of

common man. The fact is this. Vidarbha has become the colony of the Western Maharashtra and in this period of globalisation and, as pointed out by Dr. Khandewale, it has attracted little foreign capital. The foreign capital which is coming in Maharashtra is also exaggerating the line. Yesterday I shared an example I gave in Geneva when I was discussing with the MPs of European and British Parliaments. When I put my case there about the WTO and exploitation of farmers in India, a British parliamentarian said, see, this is not our problem and we are not responsible for your poverty in your country. It is the responsibility of your government. Your government is not giving money for rural development, and so you should fight with your government. So I said, right. I accept this but still one thing is there which you have to do. That responsibility you cannot deny. So, he asked me what it was. I said you should stop giving us your technology with credit. If we have got money we will buy your technology. You trade with us, but don't give us credit. What will happen? Then I gave an example of this metro rail. You give us credit through World Bank; you ask us to buy your technology. We buy metro rail from you. But to run metro rail, the Government of India - for example, in Delhi the government is giving subsidy to run that; and to give that subsidy there is the pressure on the budget; and the government says that we don't have money for the poor people. I think this type of development also is driving the gap between the rich and the poor, gap between the developed and non-developed.

So, looking at all these things there is a case, a very strong case for Vidarbha. If Vidarbha is a separate state or if it was a separate state in 1960, Vidarbha would have been equally developed as Punjab and Haryana or Kerala. I give you one last example - we have got cotton, we have got irrigation potential with this new technology of cotton. Cotton requires protected irrigation, but in Vidarbha irrigation was denied by Maharashtra because Vidarbha has an assured rainfall area.

Thousand millimeters of rain is there and so Vidarbha does not require irrigation. And in Western Maharashtra there is a drought and so irrigation priorities are (shifted) there and all money was taken. Many people say that, for a long period, the Chief Minister was from Vidarbha. Yes, the Chief Minister was from us but the treasury of Maharashtra was with Western Maharashtra - that is the ground reality.

The point I want to make is that protective irrigation in Vidarbha is very necessary. Even if we get protective irrigation the yield of cotton would increase two to three times. And we have got electricity, so we can have power-loom development in Vidarbha since textile industry is now decentralised. See Bhiwandi, Ichalkaranji, Malegaon - but in Vidarbha Boonkar Samaj (weaver caste) was in Nagpur but there were no power-loom centres in Vidarbha. Sir, I read somewhere that one bale of cotton gives employment to thirty people and one bale of synthetic fiber gives employment to nine people only. So, this is the potential in cotton for employment.

Lastly, let us see how the policies of the central and the state government are dividing the rich and the poor, the developed and non-developed. I want to draw your attention to this budget. Because non irrigated agriculture requires a special attention, I want to underline this. Now time has come that non irrigated agriculture requires a special attention, because all subsidies after globalisation are concentrated with the irrigated farmer. I do not want to divide irrigated and non-irrigated farmers but the ground reality is this. Subsidies to irrigation or to the farmers with irrigation have been provided for; fertilisers are also used by the irrigated farmer. For example, one acre of sugarcane consumes at least 10 bags of fertilisers and 800 rupees is a subsidy for one bag of fertiliser. So, consider this - 8,000 rupees fertiliser subsidy to irrigated farmer *vis-à-vis* the non-irrigated farmer who does not get anything

from centre or state governments. In this budget, this fact has been accepted - Pranab Mukherjee has mentioned this in his budget. Sixty thousand villages will be selected for pulses and oil-seeds and for that three hundred crore rupees is allocated. Now, for one village it comes to fifty thousand rupees. When two thousand rupees subsidy is given per acre, it comes to only 25 acres only. Compare this with Shirpur where there is a textile centre - there is pollution there; and to remove that pollution two hundred crore rupees are given to that textile centre. Sir, if these types of things are going on, if Vidarbha had been a separate state, we would have fought for our advance bonus with our government. We would have fought for increasing import duty on cotton with our government; and against this background, this is only a political decision, not economic. For economic feasibility, Vidarbha is having all the sites with it, but Vidarbha is denied opportunities because Maharashtra wants to exploit it. So, Vidarbha has a very strong case. You may deny today; but I think tomorrow Dr. Babasaheb Ambedkar's words will ring true. Vidarbha will be an independent state, if intelligentsia impartially supports the cause of Vidarbha. Thank you.

Shri Prakash Ambedkar: Sir. May I? See, Vidarbha is a region where you can say half of the districts or five districts are Naxalite districts and the rest are districts with high incidence of suicides. The other aspect which we have to take into consideration is the attitude of the people of these two regions - attitude of Vidarbha region as well as that of the rest of Maharashtra region. What we classify as Vidarbha is basically a no-war-zone for nine hundred years. The only work there was to look after either the Mughal army or somebody else and send them to fight into Western Maharashtra. When they come back, repair them and send them back to Delhi - that was the only work. So, the tendency of the people is not aggressive, as it is aggressive in Western Maharashtra.

So, one of the main differences is that the people are expressive but they are not forceful at the same time. And this I think has been exploited by Western Maharashtra for quite a long period. The other difference is, one can say - up to 1984, we had two droughts, 1968 and 1972. Both these droughts have not affected Vidarbha in the way they have affected the rest of Maharashtra. Somebody needs to do a study on it. In a sense, I say that in the rest of Maharashtra even the landed peasantry was forced to work on the EGS. During these two drought periods, i.e., 1968 and 1972, none of the landed peasantry from Vidarbha went to work on the EGS. They were self sufficient even in those drought periods. So, you can say they had very good financial conditions because as far as Vidarbha is concerned, the land holding is very high unlike that in Western Maharashtra. Therefore when the point relating to the loan waiver was raised, it centred on landholding rather than on the quantum of loan, which was done during the earlier regime of the 90's, that is one. The other thing which was raised over here and where I differ is that drought is the reason for suicides. I think this is basically a wrong notion, absolutely a wrong notion. Here I will give a figure - those dams which have been built earlier, during the British period, I can mention one dam. One dam, even in normal times - only 34% of the water is utilised when its irrigation is complete. Even after allowing for the cities and villages that are covered under the drinking water scheme, there is 68% of water left in those dams which can be used during the drought period, which does not affect the farmer. One of the basic reasons for the suicides lies in the implementation of the WTO. In 2005-2006, I think, that was the year when we had major suicides in Vidarbha, and the reason was that the prices that were fixed by the Agricultural Costs and Prices Commission as well as by the monopoly procurement scheme was 2000 rupees per quintal. But due to lowering of import duty, cotton was imported into India at the rate of 1600 rupees per quintal. This way the farmer lost Rs. 400/- actually and Rs. 500/- on

bonus that is Rs. 900/- altogether. This way, I think his whole savings were wiped out. And, as I have said, till the year 1984, he did not have to beg before anybody. 2005-2006 was a period when he was made to beg either before the government, or before the bank authorities or some money lenders. And this was not his habit. He felt insulted and that is why the tendency to commit suicide. And this tendency is going to persist even today, no matter what the government might do. The case for a separate Vidarbha arises because of this.

I think basically we have to look at the international situation also. The international situation is that cotton is the third largest traded commodity internationally. After crude oil and leather, cotton is the third largest traded commodity. Vidarbha accounts for 30% of the cotton produced in the country. If these large farmers have to be protected - I think - there are two cash crops in Maharashtra, one is sugarcane and the other is cotton. We have leadership from the sugarcane and sugar sector and therefore even during the drought period we speak of bringing in brown sugar rather than refined sugar. And that is how the sugarcane farmer is protected. The second is there is no government either at the centre or the state protecting the interest of the cotton farmers. There is a very simple process, I think, and this is an ongoing fight which will go on between the farmers and the industrialists within the cotton sector. The industrialists will need cotton at lower prices. So, they have increased their profit under the guise that they have to compete internationally. I think that is not the situation. If we study the situation from 2004-2005 to date, and compare the import duties levied by China and import duties levied by India - although China has been importing cotton, it has kept prices that protect their own farmers. And that is about say 60% or so. And I think if this is followed, if we have an import duty on cotton at the rate of 60%, the farmers will be protected; and the industry will be protected. I think the Maharashtra government

will not take care of it - because as I said earlier, we have to look into the question of the political leadership also. Maharashtra political leadership is from the industrial sector - it is the political leadership interested in cotton textile industry and they are also interested in sugar industry. Therefore, they will need raw cotton at a cheaper price; and to get your cotton at cheaper price, the farmers will be sacrificed, this is one thing.

The other thing which I was mentioning is regarding forests. Just passing remarks were made by Mr. Pitale. Maharashtra today has forest cover of only 23% and out of these 23% of forest cover, 17% is in Vidarbha. The remaining forest is in scattered in Western Maharashtra, starting from say Nandurbar to Igatpuri that is one belt. And the second belt starts from Chiplun to Sindhudurg. That is a belt where you have cotton. Thus, basically you have 3% (of forest cover) in Western Maharashtra and 2% in Marathwada. That is the position. I am not aware why it is so but I am always told by the Central Government that there is a guideline of an international agreement wherein they say that in every country - for the sake of environment - 33% of the land should be under forest cover. And if Vidarbha is separated, then the only cover left for the rest of Maharashtra becomes 8 to 9 % and majority of the land will be then converted into forest land. And out of this fear, stems, I think the opposition to separate Vidarbha.

The other notable thing for the rest or for the whole of Maharashtra to take into consideration - these are just rough figures I have because I was trying to locate my own note on this which I have prepared - is that the revenue collection of Maharashtra today is 84,000 crore rupees. The pay packets or salaries are 40,000 crore rupees plus 60,000 crore rupees go as pension. And 24,000 crore rupees is the interest payment that they have made without repaying the capital borrowing. Within the next two years, according to my calculations, and this year the process has

already started, neither the banks nor the insurance companies are coming forward to give any loans to Maharashtra. If this situation continues for another two years then even taking into account the market borrowings which they are asking for, Maharashtra will be the first state which will be a defaulter state. And I was working out at the level of the entire country - that was somewhere in 2000 - where the whole state borrowings, you can say, market borrowings, I am not just saying loans from the centre but this is market borrowings of all the states taken together, was something like Rs. 7.5 lakh crore. Virtually every state today, if I may say so, is on the verge of financial collapse. Yesterday, somebody made a statement that things are improving. Their revenue is no doubt improving; but at the same time, the borrowings are also increasing. And this has put a burden on the financial liabilities of the state. I am not talking about the central loans which have been given; but I am talking about the market borrowings that had been taken. And these market borrowings, unless they are wiped out, I do not think the state can make a new beginning. If we take the case of Vidarbha, Maharashtra today is spending thousands and thousands of crores of rupees on just five and a half districts; and that is not for development purpose but basically only on controlling the Naxalites in that area as they put it. Thousands and thousands of crores of rupees! I think this amount can be a saviour for Maharashtra. The local people and if you see Jharkhand today and I was looking at some other figures and the area of control within these - some stand taken by the government we might accept or we might not accept that is another issue. But their spending on law and order situation has come down drastically. And as I have said that being an Adivasi area and being an Adivasi government for a quite long period, there can be better relations with the common man and I think that can improve a lot. The same position can happen in these five and half districts. As I calculate five and a half districts, the government has calculated as a

disturbed area. By just having a local government, this expenditure of the government of Maharashtra, which is a wasteful expenditure according to me, can be stopped. And there can be better resources to this area. Then according to me - if Vidarbha is separated and Maharashtra budget is kept as it is - there will be nearly a saving of Rs. 3,000 crore.

Lastly, I will just add one more thing - the developmental issue. In some states there might be a need for exploitation of natural resources. And in some states there might be a need for conserving of those natural resources. Just today, the MNCs are one state player. I consider them as state players, with their financial resources and with their clout. They are state players. Somebody sitting far away - I do not think - will be in a position to stop their exploitation. Because the affinity that is needed within the group - that is missing. But somebody made a statement and I do agree with it - today all over the country, the ministers are not ministers of state but they are ministers of their own constituencies. And yesterday I said the same about political parties also. Political parties are becoming weak; and therefore for those who are in the arena of political activity, for their survival they have to strengthen their constituency rather than strengthening their parties. And therefore the process has begun - may we strengthen our constituencies rather than strengthen our party? In this situation, according to me, we need to develop the natural resources. Vidarbha has one of the best quality iron ores in the world. The content of iron ores is something like 28% - nowhere do you find it. The late Prime Minister Indira Gandhi, made efforts to see that it was not exploited. Because there was large amount of pressure internationally, she saw to it that it will not be exploited. The question is whether this raw material is needed for the development of the state or development of the nation. As far as state is concerned, whether that development is necessary or not necessary? I think, the locals are most important. Their

necessities, their needs will demand what kind of planning will be there in the near future. And therefore I think of smaller states today in connection with multinationals (MNCs). They will be more viable; they will be more cohesive.

At the same time, what needs to be looked into (as I said yesterday), is the angle of political stability. Political stability, I think, can be brought in not by reducing the number of representatives of the state assemblies. You can address this issue by increasing the number of legislative assembly members, whereby destabilisation becomes a more difficult process. That's all. Thank you.

Shri Abhay Tilak: Based on the discussion so far, I have two or three queries. They might appear too basic or even foolish, but I sincerely feel I should spell them out. The first is, as Mr. Pitale pointed out - if the directives of the Governor are disrespected by the political process, it would - like he rightly said - be a constitutional crisis. In such a case, what is the mechanism by which it can be challenged at the appropriate level? In 2002, when I was working with the press in Mumbai, I distinctly remember that under the then Honourable Governor Dr. P. C. Alexander there was a big controversy in the press - that he was misguided by the concerned Secretary while spelling out the formula for distribution of the resources via the development boards. The formula pertained to funds earmarked for irrigation. There was a big controversy; and then there was no follow-up of the same later on in the press. But if there were to be such a serious constitutional crisis, what is the mechanism - legal as well as constitutional or political - in the present mechanisms by which it can be challenged? This is one. Second, Sir I would like to make a submission - see, yesterday there was a lot of discussion on the issue of financial viability of states. Now, please my request is, this argument is not to challenge the validity of the demand for a new state of Vidarbha. But please we should not take that discussion in this light that since no questions

were raised about the financial viability of Chhattisgarh, Jharkhand, and Uttarakhand why are you challenging the viability of Vidarbha? That is not the right way to look at it. I would say that, in fact, because the three states were created, we now have adequate grounds to study the implications - for financial and fiscal efficiency - of the newly created states which require consideration. It is not that we have been quoting this statistics to challenge the demand. It is, as I say, that when we discuss re-organisation of states, it is the fiscal position and fiscal impact that also needs to be considered.

Second, Mr. Pitale raised the issue about the special economic zones. If you refer to the Economic Survey of the government of Maharashtra for 2009-2010, it also brings out this fact vividly that a large percentage of the investment and 89% of the postulated employment in the sanctioned special economic zones is concentrated in this entire belt. Now, my only point is, SEZs as the policy stands today, is essentially a private initiative. It is the decision of the private developer to decide where he wants to put up his zone. If the zones are promoted by MIDC, then it is a valid proposition. But if a private investor is going to invest his money, if he is going to buy land in a particular region, it is entirely at his discretion. So, the question is - if the entire or a majority of SEZs are concentrated in developed region, the agglomeration economies play an important role in attracting investment. The question is, what measures then should we adopt to create such pockets of agglomeration economies in the under developed regions, be it Marathwada, be it Vidarbha?

The last point is - actually, it is an observation. Prof. Palshikar is here. The other day in a training programme he had noted that a remarkable thing about politics in this country over last about couple of decades is that political parties are losing their connect with peoples' movements. This makes me curious. All of us see and rightly

agree that there is a strong case for separate state of Vidarbha. That Vidarbha has been neglected is seen from the statistics. Yet, why is it that there is no political movement in Vidarbha which can encash on this or which has taken this up? Is there something missing in the political process? This is a query for the political scientists here. Thank you.

Dr. Kelkar: Thank you. I got four speakers, Prof. Kurulkar, Prof. Chitre, Prof. Palshikar, Prof. Deshpande, who want to speak. Is there anybody else?

Prof. Kurulkar: May I speak Sir? Thank you very much, Sir. I am from Aurangabad. I am the Acting Chairman of the Marathwada Development Board. I have submitted two Notes on this occasion. One is about the role of the development boards in Maharashtra and the second, whether we should have smaller states or not. Now, I have a different approach from all those people. Marathwada people - they do not want a separate state, that is the first thing. We are not very happy with Maharashtra government's approach. I should mention that point. Even today, whatever all these people have stated, it is equally applicable to Marathwada. For example, - among all the eight districts we have low HDI value even today. Second, all the eight districts have very high poverty index. Third, 50% of the districts in Marathwada have half of the average state domestic products. That means we are not very happy with the present policies. Nonetheless, we are not for a separate state. We had fought Nizam's Rule during 1938-1948 - the state congress was led by Swami Ramanand Tirth, P.V. Narsimha Rao, S.B. Chavan and many others. They have fought against the feudal Nizam's state for about ten years. Many people have sacrificed their lives. But during that period, Marathwada was highly neglected. Even after joining Maharashtra, we are neglected. But one thing which is different from Vidarbha is that we are fighting for every case. There are student movements in

Marathwada. In 1974, there was a big movement by students of universities and two students died - killed in police firing. And then we got something. That is, the agriculture university. We got a development board but at the cost of losing lives. That is the tragic part of our movement. So, there is a different background - different from Vidarbha. Our historical background is quite different but the result is the same. We are even today, one of the most backward regions in India. Now, why are we still backward? That question should be answered. Let us start from the Dandekar Committee Report. The Dandekar Committee Report estimated the total backlog of the state as about Rs. 3,200 crore. Now, to liquidate this backlog it took about 16 years. That is some nonsense. Dandekar had recommended that of the total backlog 85% of the funds should be utilised for backward areas and 15% for ongoing schemes. What happened was just the opposite. Only 15% was spent for backward areas, 85% was spent on other areas. So, the approach was quite different.

- But still you are happy?

Prof. Kurulkar - No. No. I do not want to be separate from Maharashtra. That is why we are quiet. Even we will fight out the case. We will not have separate state but we will always fight out the case. Second, in 1994 there was again a separate committee - I was a member of that committee. That was the Indicators and Backlog Committee. The total backlog estimated by that committee rose to Rs. 14,000 crore. That means five times that of Dandekar Committee report. So, there we should have understood that something is wrong with the Dandekar Committee approach. What is that approach? The approach is very simple. Prof. Rath is here. He was a member of the Dandekar Committee. The approach of Dandekar Committee was that those districts which are below the average should be brought to the state average. That was the main approach of the Dandekar committee. Now, what happens

in 16 years? The backward districts can come to the state average but they cannot cross that limit. That is a point here. So, even today, you will find that the 1994 backlog is liquidated, but not entirely. Now we have reached the 1994 level. If we estimate the backlog today in 2010, you will find that in irrigation sector alone, the backlog is about 19,000 hectares. I have calculated that and maximum is for Vidarbha. We have 5,000 hectares. Maharashtra is zero. That indicates what the policy of this government is. Now, secondly I propose here - instead of separating from Maharashtra, I do not insist, but I suggest that we should instead improve the working of these boards? The boards have very limited powers, what do you do? What can the boards do? We simply recommend to the Governor to please do this. Proposals were made to the Governor. Whether or not to implement that proposal depends upon the Governor. If he thinks that the proposals are better, good! Then he will send it to the government for implementation, otherwise - no. And our function is limited only backlog removal on backlog estimation. This is a very limited function. Now, assuming that the backlog is finished, what will the boards do? So, that is why I have given a Note regarding what could be the function of the board in that case. Therefore, I would suggest to this august body, what should be our function now in the next five years because we have got extension recently, for another five years, that is, from 30th April 2010 to 2015. So, I would like to know what we could do next.

One more point which is neglected. I told you that by liquidating the backlog we come up to the state average. But we cannot cross (surpass) it. There was a committee appointed by the government itself - planning department - and that was the Bhujangrao Kulkarni Committee. And that committee studied this problem and identified backward districts of Maharashtra. These are 17 in number. Seventeen districts were identified as very backward and some of them are in Konkan, even in Western Maharashtra, a majority

from Marathwada, a majority from Vidarbha, except Nagpur and Aurangabad and some from Konkan district. So, 17 districts were identified as the most backward ones and that committee suggested that 15% of land funds should be earmarked for the development of these 17 backward districts. The ratios were also given. They said that Konkan was a small region. So, we should allot 2.5% to Konkan. Vidarbha was a larger region, hence the Committee suggested 7.5% for Vidarbha and ours (Marathwada's) was a smaller region so 5% was to be allotted to us. So five, two and half, and seven and half equals fifteen percent to be earmarked for the accelerated development of these districts, but unfortunately that was ignored and the reason probably was that Western Maharashtra leadership has opposed it. You go through Chapter 13 of our report, where the backlog committee report indicated that we opposed this on certain grounds. Why? How should we integrate - regional integration - if we oppose certain important measures suggested by the committees of the government? So, I propose here two points - whether we should accept the report of Bhujangrao Kulkarni Committee Report - with the help of these boards for the accelerated development of all the regions, not just Marathwada and Vidarbha but also Western Maharashtra. Konkan is a backward area. Nandurbar and Dhule is a backward area. So, we should consider all these together and strengthen the boards. I wonder why there is need to develop rest of Maharashtra which is highly developed. In terms for human development index, out of the 35 districts, 10 districts, except Nagpur, are in Western Maharashtra which is highly developed. But with nine districts located in Western Maharashtra, with high HDI values, what is the necessity of development board for the rest of Maharashtra? I do not know. So, we in fact can abolish that board so that resources can be diverted to really backward area. Thank you.

(laughter)

Dr. Kelkar - Prof. Deshpande ...

Prof. Vinayak Deshpande: Almost all the major issues relating to formation of Vidarbha have been covered. I will try my best to avoid the repetition of the points which have already been made. One thing is certain that Vidarbha's case is altogether different from the other small states - the reason being that Maharashtra Government at that time was formed with some specific Agreement and the people of Vidarbha were looking forward to the compliance of that Agreement. And when the provisions of that Agreement did not materialise, they started realising that something is wrong in the whole process after the formation of the state. Probably Nagpur is the only city in the whole country which enjoyed the status of a capital for a longer period of time but lost its capital status after 300 years. Therefore, it needs to be considered as a special case, altogether different from what we have been talking about in the context of other smaller states.

Another point which I would like to make is that if we consider today's Vidarbha, it is almost like Maharashtra of 1960. In 1960, Maharashtra population was 3 crore; now it has increased to 11 crore. The 1960's Vidarbha was with 75 lakh of population; now it is almost 3 crore and therefore this demographic factor also needs to be considered when we talk about re-organisation of the states. Thus, there is a change in the total population also.

The point which was made relating to the irrigation backlog, if we considered 1st April 2007 figures, which have been published, Rest of Maharashtra's backlog was - Nil ... zero. It clearly indicates that the backlogs of the other regions must have increased. If we consider Vidarbha's backlog it comes to about 77.60% and that of Marathwada is about 22.40%. This was the situation around 2007. Now, if we closely examine the nature of backward regions, we need

to indicate some specific reasons of their backwardness. And a major cause of backwardness of Vidarbha, I would say, is mainly the scarcity of water due to lower precipitation and lack of other perennial sources of water. And this is one of the major factors leading to further backwardness of the region and that has not been given proper consideration in the whole process of development.

They have pointed about the forest area. Of course, people of Vidarbha now consider that the forest is a curse and because of that forest development is not taking place to the extent which is required. It affects even the development of the roads also. There is a forest act and then you can't destroy forest and because of that there is a problem relating to the development of the region also. Now, consider the revenue which we are generating from forest for the whole Maharashtra. If we see Annual Administration Report of Maharashtra Forest Department for 2007-08, revenue from major forest produce, that is, timber and fire wood; the figures are Rs. 15,473 lakh and Rs. 1,716 lakh for Maharashtra. Vidarbha's share is about Rs. 14,948 lakh if we consider just the timber. I won't talk about fire-wood's revenue. Rs. 15,423 lakh revenue generated for the whole Maharashtra; out of that Rs. 14,948 lakh is entirely of Vidarbha. That is, the revenue contribution of Vidarbha is almost 90% of the revenue generated from forest area of the state and if we see the total expenditure in order to have the development of forest, then Vidarbha districts have Rs. 1,178 lakh and the expenditure made for the districts of Western Maharashtra is Rs. 3,974 lakh. So, this clearly shows that where there is a potential to grow for the particular area, there also we do not find adequate expenditure being made in order to maintain and to develop that particular region.

Another problem which was raised was about the loan waiver. When the loan waiver came, it was decided that small land holders' loan would

be waived. Now, if we see the situation of Vidarbha, it does not have very many small land holders as such. Our land size is big but if we see the quality of land, it is very poor; and therefore that loan waiver scheme has hardly helped Vidarbha farmers. And then we started pointing this out and saying that unless you link it to the quality of land, unless you see the dry cultivation and irrigated land, this kind of loan waiver will not help at the farmers of Vidarbha at all.

Then about the import duties, the point which I want to make is this. When we talk about cotton and the other issues, like farmers' suicides, one of the reasons I considered was the import duties on cotton. This was about 20 to 30% and then it has slashed down, to almost 8 to 10% or 5%. Now this also needs to be considered.

Dr. Kelkar: Prakash (Ambedkar) made this point, so I want new points.

Prof. Vinayak Deshpande: And the last point which I want to make is this. There was some formula which was suggested - when we talk about the devolution of funds. Backlog 35%, population 40%, area under cultivation 25%, this was the formula given. In 2002-2003, it was decided that backlog should be given weightage of 65%. So, we should have given a weightage of 65% for backlog, and 10% for population. But if you see 2008-09 position, hardly 40% was distributed on basis of backlog; and population was given a weightage of 20%. So, these are the points which I wanted to make.

Dr. Kelkar: Thank you. Chitre.

Prof. Chitre: I have 3 or 4 questions. We have looked at the data on recent physical backlogs in districts of Vidarbha. These figures are provided in our Note. It is true that a large backlog is in irrigation. As far as irrigation backlog is concerned, district was the basis of calculations. There are some problems with the data, but with

whatever data are available, from District Socio-economic Surveys, we have tried to give the up-to-date position. It emerges that 4 districts, namely, Akola, Washim, Amravati and Wardha are extremely poor in irrigation potential created --- this is a fact as per our finding. However, there is a Planning Commission Report of 2003 which says that some of the districts do not have enough water resources available to catch up with the state average --- and two of those districts, Buldhana and Akola are in Vidarbha. ('In the case of irrigation, some districts do not have enough water resources available even to catch up with the State average. For example, the State average was around 21% while the ultimate irrigation potential of many districts is below this average, i.e., Jalna 15.21%, Buldhana 16.74%, Akola 11.01%, Osmanabad 11.3% etc. Hence, it is really not possible to estimate backlog of irrigation under such conditions'. Planning Commission, *Performance Evaluation of Statutory Development Boards (SDBs) in Maharashtra*, 2003 p. 28.) So, the point is that there is a backlog in irrigation but we cannot expect that backlog to be made good because there are not enough water resources available. So, the policy should have been different. For example, there could be --- well irrigation which was not attended to. The repairs of the old *malgujari* wells were not carried out. This should have been done. I agree with the point made in Vidarbha Development Report regarding this. This is for 2003. I mean there is potential still but the ultimate potential is less in this region of the state.

The second point which I want to make is that if you see the villages connected by roads and also if you take the percentage of electrified villages that is almost 100% now. Now when 100% or nearly all villages are connected by electricity, we do not see why the wells have not been sanctioned in those areas. Wells have not come up. Why pumps are not connected with electricity? It is not clear - why this is not happening. Is it because private initiative is lacking or is it because there

is some state policy or government bureaucracy which is preventing this? This has to be very clear. What is happening? When 100% villages are electrified why is it that electricity has not been harnessed? Is it because wells are not made? Is it because the power connections are not given? If so, who is responsible for that? I think this is important.

The third point which I have is this. Yesterday, Mr. Chairman, you mentioned that we have to see the cost of supplying public goods. That is true. Now, it is a very complicated exercise. And it has been pointed out that the cost of providing basic public goods will also depend upon the area to which these public goods are to be supplied. If we say the road connectivity, the primary schools, law and order, then basically you notice road network, transport network, communication network, the nature of the region and its terrain will decide the total cost, and the density of population will decide the cost per lakh population. The major factor which can make a difference in this cost is public investment in that area. So, the question becomes one of state policy. Is it creating problems in supplying those public goods there or not? And the cost will depend on factors which do not depend on state policy so much. So, the point is that ultimately why do we need to make a particular region into a separate state, the answer to my mind is if it requires separate or different types of state policies, then you may have to go for a separate state. Now, one wonders why, within Maharashtra, Vidarbha leadership is not able to influence decisions in the assembly? Prakashji said because it is motivated by industrial leadership rather than farmers. Then, if Vidarbha becomes a separate state, will the political leadership not be influenced by the industrial interests and considerations rather than by farmers? We wonder if farmers will have a stronger lobby in Vidarbha. Cotton is neglected. But as far as cotton textile is concerned, will the industrial lobby not be interested in increasing the

productivity of cotton in cotton growing areas so that they get cheaper cotton or will they only depend on imported cotton?

Dr. Kelkar: Try to finish. Prof. Palshikar.

Prof. Palshikar: I will just supply a quick and very brief political context to this extremely illuminating political discussion over the last hour or so. For example, over the last 10-15 years, the BJP has, in principle, agreed to having a separate state of Vidarbha, as all of us know. The Congress is equivocal on this. The Shiv Sena is openly and most steadfastly opposed to it and the NCP has dilly-dallied- sometimes saying yes, we will support it. The reason for supplying this well-known political context is simply this that unless one thinks of a political agency in the region of Vidarbha, there is no point in talking about backlog as an impetus or as a driver for the formation of the state. That is one.

Second, what will happen given the kind of arguments the 'we' of Vidarbha are making over the last one hour or so because the seminar lapses into a kind of rally between the 'we' of Vidarbha and the 'they' of Western Maharashtra, which I thought was not the purpose of this seminar. So, what will happen of this argument? This argument will produce more constraints on both - the Congress and the NCP to take a line on Vidarbha or at least the pro-Vidarbha line. In other words, there would be a further consolidation of the Maratha and Western Maharashtra leadership as a response to this argument or this kind of argument in the absence of a political power centre in Vidarbha. Just a few experts and intellectuals coming together cannot create politics of Vidarbha. They can only create political impetus for the lobby in Western Maharashtra to come together and consolidate. And that's why I thought that we need to check this question - is it really going to strengthen - by the kind of arguments we are listening - will it strengthen Shiv Sena because Shiv Sena is currently in a

very difficult situation as all of us know. Now will these arguments help Shiv Sena to emotionally blackmail voters in the rest of Maharashtra and consolidate its position?

Will it then consolidate NCP which is on the back foot since the assembly elections of 2009? All of us know that NCP, irrespective of what they have said, has always been a regional outfit in the context of the politics of Maharashtra. So, they would grab this opportunity and take a pro-Maharashtra position. I appeal to you that this need not be read as an anti-Vidarbha position because I am just not arguing either for or against Vidarbha. Thank you.

Dr. Kelkar: Thank you. Prof. Yadav.

Dr. Yogendra Yadav: As an outsider I just wanted to draw your attention to three or four things which make Vidarbha into such a distinct and different case. But should my remarks make you wonder which side of the divide, if there is any divide, I stand, let me make it clear; let me reiterate that if at all we begin to look at the question of small states, in a comparative larger perspective, then probably the first state in India which needs to be formed is Vidarbha. There is absolutely no doubt in my mind on this question as a question of merit. There is the difficulty, however, because the question of formation of new states is not decided on the basis of merit. It is always in the political terrain with lots of unintended consequences of the kind that Prof. Palshikar drew our attention to. That is how the matter is decided. So, that's a different thing. But I just wanted - as an outsider - to draw your attention to four things which make Vidarbha such a distinct case. One is that it has historically determined and has undisputed boundaries. Every one of you knows what Vidarbha is. This, incidentally, is not true of 'Harit Pradesh', this is not true of 'Bundelkhand', this is not true of 'North Bengal', and this is not true of most places in the country. About Telangana - it is the other

exception. Other than these two places, where boundaries are historically given, undisputed and interestingly boundaries which are not necessarily determined by ethnicity or identity, in most other places where boundaries seemed to be clear - they are clear because of underlined ethnic considerations. So, this is the fortune of Vidarbha in that sense. And it also makes it less representative for other parts of the country. The second is that there is this almost a founding contract, in the nature of a political agreement before the formation of the state, before Vidarbha's merger which is incorporated duly in the Constitution's Article 372, which is simply not true for any other part of the country. You know there is no founding contract that can be referred to. Third is the fact that the disadvantage of Vidarbha is so systemically documented, thanks to your Dandekar Committee report, the Planning Commission's Fact Finding Committee, CAG and all kinds of reports. The problem in most other parts of the country is - and I am familiar with the North Bengal situation - till very recently, the West Bengal government did not even admit that there was a regional disadvantage of the North Bengal region. So, this again makes Vidarbha into a different kind of a case, distinct from the rest of the country. Now, when I say distinct from the rest of the country, you can see all the differences are to the advantage of Vidarbha, so that it should become. My point here really is not to say whether it should or should not. Given my preference and my politics, of course, it should. But my other point was to draw your attention to the fact that if we wish to discuss the larger question of whether states should be reorganised in this country, Vidarbha is not a very good example to discuss that case with. Because it is such an outlier statistically, it is such an out an out, someone could say, an open and shut case. Therefore, if I want to think about rest of the country, I would not keep Vidarbha at the centre of discussion. It does not help me to think about those areas which do not have a clear boundary, whose disadvantages are not documented, which

are not acknowledged and which do not have a systematic, legal recognition. The trouble, of course, is that some of them may have politics which is sharper and better defined than Vidarbha. But that only brings out the contrast Prof. Palshikar was talking about. That merits of the case and having a politics on the ground are two very different things.

Dr. Kelkar: Thank you. Abhay.

Shri Abhay Datar - Since the reference was made to historical context of the regional identity, I would think regional identities as contingent, they change over time. They are not frozen and if we look at the old politics of the old CP and Berar, the same issues of regional disparity, backlog, revenue-sharing were present between Warhad and Nagpur. We all know Bapuji Aney was an Advocate of separate Vidarbha and an avatar for the cause of Vidarbha. But there was a point in time when he and the Khapardes were talking of a separate state of Berar. And they have made submissions to the Round Table Conference. And drawing upon this, one can argue that while the case for Vidarbha can easily be made on grounds of regional disparities, what do we do about regional disparities once those new states are created? People in Chandrapur might not be very happy with the idea of Vidarbha or Telangana. With Hyderabad becoming the capital of Telangana - as the TRS is demanding, what will happen to districts of Nizamabad and Adilabad which are tribal dominated? Or, even after the creation of Uttarakhand, the tension between Kumaon, Garhwal and the plains is still continuing. It has not gone away with Uttarakhand. So, one should also reflect on that.

Dr. Kelkar: Thank you. We have the last speaker on Vidarbha. Then I will give the floor to Dr. Panchamukhi to bring on the issue of Karnataka and then Abhay will briefly talk about Telangana. Then we come back to Vidarbha.

We come later, but in fairness, we have called for fairness, other regions should also have a fair chance to be discussed.

Prof. Rath: I have only a small question, or rather a point to make. Prof. Chitre referred to the backlog of the potential of some of the districts in Maharashtra - in Vidarbha or wherever - being smaller than the state average and this point that has been made by the Committee of the Planning Commission. Honestly, I am completely confused. You see in talking about the state average in a subject like irrigation, the basic point of reference should be at the district ultimate potential. Please, it is percentage that is taken into account in calculating the state average. In which case, this sort of a point simply cannot be made arithmetically. This is nonsense.

Dr. Kelkar: Thank you. Prof. Panchamukhi.

Prof. Panchamukhi: Thank you, Mr. Chairman. I am overpowered by the Vaidarbhiya shaili (style) (laughs) of Kalidas! Vidarbha case is so eloquently argued in almost Vaidarbhi shaili !! Now I feel that in my mind there is absolutely no confusion that the case is very strong because of what has been narrated over the period of time, but I would like to ask a question - whether this is the platform to raise those types of questions. I have raised these issues right in the beginning because if we are discussing the pros and cons of a particular region being converted into a state or not, then there may be several arguments for and against. I do not want to bother the entire gathering here with the facts and figures about Karnataka. I would just present the panoramic view of what happens in Karnataka because I was an interested onlooker of facts and figures for Maharashtra, Vidarbha, Marathwada, etc. Incidentally, Marathwada and the Hyderabad-Karnataka have a similar situation. So, that really brings me very much closer to the issue that was raised by Prof. Kurulkar. Well, Karnataka has a very peculiar face - there is North Karnataka

consisting of four districts of erstwhile Bombay state, Dharwad, Karwar, Belgaum and Bijapur. There is Hyderabad-Karnataka consisting of Bidar, Raichur, and the Gulbarga Districts and then the third, South Karnataka, that is, Mysore under the royal roof. By and large, there was an impression that North Karnataka, or these four districts and Hyderabad-Karnataka are lagging behind. And there may be several arguments to say that these were neglected by earlier Bombay Government and later on when Mysore state was formed by Mysore Government and subsequently when it was renamed as Karnataka even by the Karnataka Government. And there was a point there that there were many Chief Ministers from North Karnataka region- from the region which I belong to. But then they did not do anything much. One simple instance is, you know, we started an institute called Centre for Multi-Disciplinary Development Research (CMDR) way back in 1975. ICSSR recognised this institute in the early 90's after a wait for nearly one and a half decade as there was no social science research institute in North Karnataka region. I happen to be the Chairman now of this ICSSR institute. We wanted an annual grant for this Institute to match the ICSSR grant, from the then Chief Minister Ramkrishna Hegde who really came from this region and he had promised but then nothing happened. So, these things happen on account of several factors and I don't want to blame any particular Chief Minister or any particular MLA, etc. But then these things are happening. On account of this, a particular feeling of deprivation can arise; and there are many figures - facts and figures - I do not want to go into those details. As I mentioned in the beginning, as a member of the two member fact finding committee, I have presented a very revealing north-south divide in Karnataka's development scenario. Interestingly, in the international context, North is more developed and South is less developed. But in the case of Karnataka, it is the other way round. So, very interesting facts and figures are there and unfortunately people from North do not attach

themselves to the facts and figures, as very strong cases are not vociferously made while airing their grievances. That is the distinct feeling that I develop from Vidarbha also and the description of backwardness of the different regions in Maharashtra. They suffer and they feel, I think, as Amartya Sen said, that there is an opportunity in disparity; probably they feel that there is an opportunity in disparity. Following Shakespeare - Sweet are the uses of adversity which like a toad, ugly and venomous, yet bears a jewel in its head ... you know, as Shakespeare says in *As You Like It*. So, people have a feeling of fatalistic deprivation particularly in Hyderabad-Karnataka region, considering this backwardness as due to their bad luck and nobody can do anything about that.

As well as in Marathwada.

Yes, that's right, in Marathwada also.

Prof. Panchamukhi: In fact, they feel that on account of their economic backwardness, people there have become more inward looking and turned out to be saints and philosophers. The *Bhakti* movement became very strong in that region and many Dasas of that region have contributed to the Dasa Sahitya of Karnataka. But there are occasional reactions to this particular feeling of deprivation and they largely come from some of these North Karnataka districts, Dharwad, Belgaum, Karwar, Bijapur. So, looking to this, the Government of Karnataka was compelled to appoint a committee under the Chairmanship of Dr. Nanjundappa. And a very interesting thing is that the Nanjundappa Committee adopted taluka as the basic unit of analysis, not the district. So, with the facts and figures relating to 126 talukas - earlier it was 125 not 126 talukas - quite a large number- on the basis of once again very non-existent average comparisons with non-existent state average (average is not a non-existent concept according to me, it is just an arithmetic construct) the committee noted the existence of deprivation. What is really needed is to see that

people feel deprived by looking at their neighbours, by looking at their own potential and not at the state average about which they don't have the information. So, what happens in Belgaum is the reflection of what happens in the neighbouring Kolhapur, Sangli, and Satara. They feel the sense of deprivation. But the Nanjundappa committee also adopted the same methodology of comparing the position of the talukas *vis-à-vis* the state average for 126 or 125 talukas with regard to 35 indicators. I have my own reservations about this indicator based analysis of developmental process because development is not a straight line to be captured in the framework of indicators. But in any case, some handle is necessary and that is taken. But it was discovered by the Nanjundappa committee that as many as 39 districts are most backward. 126 talukas were classified into most backward, more backward, backward and advanced talukas. So, the most backward talukas were 39 in number and out of them 26 were from North Karnataka and still 13 talukas continue to belong to the South Karnataka, which means that there are backward districts, backward talukas even in South Karnataka. Taluka is the basis and I have an argument to say that even taluka is not an acceptable proposition, one has to go down to - below the village level and I would even say the clusters within the city, etc., because the developmental process has to be understood. Now what did they do? They followed the same backlog philosophy. I offer my tribute to Dr. Dandekar for two reasons: one is that he has tried to emphasise this particular backlog concept, philosophised about it; and for another reason that it has helped the governments to go about introducing measures to correct imbalances. But, I wish to draw the attention of the learned participants that the concept of backlog has also misled the governments because backlog can be calculated in many ways. So, that has really created a problem even for administration. The backlogs were calculated in Karnataka. They were not termed as backlog but then they were termed as some sort of a deficit; that is the same

thing. In our discussion of federal transfers, we criticise article 275 grants, or the gap filling transfers or the deficit grants based upon the gap filling philosophy. We are not very happy with the working of this particular approach. In the same way, we are also not very happy with the backlog approach here. But in any case that gives us a handle. So, the committee suggested some special development plan - within about 7-8 years the deficit has to be wiped out, as if the deficits remain at the same level. Within 7-8 years they continued to expand, they continued to grow. But that this idea was not very well recognised by the Committee. Some of us have very strong reservations about that type of very static concept of the backlog or the deficit. So, something like Rs. 31,000 crore were recommended to be allocated or designated to be spent for wiping out this deficit within a period of 7 - 8 years. But unfortunately, the Government of Karnataka did not act since the people were not vocal. I feel that any action is a positive function of vocality. Somebody has said that if somebody is not a vocal somebody, is not reacting very strongly, things stand as they are. So, that is what happened in North Karnataka and in Hyderabad-Karnataka. Nothing happened for 7-8 years and then once again some sort of a strong reaction started flowing into the press, media and so on; and probably the new government, the B.J.P. Government in Karnataka, wanted to cash in on this particular reaction so they appointed another committee. And both of these committees were considered and designated as high power committees. Nanjundappa would not compromise on any committee under his Chairmanship being simply called an ordinary committee. It has to be a high power committee. So, the next committee was also a high power committee under the Chairmanship of one Mr. Namoshi. He is an MLA. He comes from Gulbarga region. This committee was called the Committee for Overseeing the Implementation of Nanjundappa Committee Recommendations. I am reminded of Laxman's cartoon! Appointing one committee and then another committee for

looking into the recommendations of the previous committee and then next committee, and so on! So, this is how it is happening. But in any case I was invited to be a member of this committee. I withdrew from this Committee for two reasons - one is that I should not be a part of this particular process of gap filling approach, which I do not consider to be right. That might be the result of a bias of my own perception of the developmental analysis; and secondly for health reasons. This committee also has adopted a similar approach. I have been interacting with the committee saying that this might not be the correct way one should follow the policy of tackling regional disparities. Those 35 indicators spread over different sectors are not the only indicators to reflect development. There are several other indicators also. You know the allocation was in accordance with backlog. I am now raising a typical conceptual issue that backlog and the distribution of Rs. 31,000 crore according to the percentage of the backlog, this particular philosophy is not acceptable. I hope I have made the point clear; let me make it clearer. If there is a particular Taluka and with regard to a particular indicator, it is 10% below the state average. Then, according to the Nanjundappa Committee, the allocation out of Rs. 31,000 crore must be on a pro-rata basis. I strongly object to this philosophy that has been recommended by Dr. Nanjundappa Committee, because if there is deep deprivation then input should not be according to the proportion of deprivation. It should be much more; there must be a big push required for the regions which are extremely backward. So, that is the philosophical argument that I am advancing; and unfortunately we are still not focused on regional development for bringing regional equality in Karnataka. So, the conceptual point was probably not heard by even the next committee. So, big push for deep deprivation, some push for deprivation. So, there must be allocation of resources in this order at least to fill the gap. That approach is not being followed. I am just mentioning that there is not so much of a vocal outburst for a separate state for North

Karnataka or for a separate state for Hyderabad-Karnataka even though on Aug 15th regional flags were hoisted in - I think- in Marathwada and Gulbarga.

17th September.

That's right, 17th September. So, the flag is hoisted. But then the real forceful appeal or forceful protest to the Karnataka State Agitation is - let me put it this way. For any argument for retaining the regions within the fold of Karnataka the protest comes strongly from one region, that is Coorg, Kodagu. And they say their language is different - though I think their language is also Kannada - but they say their language is very different, their culture is different. More importantly, the argument seems to me that they are more prosperous, their literacy rate is more than 90% and they have very rich coffee plantations. And since they are bordering Kerala and Tamil Nadu they are relatively much better off in many respects though they say that their transport facilities are not adequate. May be, it is due to the fact that they are part of Karnataka which, in general, suffers from deprivation in this respect. But in any case the major demand for a separate statehood comes from Coorg. And all types of agitation and some arrests, etc., happened. But the Karnataka Government is trying to retain them. Though I do not know how long they will be in a position to retain them. And in order to take care of the regional deprivation issue the regional boards were also constituted in the past. And the Nanjundappa Committee had asked the CMDR to evaluate the performance of the regional boards. And we found that regional boards are there on paper but they are not functioning properly to develop the regions. I do not know the case of Maharashtra in detail. Almost all the meetings of these regional boards in Karnataka are held in Bangalore, not in the headquarters of the regional boards! There were four regional boards - Malnad Development Board, Hyderabad-Karnataka Development Board,

Bailuseeme (Plains) Development Board and one more, Border Area Development Board. So, we found that these boards are not functioning properly and they are used only as the handles in the hands of the politicians. So, if there is no berth for Ministership in the cabinet for somebody then he is appointed as the Chairman of the Board. This is how it is happening. On the basis of the information we collected about these Boards, after its close analysis, we strongly recommended that the boards should be abolished. It is not that Chairman Dr. Nanjundappa had ideas other than what our study recommended in our report. He had also a similar idea. So, he happened to readily accept our recommendation. But then, as normally happens, politicians have not accepted this recommendation. Boards continue to exist and they are considered very useful handles. The basis for our analysis and conclusion is explained in detail in the CMDR study, which is considered as an Appendix to the Report of the Nanjundappa Committee. The more important argument against the continuation of the boards or the abolition of the boards is that 'Panchayat Raj' system has come into existence after Articles 73 and 74. So, those institutions must be used effectively for development of the regions. And more than the district, the taluka, more than the taluka, the village must be the focal point for the development. This is how the whole process is happening. Thank you.

Dr. Kelkar: Thank you. Have you any comments on Karnataka? If not, then we move to Telangana. Abhay you wanted to talk about Telangana, isn't it?

Shri Abhay Tilak: The Honourable Chairperson has directed me to at least mention the issues pertaining to Telangana which we have mentioned in the papers. We were expecting quite a few delegates from Telangana; they had communicated their plans. They had sent some Notes also; unfortunately, at the last minute they could not be present here. So, there are about

three or four issues that pertain to Telangana. We have all witnessed the agitation that has been going on for quite some time. But when we juxtapose Telangana, *vis-à-vis* Vidarbha or other demands, it seems that again the question of imbalance in development seems to be the major or root cause although there is the basic difference that is quite perceivable, which is that all of us at least have now accepted the fact that as far as Vidarbha concerned, it is more the development that is at the core rather than linguistic or ethnic issue on the basis of which there is a demand for statehood. In case of Telangana, it appears to be exactly the reverse although there are major concerns regarding imbalance in development *vis-à-vis* irrigation, migration, grabbing of jobs by people from Andhra. They are migrating to Telangana. There is a question of even about resources or tax revenues generated in Telangana being appropriated by larger Andhra. The other question is about the effect of the change in the cropping pattern and the agriculture policy of the Andhra Government giving rise to more water intensive cropping pattern which has changed or which alters the fortunes of farmers in Telangana. They are deprived of their rightful share of water. There is also a question of the weavers who have been traditionally there; the question of tribal development is also there. But these developmental issues seem to have taken a back seat now, because there is a strong position that the demand for separate statehood of Telangana is now basically on the political question of self-respect. That there seems to be the basic difference between the stand for Vidarbha *vis-à-vis* Maharashtra and Telangana is concerned. But the main issue - there are about three major issues as I have said - first is almost 60% of the excise and more than 70% of the sales tax, that is collected by Andhra Government, is generated in Telangana. There is an age-old problem of irrigation as I mentioned. Most of the irrigation - Telangana has been deprived of its rightful share of water. The construction works on dams and irrigation projects are incomplete. With vagaries of nature even

precipitation is low. Water level in Telangana region is depleting. Most importantly, the cropping pattern due to government interventions and government policies has changed primarily from food crops to one in favour of mostly cash crops and rice, which is the most water intensive crop that has been cultivated there. So, the problem seems to be basically again of imbalance in development and, to some extent, the government policy strengthening this imbalance via affecting water use. Thank you.

Dr. Khandewale: The question of self-respect of Telangana people is of course there and Keshavrao Jadhav's paper here also says about language. I too happened to make a passing remark about it. But as Abhay was narrating the list of topics - it is a clear-cut question of economic disparities also. And the way Andhra people have made investments in Hyderabad - Andhra people have started educational institutions, which have gone deep into Telangana also. They are sucking the surpluses and revenues from Telangana which are going to Andhra and therefore one question is about self-respect. Another question is about autonomous development and third question is about extraction of resources from Telangana by Andhra people. And these three factors are compounding each other, in addition to the question of Hyderabad City. Hyderabad city is neatly located in Telangana and dominated by Andhra. One of my friends from Hyderabad was saying that the real estate is so much dominated by Andhra people that a Telangana low wage person, labourer and others cannot construct even a hut in Hyderabad city. So costly is the land because of the investments made in the real estate and the IT sector. If we look into the metropolitan Hyderabad city, right from 40 kilometers or so, as you enter Hyderabad, you can feel the difference. The whole thing has been monopolised by the IT sector and the real estate and it is very difficult for a common man of Telangana to be in Hyderabad. Therefore, the question of Hyderabad

city - Chandrashekhar Rao has hence said, 'Telangana along with Hyderabad', because the question is about who will take (own) Hyderabad? And Hyderabad is a plum / crux of the whole question.

My friend Ratnakar Mahajan has spoken very well and made very good points. I asked the senior socialist leader of Maharashtra state who had participated in the Samyukta Maharashtra agitation. I had asked him, Sir, I want answer to one question - did you fight for Mumbai on the question (issue) of language or was it for the capital (city)? After half a minute he had said "Capital".

Yes. Not obvious. Obviously, he said that we fought for language (issue) - Marathi Manooos, Marathi Manooos. It was for capital (city). Let us be very clear. The same thing is about Hyderabad. Now the difference, slight difference between the question of Vidarbha and Hyderabad-Telangana is that Vidarbha has no such question - like Hyderabad proper. As Dr. Yadav said, boundaries are neatly laid down. There are two other questions: one is the state-average. But when we have dissimilar regions brought together, state averages, as Dr. Panchamukhi said, become very uncertain. But there is also a question of autonomous resources - whether they are being neatly developed. And personally I have made a demand that we have no regional plans in Maharashtra, say, a development plan of Vidarbha, its resources and potential, or a plan of development of Marathwada, and even of Konkan. Then they speak about the potentials and what we are doing with those potentials. So potentials have not been taken into consideration - only allotment district-wise is made and as my good friend Vinayak Deshpande has said in one of his essays, "95% of the DPDC funds are already allocated." And only 5% remains there. The third factor, which Abhay Datar was commenting upon, is about district level, taluka level and village level. We are discussing formation of a state. To my

mind, we should not go below that level at least today in the seminar. We can go on - there will be disparities in this district, that district, one taluka, another taluka, etc. We are discussing the theme of formation of states and re-organisation of states. So, we should not leave out the concept of state because that will be leaving the main theme out of the discussion. Thank you.

Dr. Vijay Kelkar: Any other comment on Telangana?

Prakash Ambedkar: Just a one sentence observation on Telangana. It is a political statement that Suhas has made about Vidarbha. I think there have been similar situations in Telangana also. That the Muslim population is very high and that is also one of the constraints for not taking a decision or not implementing a decision which is already taken. That's all.

Dr. Vijay Kelkar: Now if there is no other comment on Telangana, we go back to the earlier discussion wherein some questions were raised, ...

Prof. Palshikar: Just a supplement to what Prakash Ambedkar was saying. In fact, the MIM - Majlis-e-Ittehadul Muslimeen through their educational institution, wanted to commission a study on what will be the effect of Telangana on Muslims of Andhra Pradesh.

Dr. Vijay Kelkar: - Thank you. So now we are around the table to get any responses. Prakash, any response?

Shri Prakash Ambedkar: A question which was raised was why these Articles 371 and 372 have become failures? One, the Parliament has enacted one law on it and has authorised the state to frame implementations scheme - this is a board scheme. In that broad scheme, the biggest flaw is that the planning has been given to the Governor. But the

implementation has not been given to the Governor. So, the Governor plans it. He gets the funds allotted, but when the question of implementation arises, it again goes back to the executive and to the Assembly and therefore the Governor does not have control. Hence I think if an amendment can be made about this and execution given to the Governor, then he has total control and this failure can be stopped.

Thank you. Ramakant -

Dr. Ramakant Pitale: Yes Sir. Sir, there was the point about which you wanted some clarification regarding the Constitutional crisis - that is of Article 371/2 being flouted, disrespected. Now, in that context, I had quoted two items from the report, Sir - I had already done that. Now, these are very pungent remarks by the Planning Commission's Fact Finding Committee Report against the way the government is functioning against Vidarbha - it was a very specific study for Vidarbha. Now Sir, when the report is prepared (we have been in the government - so we know) it goes to the next level, then it goes to the next level, it is then reviewed by the Planning Commission member, then by the Deputy Chairman and ... since this particular committee was set up by the Chairman of the Planning Commission ..., i.e. the Prime Minister. It must have gone to him. He must have seen all these remarks that have been made. And it is a complete answer to our point that there is a constitutional crisis. Otherwise, how can such a report come? A Government report is saying that all they have there is a lack of political will...

Prakash Ambedkar: See, Article 365. And Article 364 makes it very clear that the states are starting with the responsibility of all round development. The question is, once the government comes with the conclusion that there is no all around development and as the CAG and Planning Commission and the Fact Finding

Committee have gone on record - the only consequence to be followed as per Article 364 is dissolution of the Assembly.

Prof. Palshikar: Yes. That is the point. I still have a question to you as a political actor in particular. How do you respond to this idea that nobody in the politics of the states should have the authority, and allow the Governor, to by-pass the legislature?

Shri Prakash Ambedkar: That's why I thought that the demand for the statehood for a particular region is much better politically and from democratic view point than asking for a Board which is by-passed.

That is what Dr. Ambedkar commented: Agreements are best in the waste paper basket; and therefore he said that after all you are going to find this Agreement in the waste paper basket. Creation of a state is the only answer to it.

Dr. Pitale: That is why we have been saying that we don't want your Development Board. We don't want your calculation of backlogs; enough of it. That is a "Chakravyuha" or a Catch twenty-two situation which you want us to be put into, because what happens in that context, Sir, when this question is posed and when we say these things, then they say that they have no case for a separate state of Vidarbha. They are asking for a Development Board. They are asking for a backlog committee. And I and many others are saying, 'No, we don't want that - our one point programme is this, a separate state'.

Prof. Kurulkar: Sir, I have only two points - very brief, about regional planning. The Planning Commission study of 2003 has suggested that the Regional Development Board should prepare plans of the region. That we can do in the next few years - This is the first thing. Secondly - it said that in Karnataka their Boards are not working well. But, as far as I know, our Board is

doing well. I have given a list of achievements that our Board has done. I think, we should not draw the conclusion that Boards are not working.

Thank you. Prof. Khandewale.

Dr. Khandewale - In the Note circulated by the Institute there is a mention of Article 3 and the Bill to be sent by the President to the State Assembly. After that there is mention in this Note - asking if / will the State Assembly support such moves. The Congress Party does not occupy a strong position, etc., etc. My submission is that some portion has been left out. In the same Article 3, there is a comment that the President has to send the Bill - implying that any Bill cannot be tabled unless the President has forwarded it. It says - nor is there anything in the proviso to indicate - that Parliament must accept or act upon the views of the state legislature if received in time. Because Parliament has to take a decision about the state; and therefore what the State Assembly says, any other assembly would disagree with the proposal. Vidarbha has 60 legislators; the rest of Maharashtra has 200 legislators. So, even if we debate a move, within the State Assembly for one week, it is defeated on the last day - that is not the solution. The Assembly is not the solution; Parliament is the solution - that is one point.

Second, my friend Kurulkar has said and the Boards have been extended for another five years. My question is - after five years what next? Today, people have one avenue - to go up to the Governor and table before him the consequences of the development process. Once the Boards are over or dismantled, who takes cognisance of regional imbalances? There is no mechanism. One Note had been circulated by Governor's office in December 2008, where it very concretely said that Boards were sanctioned in 1956 but formed only in 1994 - regional imbalances were ignored for 38 years. Where is the Assembly? These are the peoples' representatives taking

cognisance of this imbalance and once the Boards are dissolved who would be the authority that people should approach?

Therefore, the globalised capitalistic process of development, which is concentrating in Pune, Nashik and Bombay, will take over the rest of Maharashtra and again the same question will come up - namely, that of the formation of new states.

Last point - my friend Palshikar has said about political equations. May I point out that the question of separate state of Maharashtra - Vidarbha was fought out only by Congress politicians right from Mr. Biyani, Mr. Aney, Mr. T. G. Deshmukh, then Shri Banwarilal Purohit - all Congressmen, including, even today, Datta Meghe and Muttemwar. They are all Congress people. So, Congress people alone have been fighting about the regional imbalances and formation of states. As far as the suggestion about BJP taking advantage - we have a resolution passed - No. Banwarilal Purohit left Congress and joined BJP on the grounds of Ram-Ayodhya Mandir. He himself put the question on resolution of formation of Vidarbha state and because he was very new to BJP, BJP allowed the resolution to be passed - not to be implemented. Because when the National Executive Meet was held in Nagpur one member raised the question in the BJP National Executive that we have passed the resolution, why are we not going towards that. Mr. L.K. Advani, who was President (probably at that time or whatever) said - don't raise the question. So, a Congress member going into BJP had raised the question, got the resolution passed about Vidarbha, not at the instance of BJP; and BJP is not following it.

- Are they denying that?
- No, no, they don't deny.
- Is BJP denying that now?
- No, no, no
- Denial of what?

Shri Ratnakar Mahajan: Just a clarification. You said that since Shri Banwarilal was a recent defector to BJP, they did not want to displease him and therefore they accepted it. Now, this means or this implies that BJP by itself was not in favour of a separate state of Vidarbha - but to appease the new entrant in the party, they did not say anything.

Dr. Khandewale: Please allow me to continue I will come to that point. - Today, BJP has successfully organised (itself) at the district level and is challenging Congress and therefore they have taken up the Vidarbha issue. - They have been over-thrown in the Gondia Zilla Parishad and Bhandara Zilla Parishad and therefore they are going ahead. So, if Congress does not take up the issue of a separate state, they will take up and they have said in Bombay, that if Shiv Sena does not come with us (support us), we are going to say good bye to Shiv Sena- these are the realities. Thank you.

Shri Ratnakar Mahajan: Just a minute. I would like to point out one thing regarding this. When the NDA government was in power, Lal Krishna Advani was the Home Minister and a question was asked about the possibility of creating the separate state of Vidarbha. To this, he replied, we do not have the proposal at present.

Prof. Khandewale: Nitin Gadkari being President from Nagpur, things have changed - when there were Presidents from outside Maharashtra they had a different perception. Now the perceptions have changed.

Dr. Vijay Kelkar: Deshpande, any response?

Dr. Vinayak Deshpande: Only one point to the preliminary question raised by Abhay about SEZs and the private sector. I feel that it is true that private partners are now participating in the whole process of development. But I feel it is also necessary to remember that this partnership

depends to a large extent on infrastructure and other facilities provided by the state. So, wherever you have some kind of tax concessions, subsidies and where development has already taken place, you will find that private industry would move to those regions; and in regions which are lagging behind it would remain as it is and it would add further in the process of backlog. This is what is happening. And about the regional planning as Prof. Panchamukhi has pointed out, the Chairman is appointed by the Government - someone who could not get berth / place in the Assembly or somewhere. The same problem you would find in the Vidarbha Development Board or other Boards also. The Chairman ultimately decides about starting of certain projects, certain kind of activities, depending on what the government says. Therefore, even if there is a plan at the Board level, I feel that the Chairman must function independently of the government; otherwise, this kind of planning also won't help. Thank you, Sir.

Mr. Vijay Jawandhia: Somebody asked why there is no political movement in Vidarbha. That question is being constantly posed. My humble submission is this; there was a powerful movement, and as rightly mentioned by Khandewale, right from Biyani - if at that time Biyani had been elected from Akola - I think at that time itself Jawaharlal Nehru would have given Vidarbha statehood. But there was a political game played and Biyani was defeated and at that juncture Vidarbha first lost.

Second, in the Dhote regime, there was a popular movement; but Dhote went with Indira Gandhi after Morarji Desai became Prime Minister - under the assumption that when Indira Gandhi becomes Prime Minister again, Vidarbha would be created. So, again the movement lost its thrust. Shetkari Sanghata was a very powerful movement between 1980 and 1990 and the strength of this movement could have been used for a separate state of Vidarbha. I was part and

parcel of that. But unfortunately our leader instead of using it for that purpose, for the purpose of non-irrigated agriculture, went and supported the WTO. And there again the thrust was lost. I think Vidarbha is suffering from "Dudhane Polalela Manus Taak-hi Funkun Pito" (Once bitten twice shy - syndrome). We have gone through this stage - otherwise there were strong political movements but our leaders missed. I have no hesitation in accepting that. And that is why Vidarbha was not formed; otherwise, it is certainly not correct to say that political movement was not there.

Prof. Panchamukhi: I have only one small point to make and that is for my own personal advantage. After listening to the discussion here, you know, I was toying with an idea of developing some sort of a conceptual framework of regional justice.

Prof. Chitre: Our perception, when preparing this Note, while looking at Telangana movement and Vidarbha movement was that the demands for the new states are now arising out of a feeling of injustice in regional development. And the point is that this question of balanced regional development will remain even after new states are formed, it will remain even within the new Maharashtra state and it will remain within the new Vidarbha, if it is formed. That is why we have devoted the next session to this particular aspect as to how to strengthen the mechanisms to monitor and to bring about regional development within the state, so intra-state regional development is more balanced - how to strengthen the mechanisms that are available and how to develop new mechanisms for this purpose. The next session is supposed to get into that and some of the issues which have been coming up towards the end of the discussion, really can be further developed and discussed in that session. That's why it is not quite correct to say that we should not go to the level of districts, and I think some of these issues will come up in the next session and they are essential part of the total discussion.

Dr. Vijay Kelkar: Are there any final comments? I can't summarise what has been said. But listening to this discussion suggests that there is a greater consensus around what I call Ambedkar-Dandekar thesis on formation of new states as far as Maharashtra is concerned and that sums up your general conclusion. Now, how and when will that happen? I think that Prof. Palshikar has raised a 64,000-dollar question. There is politics of it and you know we really cannot map it out here. But how the politics will play out will decide the final outcome. And even when the state of Vidarbha happens what would happen to the problems of regional imbalances? I would want them to go away. Prof. Chitre reminded us, again and again, just having a state doesn't make the inequality go away, this problem will still persist. There is a famous question, I think, in jurisprudence that they ask you benefits, and I am not so sure whether Vidarbha, independent state of Vidarbha, would really make good the benefits. So, it requires far greater political mobilisation and political intervention than probably we are aware of. Because just having one more state does not benefit everybody. So, these are really, sort of, my remarks. But it was a wonderful session; I learnt a lot. I mean I was away from Maharashtra for the last 40 years. I just came back to Maharashtra. To me, it is fast learning and understanding of issues that Maharashtra is facing. I want to thank once again Prof. Chitre and his colleagues for inviting me, Thank you very much.

Prof. Chitre: Thank you for chairing this session Sir, really and thanks for coming.

Fifth Session: Why Have the Existing Arrangements for Balanced Regional Development not Worked? How Can These be Strengthened?

Chairman: Prof. Lalit Deshpande

Prof. Chitre: In this session, we shall focus upon the following set of issues: Why have the existing

arrangements for balanced regional development not worked? How can these be strengthened? I am requesting Dr. Lalit Deshpande to kindly chair this section. The outline is given here. As per the outline, the first issue is that of characterising regional justice.

Shri Abhay Tilak: Sir, Dr. Anupama Saxena has joined us this morning- she has to be introduced.

Dr. Anupama Saxena: Myself, Dr. Anupama Saxena, I am working as an associate professor of political science in Guru Ghasidas University, Bilaspur. Recently, that University has been upgraded into a Central University. I sincerely apologise for missing yesterday's discussion because I had an earlier engagement in Delhi. I had to make a presentation there. I am really enjoying today's sessions. It has been a very enriching discussion during the first half and I am looking forward to having another very interesting session. Thank you.

Prof. Lalit Deshpande: Welcome to the Fifth session. The organisers expect us to find out why the existing institutional arrangements to secure regional balance/justice have not worked well, if at all; and in the light of our discussion to suggest how these arrangements could be strengthened or replaced by others to achieve the desired balance and justice. This is a tall task. Concepts such as regional balance, regional justice, and regional equity carry a lot of emotive load. They are discussed dispassionately by philosophers. We have Prof. Panchamukhi amidst us who has tried to see if Rawls' theory of justice as fairness could help us understand regional inequality/injustice. So I request Prof. Panchamukhi to initiate the discussion

Prof. Panchamukhi: Well, thank you Mr. Chairman, I think with whatever you started I would like to repeat the same thing about the concept of regional justice. I have tried to raise this as an issue for further probes. In the entire literature

that I have tried to scan, we have the concept of personal justice, inter-personal justice and when we speak of the backwardness or deprivation, we tried to analyse the problems of a country or a few countries and tried to generalise on the basis of this fact that there are underdeveloped countries, there are developing countries, advanced countries, and so on. But we pay very little attention to the question of inter-country justice. Well, the concept of justice has different connotations - legal, economic, social - and they are largely said to be applicable in the context of persons. But when we speak of the region, we forget that region also has a separate character - it has a separate identity other than that of the person. So, I thought that this type of seminar - in fact, that was the ambition with which I entered the seminar hall - that this type of seminar would give a lot of insights for developing some sort of theoretical or conceptual framework for the regional justice.

In fact, I tried to see John Rawl's - in fact, if somebody can give me tuition on Rawl's theory of justice, I would be very happy to be a student of that particular tutor because it is a very complex and highly abstract subject. I do not know whether political scientists have considered Rawl's *Theory of Justice* as one of the texts for teaching students. I do not know; I would like to. This is a subject matter for sociology also; and lawyers, of course. In fact, I have already registered as a student of one of the High Court Advocates in Dharwad and I would like to learn from him and he has already marked some chapters of Rawls and I would like to know more about those chapters. By and large, from my first cursory glance of Rawls, I find that he has two principles. One is the basic rights principle and the other is the difference principle. When he speaks of the basic rights principle, ensuring the minimum level of goods and services for the individuals is the objective of the basic rights principle. And the second is the difference principle - that the disparity in the availability of goods and services to individuals must not be too

wide; it must be minimised. And there he considers the concept of the veil of ignorance about the personal circumstances of the persons or the nature of the goods and services that are to be provided to the persons. The suggestion is that the policies should be objective and coloured by the perfect or imperfect information about the persons. So, this is the general framework. Now I would come to the regional issue. If you just substitute the word region for the word 'person', in Rawlsian framework, we will not get very far. I was very keen to find, to learn from Rawls whether he has anything to say about regional justice issues because it is the treatise on the theory of justice. And when I was about to prepare a note for this seminar, I thought that this is essentially a question of justice. This is essentially a question of injustice for some regions. And when he speaks of the region, the injustice to the persons is completely overlooked. It is injustice to the region - so that means the region has a particular personality of its own, an identity of its own; and we need to consider the inter-regional disparity, inter-regional justice or injustice. This is the issue.

I feel more comfortable discussing these issues in welfare economics, rather than Vidarbha and North Karnataka and Hyderabad-Karnataka when those are very relevant. But then ultimately you have to go to the basics. What are the principles behind the backwardness of the regions, the larger disparities, and so on? I find that there was a point made yesterday and I think it was alluded to this morning also - to the question of supply of public services and efficiency of the same. We economists are so familiar with the Pareto efficiency principle. Pareto efficiency of the entire region may be said to have improved if welfare of all the persons improves or welfare of some improves without reduction in welfare of others. This is Pareto optimality or Pareto efficiency principle, and if we import that particular idea in the regional context, I think it would be an utter failure, complete failure, because if there is

no change in the backward region's position of welfare and the advanced regions welfare improves, then also you feel that Pareto optimality efficiency principle is satisfied. So, I would like to really feel very concerned in applying the Pareto efficiency principle in this context. So, the distributive equity is totally different from the efficiency principle; and in this context, I am reminded of - I should stand corrected by the political scientists .. Wicksell's qualified majority voting (in public choice theory). Wicksell has a principle which is termed as qualified majority voting. Majority principle must be the basis for taking any decisions for the policy and so on. But under Wicksell's framework, the minority view also should certainly be considered. Minority may be defined in many ways - minority in terms of economic backwardness and so on, or deprivation as you may want to call it. Minority may be defined as those who are not vocal and hence whose voice is generally not heard, though they might be quite large in terms of their numbers. They indeed are the minority; their interests have to be safeguarded by the state. And the majority voting must be weighted by the views of the minority - that is the Wicksellian qualified majority voting principle. So, if that type of vision is there in introducing policies, then the question ultimately is of the backlog - it ultimately gets translated into the backlog principle only.

So, I feel that I am not answering the question about what is regional injustice or regional justice. But these are the parameters which need to be considered while developing some sort of conceptual framework for the regional justice or injustice. So, from the discussion here and, of course, I had anticipated this discussion, any issue of justice or any approach to handle the problems of injustice has to be essentially multi-disciplinary. I think political scientists' perspective, sociologists' perspective, economists' perspective - all these will have to be simultaneously considered. I am stating the

obvious but then when we are really trying to develop a conceptual framework it should get translated literally - which is not happening. You know, most of the decisions with regard to the problems of tackling of injustice of the regions are handled at the political level. It should not happen. Or, at the economic level. In terms of the initiative of Prof. Dandekar or Nanjundappa, they are largely economic approaches, largely because they are all based upon resource pumping to bridge the gap. This seems to be their approach. But I feel that developmental process is not that simple. It is very complex as many factors operate and simultaneously. How these factors must be maneuvered in such a way that the issue of injustice is ably tackled. I don't have a ready answer, but in a framework, in a theoretical framework that one can develop - and I am very much interested in developing a theory of regional injustice or justice - I think all these factors need to be very very consciously considered. I think I will not say beyond this because I would like to learn more from the interactions.

Prof. D'Souza might like to comment upon Rawls, theory of justice, from political scientists' point of view.

Prof. D'Souza: I would like to sort of make a small clarification to your reading, I mean to my reading of Rawls' theory of justice. First of all, you must recognise / justify the principle of inequality. It is not establishing equality. The principle of inequalities comes in the difference principle that those who are worse off must be better off than they would be under any other future possible scenario. That's the just situation - but there is inequality between them.

Prof. Panchamukhi: I agree with you ...

Yes.

Marx and Rawls are different ...

Prof. D'Souza: If you are invoking Rawls in terms of your idea of regional justice between different units then you have to make a case about what kinds of inequality are permissible and what kinds are not. I think that is a direction in which you may proceed because he makes two points; one is that all positions are available to everybody, even to those who are worse off; and secondly, that if you are worse off, you are still better off than you would have been in any other scenario. Further, in terms of the veil of ignorance, I read it somewhat differently. In terms of veil of ignorance, Rawls actually has to be in places like this. He says, we know general things about society. We know that people are cunning; we know that people are self driven; we know that people promote their own interest. We know many things, some are altruistic, and some selfish. There are many things we know generally about society, but what we do not know is the veil of ignorance. We do not know where we will be in that future society; we do not know if we will be better off or worse off. In such a situation, we know general things but we do not know specific things about ourselves. So, when we make / enter into the contract, then we will look at those possible future scenarios. If we were to be worse off, would we be better off than we would be in any other scenario?

So the choice - the just relationship is an unequal relationship with the worse off or the better off. I think that is in terms of the ideal of inequality. But anything that is important - working Rawls - because when we are talking of regional justice, by invoking justice, you are making an important point about establishing relationships between units. So, you are willing to recognise difference, you are willing to recognise perhaps inequality. But what types of inequality? What is the relationship of inequality? Therefore, resources, capabilities, opportunities all come into the picture.

Secondly, in terms of the response to the regional justice again, if the region is a unit, what do we do with the differentiation within the unit? I mean is the regional justice argument also willing to take account of intra-region justice or is it only inter-regional justice? If it also includes intra-region justice, then a whole new range of questions do come up because the measure of intra-regional inequality would have to be done using the same Rawlsian measure.

Prof. Panchamukhi: Very clearly Rawls says that he is not concerned with inter-regional justice issues; he has openly said that - that is why it really is so provocative for the researchers who are interested in regional development, to have some conceptual framework.

Prof. Lalit Deshpande: Thank you Prof. Panchamukhi and Prof. D'Souza. Prof. Panchamukhi tried to apply Rawlsian theory of justice as fairness to understand and remedy regional inequality. He concludes that Rawls' theory is relevant for understanding inter-person justice but not inter-region justice.

Frankly, I fail to understand Panchamukhi's problem. Just as one country can exploit another, one region in a country can also exploit another. In both cases it is the people of the region who are the victim of unfair treatment. Rawls argues that any government which fails to open up economic opportunities or promote welfare of its least advantaged subjects violates their moral rights and has no claim to their allegiance.

The task Rawls has set himself is that of establishing what moral principles should govern the basic structure of a just society. The answer is we would choose to be governed by two principles of justice, the first guaranteeing fundamental individual liberties and the second ensuring that social and economic inequalities are arranged to offer the greatest possible benefit to the worst-off in society while upholding fair

equality of opportunity. These are the principles that would be chosen by the parties to the hypothetical contract agreed to in the original position (OP). This is the maximin solution to the problem of social justice. The general conception of justice embodied by the two principles, as they are governed by priority rules, may be expressed in one sentence from Rawls: 'All primary goods - liberty and opportunity, income and wealth, and the bases of self respect - are to be distributed equally unless an unequal distribution of any or all these goods are to the advantage of the least favoured.' (*A Theory of Justice*, p. 303)

I think the simplest way in which the difference principle could be clarified is by pointing out the examples of that given by Rawls. If you are given some sum, say 100 rupees, to be distributed among different people then you call all these people together under the veil of ignorance - that is they do not know who the next man is and what his personal wealth is and nothing about him at all - you are acting in a veil of ignorance - when you are just given to distribute this amount. Then how will you distribute? Which form of distribution would you vote for? And then he said that under that form, we should go in for the equal distribution because if you happen to be in the position of the worst, you may be caught in the worst outcome, because you make zero or meagre income. So, if that is to be avoided then the only solution to that is equal distribution; and if equal distribution is a solution, then you can judge any inequality. That is, inequality can be easily defined as a distribution which is different from the kind of hypothetical situation of equal distribution. And socialists did not have any theory to justify why equality of income or equality of anything could be justified before Rawls's book came in. Rawls provided at least this explanation, ethical ground for justifying equality. Otherwise, it is God, who had made men equal, you see, that was the only explanation that could have been for the justification of equality. I thought that this

was a sort of signal contribution to political theory from which it could advance later. That is, he did want to apply it to regional income distribution.

This justification for unequal distribution is highlighted by Prof. D'Souza in his comments. I am persuaded to accept the justification because it is precisely that given by Rawls. I am aware of many weighty criticisms such as those of Prof. Amartya Sen in his book *The Idea of Justice*. The concept of justice as fairness would be chosen in the OP because the maximin strategy would trump other available alternatives. Justice as fairness is bound to keep the lowest position in the system higher than the corresponding position in the system organised by any alternative.

Prof. Panchamukhi also refers to the Pareto distribution and the judgment is that if one region gains and the other does not change, then that will be considered as increased welfare - which is what everybody is saying, that if Western Maharashtra gains and Vidarbha does not, at least absolutely, go down, even then regional welfare has gone up. Maharashtra's welfare has gone up, but there is a compensatory distribution which does not happen and which should happen in the sense that if Western Maharashtra has gained, then it should distribute the surplus to the weaker region, share the gains of growth with the other region. So, it has to be inclusive growth. Then we can say that theory of Pareto distribution fails there in the sense that in actual practice no distribution takes place. So, merely having growth in one region is not necessarily an increase in welfare of the entire entity as the region.

Prof. Rath: Sir, with your permission, I am coming back to earth now. I am trying to relate my presentation to the subject for this afternoon's discussion. I will begin by talking about the measurement of so-called backlogs. I happened to be a member of the Regional Imbalance Committee of the Maharashtra Government of which Prof. Dandekar was the Chairman. There

are to my knowledge, still a few people who are members of that committee left alive including me. Prof. Vinayak Deshpande's father is there, Bhujangrao Kulkarni is there, I don't know who else amongst us is still functional - I have no information. But I am trying to do this summary, even if you haven't read the earlier documents relating to this. This gives a fair summary of what the approach to this whole measurement of what is called backlogs. I must confess I don't like this expression, measurement of backlog, because it completely defeats the whole approach of the Regional Imbalance Committee. That was only a method, not a goal and I want to make that clear. But before that let me ask and answer a few of the questions that we were discussing in the committee at the time, to the best of my recollection now. You see, the first point was that the Imbalance Committee was appointed to examine regional imbalance in Maharashtra development. Now imbalance in what - was the first question that arose before the committee and there was a tremendous amount of verbal discussion as we all do. After a lot of going round we came to the conclusion that so far as this committee is concerned, the task is what can the state government do in order to provide - what I choose to call - the socio-economic infrastructure. What Dr. Kelkar was referring to as public goods - call it by any name - the state, at the moment, in our society is required to, obliged to, provide to all citizens, to all areas. In this matter, if there is inequality, then it should be redressed. These are matters in which the state directly acts, but there are matters, even before the new economic policy was inaugurated in 1991, in which the state was mainly a regulatory body in the sense of making negative policy / negative decisions that you shall not do this. You shall not permit private parties doing things.... It is not how this is to be done. This sort of a thing the state will do. The state can also pass laws like we are doing with the environment today - no smoke to be let out, no wastage to be allowed into the river and so on and so forth. The state was not doing industrial investment by the time this

committee was coming up. It had become quite clear there had been a large number of committees of the government in the past, about regional imbalance in industrial development and so on. None of this really achieved anything excepting what I call this negative prescriptive business of the state. We said we shall concentrate essentially on the direct state actions which the state is under obligation as per our present line of thinking in the country, for providing to all its citizens. This was the opening gambit.

Having said this, the next question was what is regional about it? I will come back to this first question, in a couple of minutes, but what is regional about it? Colleagues in the committee who came from Vidarbha, Marathwada and so on immediately began saying that we shall look at Vidarbha's position; we shall look at Marathwada's position, Western Maharashtra's position, and so on. Some said, we can divide Western Maharashtra into Konkan and Western Maharashtra. That type of a thing was discussed. Lots of illustrative data were thrown up in course of discussion. You should talk about these large groups; then in each of these regions there will be some which are relatively more developed and others less developed. If we club these all together and say that this region is relatively less developed than others then there will be only two, three or four regions; then the less developed regions in some of those regions whose total regional index is a little higher, will be left out. And how is it going to be solved? The government has not asked us to decide on Marathwada, Vidarbha, Konkan and Western Maharashtra; it's about Maharashtra's regional imbalance. So, we must define for ourselves what is a region. And so we came to the conclusion that the best thing is to take the lowest administrative unit for which it is possible, easy, and convenient to get basic information.

The second criterion in this matter was, if in some of these matters of direct state action there has been a much greater development in the

districts, so to say, then a district is an adequate unit to look at; if things are quite poor in development in the state as a whole in some respect then we should go to a smaller region like a Taluka. This is how we decided amongst ourselves. Now let me come back to the first question.

The committee report gives district wise information but aggregates it for Vidarbha, Marathwada, Western Maharashtra, etc., because our colleagues were very keen that we must say something about Vidarbha, Marathwada. So, as you know, as a consensus proposition *theek aahe (alright)* we shall give also the totals of Vidarbha, Marathwada. Nothing wrong with giving this information but our whole approach is different. It's not for Vidarbha, Marathwada and Western Maharashtra and Konkan. Now having said this, the question was how do we say what is meant by under development in regard to those parameters which are liable to state action. How do we do it? We listed, some 15, 20, 30 items on which direct action was called for. Are these to be all clubbed together or looked at individually? Now, quickly the committee decided without going further because UNDP had not come up by that time. So, we quickly came to the conclusion that the best way is to take each matter and look at how it is provided for by the state in the different districts or, where the case requires, in the different Talukas - to what extent it is provided. Let me here make my additional point because, in any case, I would like to say that, sometime or the other, and let me say it right here and make a reference to UNDP. UNDP did this exercise at the international level. Which country is more developed or less developed? What is called Human Development Index or HDI? Everybody knows now what HDI is. What they do is - there are sophisticated statistical methods of going about it - but the thing that is most simply done is, take each of the indicators which are development indicators as given. Some take 4, 5, 6, 7 - I hear my colleague from the imbalance committee report, Bhujangrao Kulkarni has done

600 items for which he has done an aggregate Human Development Index. You rank order the districts or talukas whatever so that you have a rank number from the first to the thirtieth and then add the ranks for different indicators of the particular district and you get an average ranking, by which you judge which district is more developed in terms of this Human Development Index and which is less. As a mere matter of getting an idea of how developed one country is compared to others, it has some indicative relevance. People say, ours is an under-developed country but beyond that, I suggest for operational purposes, it's an utterly useless device. You can't eat with it - you, meaning the government concerned. How will the government decide from this human development index what action will it take? Actions will be taken on individual fronts of activity - roads, schools, hospitals, electricity or whatever it is. It is in these various items that action will be taken by the country's government or the state government or the district government, whatever it is. How will they operate with a Human Development Index? That is why, I say, for operational purposes, the HDI approach is an utterly useless approach. It hides rather than highlights and what we need is highlighting individual items. So, we didn't go into this because, fortunately for us, HDI of the UNDP type didn't exist at the time and nobody thought of it. Now coming back, we decided to do this.

The next point to be decided is how we talk about what we can find out. What do we find out? Different states, districts are not uniform in every sense, so depending upon what type of activity it is, we must find out an index or measure. Take, for example, road length or roads. I will give how the discussions can take place. How are roads being discussed in the Planning Commission and in the road ministries, and so on? - Road length per square mile or square kilometer. We said this is nonsense. Road length per square mile or square kilometer doesn't help us in deciding what the imbalance is. We are a country of villages

and towns, largely villages. Each village must be connected by an all weather road to the nearest highway. Is each town connected to the other towns and to the headquarters of the district? Is each district headquarter connected by proper roads or highways to the state capital as well as in the national grid? This is how we must measure. This business of per square kilometer road length is of no use. The Road Secretary used to be present at the time of the discussion on the road matters and he, after a little discussion, agreed. He said you are quite right and he quickly agreed that, if you want, I will provide you, with the help of our engineers, an average estimate for the individual villages to be connected to the nearest highway by an all weather road. An all weather road means not merely the length of the road but also of the bridges in between. I will give you an average; it will be different for different types of situations, but we know barely how long, how much it is and so on. They also need to give an estimate - a rough estimate - of the valuation of the action that may be involved at present prices. Now, when it came to education, we said, is every village provided at least with a primary school? If there were primary schools, for a given population of children, of school going age, high school going age, is there at least one high school within a reasonable walking distance or bicycling distance? You see, it is in this manner that we decided on locational businesses. The only thing I will exemplify here, because it has not been clearly understood, is in regard to irrigation. I said something earlier in the morning, when it came to matter of irrigation, for example; we realised that flow irrigation - medium, major as well as small, is a responsibility of the state in our society. There were no private major, medium dams and so on. So we said, what is the potential, ultimate potential, of a district in regard to flow irrigation? Whatever the size of the district in terms up of its total net cultivated area, the ultimate irrigation potential will depend upon the amount the flow of water, within the district or nearby from where it can be provided. The

irrigation department should be able to give us that. This is the ultimate. Given the flow of water in this, how much water can be impounded as per your norms and therefore how much of cultivated area, net cultivated area, can be provided with irrigation. Now we will do this exercise for, we will find this figure for, every district and find out how much of the net cultivated area today is provided with flow irrigation and this as a percentage of the ultimate potential, which is the index. It has nothing to do with how much cultivated area is there in the district. That's not useful for flow irrigation purposes. It's different for lift irrigation or something like that. Unfortunately, if you do the type of what I called the erroneous way of doing, what Prof. Chitre reported as the Planning Commission's Report, it is completely erroneous. We will never be getting to this difficulty, of ours being on the lower side or higher side, whatever it is. This will never happen, if you follow this line of logic, which is what we did with regard to irrigation. Now coming back, when we do this, we do this, therefore, as a percentage. How many villages are there? How many villages are provided with all weather roads in the district? So you get a percentage, that x-percentage of the villages have all weather roads connecting the village to the nearest highway. Now, this is available for every district, in point of fact, for every taluka; and, therefore, you have it for the state as a whole. Now, for different indicators, similar percentages were done.

Then the question was what the approach to correcting these imbalances was. One point that was made, I remember, in the discussion by one of my colleagues, Mr. Vidwans. Vidwans said - one approach would be to start from the bottom, that is, in any one of these indicators, you take the district with the lowest provision and bring it up, first of all, spend money to bring it up to the next highest. And then there will be two on par which are now on the lowest; and then bring them up to the next, and so on until we provide for all the

villages in the country-side. Building up from the bottom is a very reasonable thing, not that he was completely sold on these, but he said this is a useful approach. The discussion quickly turned around to saying that, if we do this, in many matters of social provision, it's only one or two districts which can be provided in a year with this facility by the state. Our whole idea was that the entire state budget, mind you, the entire state budget, with exception of some provision for the on-going works, etc., is to be spent out, and so on. I will correct this at later stage, but the entire budget is to be provided in trying to do this. If it is village road budget, the entire road budget is spent on this. They said look at Chandrapur - there were no Gadchiroli-Chandrapur districts in those days, only Chandrapur was a bigger district. They said, if you do this, the Road Secretary said, - Sir, the entire budget of roads will have to be spent on Chandrapur and no other district will get even one rupee for road construction, in order to bring it to the next highest district, not 100% connection, but just to reach the percentage of the next highest district. Chandrapur is so low, that this would be the situation. So again I am not trying to take your time unnecessarily but the discussion went round and Dandekar suggested that I think the best approach would be to take the stage average. If 63% of the villagers are connected in whole state by all weather roads to the nearest highway, then the money should be spent, to start with, on those districts in which the percentage is lower than 63. Those, which are higher than 63%, had to wait, until the measurement or the computation process changes. Now the whole argument was that if we do this, they said with illustrations again, with data, that at least, well, some 40%-55% of the villagers will be left out. He said yes; then we checked with different items. It's not necessarily the same villages or the same districts, which would be left out in every subject; some, where roads are in shortfall, some, where schools are in shortfall, some, where primary health centres are in shortfall. If you do this approach for each subject and then you look at the total budget of

the state government in order to do this, you will find that every district will get money, under one or the other or the third head. May be, some will get under two or three heads, others will get under one or two heads; but no district will be left out of development funds for any purpose. And we clearly said to ourselves, and we have said it, if I remember it right now, that, politically, planning from the bottom will be an untenable proposition. Nobody will suffer this that all our districts will wait for road development until Chandrapur has been brought up to the next highest level. This can't be tolerated in our society. So, this was the middle way provision that will stand. Having said and agreed on this, the committee said that we do this for each one of the subjects. How much money will be required, how much time will be taken in order to bring those which were below 63% for roads to the 63% level? This will depend upon the state's budgetary provision for village roads, and the number of villages and districts that will be involved. Now, in these districts which are below the state average, the money is to be spent naturally, obviously, logically, on constructing roads in those villages which don't have it not in strengthening or concretising roads in villages. Mind you, there was no financial targeting for this. It was a physical targeting in order to bring up. The finance follows the physical target. Finance is not the main approach. Now having said this, we decided that once these districts have come to the 63% level, it may take one year, two years, three years and how will be these be distributed among the districts? - in proportion to the shortfall from the state average. You see, that arithmetic is not very difficult. You proportionately divide the total fund in this manner and give it to the individual districts with clear instruction that this money is to be spent only for those villages which are lacking in this. Now, there you can choose, there may be many more villages which are lacking them. So, the local authorities may decide which villages. There is still some scope for deciding which comes first, which comes next. But there is a limit beyond

which one thought we cannot go. Having done this, once at the end of x years, all these districts which are below 63% come to 63%, the state government will again calculate the state average, the state average obviously will be now higher. The moment the new state average is calculated, you do the same exercise to find out which are the districts which are below the state average. Many more districts now will be below the state average than they were earlier, because those which were above 63% but not below it will come into this picture. So, we do again the same method of allocation of resources. In this manner, we said, subject to the budgetary provision by the state, we will, sooner or later, reach 100% level. I am sorry, I am explaining this in this detailed manner because I got the impression, I beg to be excused if I have misunderstood some in the course of the discussions, today as well as some time yesterday, that once this backlog is done it is done, what is to be done again? I didn't quite understand what is meant by this. There is no question of remaining backlog. And this expression backlog, we might have used, I don't remember now, but in 1983 what was the state of affairs? We had to illustrate our proposition with arithmetic for the state. We said this was it. How much will it cost? So, it will cost so much of money at current prices which the department concerned has estimated. So, you will have to spend so much and how you will provide the budget is the state government's responsibility. It's not the committee's responsibility. Properly speaking, if you understand this process right, the backlog is, first of all, a physical entity. It's not a financial one. Second, the backlog goes on changing, every time you have reached the state average. The physical backlog also changes. And therefore, of course, the financial backlog, apart from the changing price situation, and so on. Now, I am honestly completely baffled when I listen to this and I sometimes read about the (financial) backlog. I don't understand; I have never seen a single figure in the news papers of backlog in physical terms for an individual item. That is a global backlog for

regional development. I understand that ministers and secretaries are in the habit of using such large figures. But this is no way of reporting things. This is no way of carrying on a discussion on a subject of providing this, what Kelkar said the public goods, to all the citizens, infrastructure for all the villages and towns. If this is no way talking about it, you must look at it in physical terms and you must devise your mechanisms of continuously updating it and so on. What has happened? I must confess, I have not read the Reports of Regional Boards. But I do not think this process - whether it is at the Regional Development Board level or at the state government level - this process of allocating resources has been followed ever since the boards were created in 1994. If they had been Prof. Chitre's figures show that in some matters Akola, Buldhana and some other district of Vidarbha are way below; when the rest of the Vidarbha districts are above 95% these are around 60%. How could this happen? If this method had been followed, this wouldn't have happened. Second, let me again say about irrigation. You see in irrigation, for flow irrigation, this is a very tricky business. Investment takes place on both - doing the dam, dykes as well as the main canal system. I have learnt from a learned and reliable senior Chief Engineer of Maharashtra - he told me, because he was doing a study in which I was also interested - he told me, Rath, Mula project which is in Ahmednagar district, I am studying this right now - Mula dam which was constructed 20 years ago. But, even today the irrigation system is not complete. I said - what do you mean by not complete? He said, what is an irrigation system? Digging ditches - I am using his words. The main canal is at least something, but the rest of the canal system is essentially digging ditches. When you - visitors, World Bank, Government of India, Mantri, Secretaries, they come to see - what do they see? They see the dam. In terms of civil engineering ability, what is the main ability to be demonstrated and proved? It is the construction of the dam, not of these ditches. He said the dam construction

first of all has to be complete for the water to be impounded. But we have all our interest and ability to show the dam which we can show to the rest of the world. The ditches nobody goes to see. Government does not provide money except for the main canal, for years to come. Three years after this, he told me - Rath, 20 years after Mula dam was completed, the irrigation system is complete. I said, what? He said 'Yes'. This is not something which I need go into. This is incidental to the main plot. He said, 'I have been doing a study of the water courses from the minors to the fields - water courses which go to the field for distribution'. He said our design is that the outlet to the water course should be so designed that there is a one cusec discharge. One cubic foot per second water must flow out of this. He said, "I have now surveyed with our engineering staff every single outlet in the Mula system. Not a single one is for one cusec. Bulk of them, some half were two third - 70% of one cusec". Why is one cusec significant? Because they assume that the design has been done to allow one cusec of water. The water course goes to the site of the field. So, the method of irrigation is that the farmer stops the water flow near his field by putting some earth (mud) and then opens up a gap to his field from his field bund from the water course. Water flows into his field. Now, they say how much of water is to be given to this field of half an acre as per their requirement? So, so much water per irrigation and there is a one cusec discharge. Then, in how many minutes or hours will so much of water flow into the field? Simple arithmetic for them. They said - we fix the time and once the time is over, the inspector - the water inspector - will go and tell the farmer your turn is over, the next man will take over. If you don't know what is the actual discharge, the man will begin arguing, complaining -- how can you do this? I do not have enough water in the field. The whole thing is a complete mess. Why I am saying this is because the manner in which things are done - what is more, the whole approach to engineering - Government spends money putting

up dams but not in the irrigation system in adequate time - 20 years!! Now I am not going to debate this question here, but I am merely bringing this to your attention, so you will know why between the investment in irrigation on flow irrigation and the number of acres of net cultivated area which is irrigated, there is a big gap. This is I suggest at the root of the trouble; there are other troubles into which I shall not go right now. I do not think, because of these examples that I was given of these three districts by Prof. Chitre's figures and so on that the Government or even the Regional Boards ever were careful in seeing that the manner of implementation of the backlog removal was done in this systematic manner. If they had been, then I think 25 years was long enough for most of these matters, for these things to be complete - if not in flow irrigation, because in irrigation, there are, their interstate disputes, and so on, one can anticipate trouble, time-wise, but not otherwise. Things would have been different in regard to primary schools and in regard to health centres, in regard to roads, village roads, district roads and so on.

After the Regional Boards were created the Governor constituted a central advisory committee. Mr. Vidwans was nominated a member. He stayed there for six months, wrote a note saying that I stand by the approach of our Regional Imbalance Committee Report and I merely want to supplement that in the existing matters where population is relevant, say, like in case of primary education and health - you must compensate, give extra grant for the rise in the population of children and the general population, in all villages, where there has been already a primary school and or a primary health centre so that they do not suffer from inadequacy of funds despite the growth in the population, to provide for more schools or more teachers, more classes and more teachers or more medicine facilities, and so on. In order to do this you take this and then, having prepared this, the rest of budget shall be for doing this type of work. This is what he talked with me

and I said I entirely agree with you, this was an oversight of the committee members in this work. If you or we had done this, I suggest that we would have by now completed most of this work. Some or even many villages of Vidarbha today have primary schools. Vidarbha has always been more progressive in regard to provision of primary school education. But this is not so with regard to Marathwada. This is not even so with regard to many districts in Western Maharashtra. Why is this so?

Final point is, we said that if the government accepts this point of view, this approach to regional development, then we don't see what the need for a Regional Development Board under Article 371 is. What will the Boards do? The government will do this, our suggestion was and a very serious suggestion, that this proposal of ours, if accepted by the government of Maharashtra, should be accepted by a formal resolution on the floor of the Assembly of Maharashtra. The Assembly will accept this as an approach to all its allocation of resources in this manner. Once you do this, the government is bound by it. If this is not accepted by government and the Assembly by a formal resolution - no provision of Board is going to do any good because the Board, under the exclusive provision - right of the Governor, will be a dual authority and we don't see how a dual authority can function. We simply cannot have dual authority in our situation. The Assembly is deciding on how / what money is to be allocated. How is it to be divided? It is a privileged constitutional right and privilege of the Legislative Assembly and you want the Governor to do everything because the Constitution again has provided for this. I am sure, if this provision was to be put into the Constitution when it was approved in 1950, it would never have been done. This is a pure political exigency which resulted in this 371 section, a purely political device. We had told our colleagues from Vidarbha and Marathwada, look here, this provision in the Constitution was for Maharashtra as well as

Gujarat. Gujarat has already tried it out for 6-7 years and has discovered that this cock will not fight, can't fight. So, they have given it up but it is not merely because of their experience that we are saying - No. We don't see the logical necessity for this if you accept this approach.

I remember in 1994 the Governor held a conference here and he called me amongst many others. The Governor was Mr. P C Alexander. And, if I was a little shaken when he said - Mr. Rath will you please begin this discussion. I was quite surprised and shaken - I never go to Governors and so on. So I told him -point blank - I said - Sir, this is purely your responsibility. Now that you have the Boards, either you accept the approach of the Regional Imbalance Committee report or you devise a new approach. If you accept the Regional Committee approach to this business, then I don't see what the Boards can do? The best that the Boards can do is to work like monitoring bodies. This is decided upon by the government and the Regional Boards will merely see that this has been strictly - administratively - followed. Beyond that, they have nothing to do. But if you don't accept, how are you going to reconcile the competing demands from the 3-4 Boards for various things? The total will amount to something. The money is to be provided in the state budget and that is their prerogative. How will you reconcile this? It is one hell of a problem for you. Do you realise this? I asked in these words in the meeting itself. But I realised very much later that P. C. Alexander was also a politician. See, he was playing games (politics) with the state government so he did nothing about it. He went on in the typical bureaucratic fashion in doing things.

This is how the whole position is. I have taken a lot of your time in order to explain this because somebody said that backlog is now over what will happen to the remaining? Backlog is over means what? 100% provision for / on every item in the state for all the districts and villages and towns?

If you had done that, you have achieved in regard to those subjects in which the state can do something. Sir, I will close by saying what I have said in the article that has been circulated - that while we said this about the basic things, I don't imagine that in problems of imbalances new things will not arise. These are not all necessarily problems of imbalance; may be some of them are. But these are problems which will be specific to local areas. The only way you can handle this is through regional decentralisation of authority and funds. As you said yesterday - and I am merely repeating today - the 73rd and 74th Amendments to the Constitution are very poor substitutes to what should have been done. I understand that before 1990 there was an attempt to do this, but every party including the majority party at that time, namely, the Congress in the Parliament, opposed this third tier to be spelt out in the Constitution. So, as a sort of consolation prize, these present 73rd -74th Amendments were given in which what is spelt out is election to these Constitutional bodies. But when it comes to powers and division of resources, there is a provision of what powers can be given. But it is left to the State Legislatures' sweet will to decide what powers and funds will be given. There the State Finance Commissions are supposed to recommend allocations, but what do the State Finance Commissions do? If the powers are not given to the local bodies then what can the Finance Commission do? As Debu Bandopadhyay said in West Bengal - regarding their distribution - he said the Village Panchayat has three rights: haats (market-place) and ghaats (river banks) and burial grounds; that is the totality in West Bengal, most seriously lacking state in regard to democratic decentralisation at legislative level. We had in that sense in Maharashtra an excellent legislation in 1961 which I have said was scuttled in 1971 because the Ministers and the MLAs did not like it. But if we want something, we must restore something like the 1961 Act. If we don't do this, new states will come up. But my suspicion is that what is happening in Maharashtra government

and legislature will happen also in Vidarbha government and Vidarbha legislature. It is the same type of thing that will happen. This is seen at the family level, at the society level - the institutional level. We quarrel but when we are in power we behave exactly like the people whom we were fighting or finding fault with. I understand that Vidarbha should be a separate state because the only way Vidarbha will begin developing a political leadership, which most of you are saying you don't possess, by having a separate state. In my language, we say, put the drum round the neck and you will learn how to beat it, some will beat it well some not so well but everybody will learn how to do it. Put it (responsibility) round their neck and the leadership will develop. Thank you. I am sorry, I have taken a lot of time but I have explained a lot.

Dr. Khandewale Sir, just one question for Prof. Rath.

Prof. Lalit Deshpande: Yes. But I want to thank Prof. Rath for coming to earth and addressing the main purpose of this session. In his long historical review he highlighted the approach and methodology of the Regional Imbalance Committee and showed how the vested interests led to the formation of Regional Development Boards and how the emphasis shifted from physical infrastructure to calculation of financial backlog. He also indicated how and why delays occur in implementation of physical infrastructure project, for example, irrigation. He was rightly critical of the shift of public attention to HDI and financial backlog. Thanks again Prof. Rath.

Dr. Khandewale: Prof. Rath, you have very well said about the whole thing. My specific question is - in your opinion what were the exact reasons for the government not accepting Dandekar Committee Report?

Prof. Rath: I don't know; but I will tell you this. This is not there in the report but people have written some minutes on this. While every one of the members accepted the basic approach of the Committee, when it came to the formation of the Regional Boards, members from Vidarbha and Marathwada were very firm in their conviction that Regional Boards must be there. And they must have carried considerable influence with whosoever were in power at that time. In addition, I have no nearness to political people so I really can't tell you what exactly happened. But our requirement - that the government must pass a resolution in the Legislative Assembly, binding the Assembly to this approach, is something which the government didn't want to do.

Dr. Khandewale: I am satisfied.

Prof. Rath: And it became very convenient for the government to oblige the members from Marathwada and Vidarbha who are keen on regional boards. It played both ways.

Dr. Yogendra Yadav: I am sorry; again I take it outside Maharashtra. Sometimes in speaking about small states and regional discrimination we naturally slip into the language of nationalism, of national grievances. All of us are used to that language of nationalism that in talking about regional disadvantage we also slip into that language. And there is often a sense as if disadvantage is something which is located at one particular point. But as we all know, as was clear from what Peter was saying when I came and Prof. Rath's point. Uneven development is something which is a spectrum which begins from the global and ends with the village. There are global disparities - there are disparities in the state within the country. There are disparities within every state. I come from South Haryana. So, we were a colony of Punjab and everyone was very unhappy, when Haryana was made. Now my people are very unhappy because we are from the semi-elite zone of Haryana. We are from the Vidarbha of

Haryana, so my people are very very unhappy now because you know these Jaats sitting in Rohatak think nothing about us, etc. And I am reasonably sure that if South Haryana were to become a state - it should not- South Haryana is actually too tiny in terms of scale. But even if South Haryana were to become, I know that there is Mewad region - principally with Muslim population - it would become a Vidarbha of South Haryana. So within Mewad - I mean I know in my village - there are areas which are under developed and areas which are better looked after, etc., which has a caste equation. Once we recognise this - now this is not to say that there is no case for small state. I have repeatedly said that there is a very strong case for small states.

All I am saying is that once we begin to see uneven development as a spectrum, which runs from top to the bottom, then we must think of multiple institutional ways of addressing it. How do we address it? The crucial thing is to then identify thresholds where we can say alright there is unevenness from bottom to the top, but these are three or four levels where I can see unevenness very sharply written. For example - disparities between... amongst the countries - is still the biggest disparity in the globe. You could say the second disparities are within state. I keep arguing with anyone who cares to listen to that district should be one such major level that we will have to spend a lot of time thinking about. And then of course there are lower categories. How do we address this for each of these levels? Now within the Indian Constitution you get two kinds of institutional devices - one are what should be called regular devices - the others are special devices. Regular devices are national government, state government, federal devices, state governments and then third tier or whatever is the word. These are regular devices - the expectation is that these candidates would be elected and everyone wants to come back and then there is election again and therefore they would make sure that constituency is looked after and they would

go and fight and do everything for that. That's the usual logic of competitive politics in which things are supposed to happen. At the same time, there is recognition in the Constitution itself, that these regular devices may not be enough. So, you have special devices, which are the special devices - and I think at some stage we should do probably a full seminar only of these special devices that we have in Indian Constitution; they are such a wide range, from one extreme of a state with special status, 370 - states, ordinary states but with special protection for regions, your articles 371 and 372. Then there is Schedule V areas, Autonomous District of Schedule V, then there are Schedule VI areas for Scheduled Tribes and then you have Regional Development Boards and the latest and at the lowest level now you have the PESA Panchayat. You know this Panchayat - the Scheduled Tribe Areas Panchayats of the VIth Scheduled Areas which have certain special rights. Now this is the range of things given to us by the Constitution. If we look at it - after sixty years (of Independence), we find that some of these devices have worked; others have completely failed. I am afraid I would say Regional Boards are actually an example of something which has almost completely failed. We have to see why - Maharashtra is again a slightly unusual example because your Regional Board has certain statutory umbrella of the Governor's rights. In Haryana, there are none. Mewad has a Regional Board, North Bengal has none. In all the states, it is a big joke. The politician who's some crony of Chief Minister is given that *Lal Batti*, and everything; so it's *Lal Batti*, nothing more. This is usually the story of all Regional Boards all over the country. This particular Constitutional device has completely collapsed. Autonomous District with Schedule V Areas is probably the device which has worked best because it worked in the North East. It is probably the best device so far that we have, especially when the whole state is a Schedule V Area. Mizoram, Darjeeling ...but you see Darjeeling problem with Autonomous District status. I don't think the problem was

Autonomous District with Schedule V-provision itself which was used - the problem is CPM's dominance. In that, no matter which Constitutional device you give, unless you begin to accept CPM - CPM is Constitution. Everything comes later and that is why this Darjeeling thing has not worked. But by and large, Schedule V has worked much better.

So, if you again see why is it that some devices have worked and some have not, the answer would be something like this - those devices which are linked to open competitive politics and have statutory powers given to that tier directly, they have worked; others have not worked. Regional Boards are dependent; they completely do not work. Schedule VI works some time because it is linked to some Governor who is not directly responsible. So, I think in a sense we need to think hard about this. Yes, we have to have smaller states. I have said that repeatedly in this seminar; but in addition to smaller states we have to think of two other things - one is a tweaking of the main institutions, of your standard institutions of Parliament, Legislatures, and State Legislatures in the sense of devolution of power. If your central government continues to have the kind of powers it has and the state governments have whatever remains, then to consider that regional inequality would be over is a bit of a pipe dream. These two things have to be amended. That's one kind of change we have to make. Second is to come up with special devices by abolishing some of these failed devices which we should now accept. Regional Boards have failed. Let us abolish them and think of some special devices which are linked to competitive politics and which have a statutory power.

To my mind, one of the best devices would be an elected district government where the Chief of the district is directly elected by people of the district. I mean, actually in the Indian context, that person should be the Chief Minister equivalent. A district level elected government where your

collector becomes the Cabinet Secretary of that government. There should be no other role for collectors in our kind of democracy. Collector should be Cabinet Secretary to that district level elected government and the government should have statutory powers. Unless we begin to do that because - I don't know in Maharashtra but in most places - we have anything between 1 and 2 million people in every district of our country. Now, anywhere else in the world, strength of 2 million people deserve a government of their own.

So, if we don't think of things of these sorts, the small state is good - it is necessary as an important threshold. We have to move towards that and sooner rather than later move towards Indian Federalism with some 50 or 70 small states. That is the direction in which we have to move. But that's not enough. Now why does it surprise you? U.S. is one fourth of us. They have fifty states; we all live by that. I mean, it is only a little shock to us because our sense of normality is so artificially packed up. You know, we all get used to, human beings get used to all kinds of normal things so if it becomes 50-70 states, five or seven years later, we all will get used to it. But that is the direction in which things have to move. And some special devices, we really need to think hard about.

Shri Ratnakar Mahajan: We are on the subject why present arrangements for balanced regional development have not worked. The question itself spells out the answer. Well, asking this question you say that they have not worked. Since you say that they have not worked, you have to find the answer to the question why they have not worked. It was good of Prof. Rath to give a little of historical background of how they went into the question of balanced regional development in the state in their committee. Now, the irony about the Dandekar Committee report is that it is neither accepted by the Government nor rejected by the Government. But for our practical purposes the statistics given by the committee and later on

revised by the cabinet committee, under the cabinet secretary, are taken as basis of planning in the individual sectors. Now what does this mean is an open question for any layman. Yes. So, for all our practical purposes, you are doing sectoral planning on the basis of a committee whose report you have neither accepted nor rejected. Now this is the irony of the situation. Then, as a sequel to the discussions that followed this committee's report and on the basis of the amendment to the Constitution in 1956, that is, 371/2, these regional development boards, Statutory Regional Development Boards were formed in 1994. Now, these Regional Development Boards are a very queer animal, in the sense that it is a Constitutional entity, but it does not have a machinery of its own to see whether the things which are told by them are implemented or not. They do not have even a full time secretary. One of the Additional Commissioners of the Division gets an additional charge as Secretary of that Board. That Additional Commissioner, whenever he finds time from his regular office work, he just phones up the next one in the Board and says - is there anything to be attended to by me? If he says yes, then he goes to the office; otherwise the Board is left to its own destiny. Then these Boards are essentially recommendatory in nature. They have to recommend to the Governor - the lacunae in the planning process adopted by the state government. They go to the Governor who then issues directions to the cabinet. Now having attended the meetings of all these three Development Boards in my capacity as ex-officio member of these Boards, I have seen from close quarters how these Boards function. They do anything but what they are expected to do under the Constitution. Most of the time of every meeting of the Board goes into discussing - how do we allot the discretionary fund of the Chairman. Now this discretionary fund of the Chairman, in Rest of Maharashtra it is about Rs. 20 crore, in Marathwada it is about Rs. 32-33 crore, no Rs. 25 crore.

Prof. Rath: Chairman of the Board?

Shri Ratnakar Mahajan: Yes. In Vidarbha - it is about Rs. 40 crore. This amount is at the disposal of the Chairman of the Board who utilises it with the consent of the members of the Board. Most of the time is wasted, or utilised, I should not say wasted, because it is a democratic body - most of the time is utilised for discussing how much money should be given to member A or to member B. I was surprised when I was told this by one of my colleagues in the Marathwada Development Board. He pleaded with me, why don't you decide on a quota to be given to each member from this amount?

And that too he wanted me to decide it on (political) party basis. If he is an NCP member, he should be given Rs. 5 crore; if he is Congress member he should be given 4 crore. And now this is what happens to the discretionary fund which is kept at the disposal of the Chairman, to be used by discussing in the Board Meetings. But it never happens. One of the Boards wanted to use this discretionary fund, to create memorials for Shaheeds (martyrs) of the Kargil War. What has this got to do with the backlog in the area or balanced regional development and all that I just do not understand. This is because Constitution has said that you should have these things, but having provided for this, the concerned state government has not applied its mind as to what it does want to do with this provision. How does it want this instrument to help, to restore the balance in development of various regions of this state? Now they are supposed to bother about the balanced development within their own region and make recommendations. How does this happen? A member of a Board comes up with certain proposals in his area or in his constituency and then that is kept into or that is fitted into the framework and then the amount is sanctioned and they go. But one achievement of this Board must be appreciated that they have drawn the attention of the policy planners to the fact that more needs

to be given to areas which are neglected. That is why, after the Boards were formed, about 12 to 16% of the annual plan is being given for liquidating the backlog in the various regions. But then this backlog is a very funny thing. It never ends because in the race for development, it is an individual initiative. In the race for development, if one runs at a particular speed, all are not able to run at the corresponding speed.

We should discuss the issues objectively and dispassionately; these are some of things which I want to say and then I would comment on one philosophical proposal in the School's Note. If in reality, disparities are inevitable, then is it possible to determine their tolerable level so that human miseries on account of disparities proper and filling of disparities in general are minimised. I just don't understand how to apply it in practice. Thank you.

Prof. Kurulkar: I would like to put only one question. Supposing the Boards are abolished, how would you ensure minimum funds to the backward areas? Our experience is that Nagpur Agreement was not honoured by the Government. That is why we have created these Boards. Now at least 16% of the funds are given to Marathwada and 21% to Vidarbha. After the Boards are abolished, who is to ensure minimum flow of funds? That is my question.

Dr. Pitale: Sir, the question which has been posed was - Why have the existing arrangements to ensure balanced regional development not worked? So, in that context, what is the mechanism of distributing the resources? First, the finances, as Prof. Rath has correctly said, how do you ration these resources at the micro-level - it is the budget. This development board scheme, or any other scheme later on, that is the mechanism, the resources finally should percolate down to the district. Now, why are the funds not going appropriately to the different regions? Who rations these funds? There is data on this on the

website of the Bureau of Economics and Statistics, Maharashtra, that is the website of the Maharashtra Government's Department of Finance and there you get the distribution of these. That is, the allocated budget, for each district, how much has been spent this month? How much in totality? And you get this at the end of the year. You get the sanctioned amounts. There comes first the disparity, because somehow or the other there the rationing has not been done properly. That is why some regions got more, some regions got less. I will just quote an example. In 2008-2009, 20,000 and odd crore of Rupees were meant for eleven districts of Vidarbha. I totaled that. Then I totaled for 2009-2010. It is 18,000 and odd crore of Rupees. So, at the sanctioning stage itself you are giving less to some regions and then you expect that there will be a balanced development. Another factor is that under Article 371/2 Boards were set up in good faith. The Governor found that the rationing offices' resources were still not getting properly spent. So, the Governor intervened and rationed those resources. These are the principles, please do it accordingly. Deviations are there, it's a common knowledge; it's documented. Now, that is one of the reasons. Why is it not working? You created the institutions but did not allow them to work. Now who allows them to work? Then comes the human factor. The leaders. Let me explain. The third point is: Who does this? It is the state leaders. And if the state leaders have this mental approach, alright, more for my region, not for others. This will perpetuate whether developments boards are there or not and therefore we are saying and to Prof. Rath's point about backlog, that has become a misnomer. What are you chasing? What he has said very correctly and therefore in all our submissions, which we have made to the President and the Prime Minister and others, we have said: What is the loss of resources for Vidarbha? That is most important. Even though, in 1978, the water tribunal gave the award, on Krishna Valley, Godavari and Tapi, that 32 lakh hectares of land would be under irrigation in Vidarbha, not

a single farthing was provided for it. That is, you calculate, that is the loss of resources to our peasants and everybody. That is the backlog. This is the backlog; and the average and all that has no meaning. We have a whole list of those items; that is our backlog. Those terms have to be used but we are not using those terms and therefore we are not in favour of the third backlog committee. Because it is just spending time. Because they will say look, Vidarbha is asking for development board. We give them. They are asking for the calculation of the backlog, we have appointed a committee. Then why do they want a state? This is the way of political rigmarole in which the things are being put.

Dr. Anupama Saxena: Thank you very much. Actually, since the morning, I was just trying to identify a point where I could intervene and this confusion was because of two reasons, because I am a student of political science, and whole of the debate was dominated by the economists. That is the first reason, so I just found that I do have a different perspective on the issue. And the second thing is that I belong to Chhattisgarh; and most of the part of debate was focused on Vidarbha and Telangana, the future states. And because we are a present state, completing ten years of enjoying separate statehood or a small state status or a newer state status. And the debate was so enriching that I could note down so many points on which we can think of conducting various studies in the context of Chhattisgarh. There is one point that I would like to make and it is like getting back to the first point, getting back to the first presentation that was from Prof. Chitre. He started the discussion saying that there are inequalities and there are disparities and he said that one of the reasons, for the existence of these inequalities and disparities is the intentional negligence of the political leadership of certain parts of the state by the state. I agree with him and I agree with all the data and all the conceptualisation that was presented here during the discussion for forming the new state. But I would

like to share some of the experiences of my own state around this particular idea. It is true that the arrival of Chhattisgarh was quite unusual. We didn't have any aggressive type of movement for a separate state. And there are actually no documented evidences to identify if there were any specific aspirations or objectives for the formation of a separate state. So sometimes it really becomes difficult for us there to evaluate the performance of the state. Certainly it's un-debatable that during the last ten years, on all parameters of economic development, Chhattisgarh has tremendous achievements. The pace of economic development has been accelerated and on all the parameters, SDP - per capita income, foreign direct investment, all show the achievement. But the question that I would like to raise is that the area that is rich in natural resources, that is a tribal area - there are six districts dominated by tribal population. As you all are aware 40% of our population is of tribals and they have been the victims of injustice for centuries and they were facing inequalities and the disparities. After ten years of the formation of the state and even after achieving the tremendous economic growth what is the situation of all those areas? I have provided some data in my paper, and I will not go into that data, but it's very clear that the three tribal districts - Dantewada, Bastar and Kanker come under the 10 most backward districts of India. And the other three districts, namely, Raigad, Surguja and Ambikapur these other three tribal dominated districts also come under the 100 most backward districts of India. So, I just want to understand that after 10 years when we are giving this argument that formation of a separate state actually helps in addressing the issues of inequalities and disparities, what does the experience of Chhattisgarh actually show? The second point I would like to make is that, in a way, the sufferings of the tribals or of the population living in these areas have actually increased. Actually, at the time of transition, because the statehood came to us almost all of sudden, so we feel that the political leadership was actually not prepared

for that. And so, for a certain period of time, there was a vacuum for those particular areas, in particular, for the tribal areas. The Government took very hasty policy decisions regarding the exploitation of natural resources. There was a nexus between the political leaders, industrialists and the contractors. There was a communication gap between the political leadership and the people there. The decision making process was not participatory. So, there are so many reasons that actually help in enhancing the problem of Maoist violence. After 10 years of formation of the separate state, the most disadvantaged, the most deprived community of the state is actually finding itself on the wrong side of the development again. So, I really wonder, when we all talk about the formation of a state on the grounds of inequalities and disparities, what can we learn from the experience of Chhattisgarh? The other point I would like to make is, that actually this is very surprising - I don't know how we can conceptualise this - that at the time of the formation of the state we didn't really have any people's movement for the formation of the state. There were smaller movements but there was not any single movement, a systematic movement. But after the formation of the state, actually Chhattisgarh is facing the most aggressive, even violent movement, against the state, against the government. So, I hope that the house can discuss on these two points. Thank you very much.

Sixth Session: Which Problems Are the New States Likely to Face?

Chairman: Prof. Srinivas Khandewale

Prof. Chitre: Some of the questions about Chhattisgarh, we can again take up in greater detail in the next session. The next session is devoted to the problems which are likely to arise, if the new states are created, what would be the problems that they might face. In that session, you can first elaborate a bit more on Chhattisgarh, if required; that would be a good idea. But may I now request Prof. Srinivas Khandewale to Chair

the next session. He may begin with his own remarks and then he may request Miss Anupama Saxena to tell us something about the problems which Chhattisgarh is facing as a new state.

Prof. Khandewale: Thank you Sir, I would not speak first; that is sure. I would request all of you to contribute; in the end, I shall say something. It's a very happy occasion and one of the significant aspects of the whole theme that has been assigned to me is: If new states are formed, if smaller states are formed what are the likely questions to be dealt with? What are the new arrangements that we would like to have? To my mind, it is a very satisfying thing because it gives some hope that small states would be formed someday at least. So, as Anupama just now spoke. She spoke very briefly but we should request her because Chhattisgarh state has been formed 10 years ago. She has narrated the problems and her observations also. What administrative, political, social, economic problems you think would arise and Chhattisgarh state will have to deal with because, as you said very correctly, the state was formed very suddenly; so it came as a surprise; people were not prepared and therefore people had no arrangements in their minds for a new state. I think the surprise is continuing for the last 10 years so what do you think are the likely problems and likely solutions in a nutshell, so that others can participate?

Dr. Anupama Saxena: Actually, the problems are very apparent, because the biggest problem our state is facing is that it was expected that having a separate statehood, the people of the state will feel happier, would feel more satisfied, but the results are just the opposite of this very starting assumption. The common people of the state, especially the disadvantaged section of the state, are really not feeling happy. As I said, during the last few years, Chhattisgarh has experienced the

most aggressive peoples' movement and especially in that part of Chhattisgarh where tribal population is in dominant proportion. So, this is one thing that actually bothers us, being students of political science. One of the reasons for this is the unequal distribution of the fruits of development certainly. Or, may be, it is not that, and actually the formation of the separate state has started a process of exploitation. A process of more exploitation of the disadvantaged section of the society has started not because the state is rich in natural resources but perhaps because political leadership is not taking care of the aspirations and expectations of the people. Industrialisation is going on; there is a very good pace of industrialisation, but let me give you one example that relates to the labour of Chhattisgarh, the Pravasi Shramik, the migrant labourers, of Chhattisgarh. There has been noticed an increase in the rate migration of labourers to Chhattisgarh because the industrialists are not giving work to Chhattisgarh labour. So, these are the issues in nutshell. I would say that the main questions are: What are the reasons that the benefits of economic development are not distributed equally or in a way that satisfies the common people? Because so many peoples' movements certainly provides us evidence to show that people are not satisfied with the nature of economic development. This is the most important issue that we should like to discuss.

Actually, we all have to understand the changing nature of capitalism to answer this question. So many industries have come up during the last 10 years. Those industries are interested in hiring labourers from Bihar, Gujarat and Orissa but they are not interested in hiring labour from Chhattisgarh, because if they hire labourers from Chhattisgarh, because they are local labourers they would be fighting for their rights and in case of accident they would ask for compensation. When the new industrialisation

policy was declared by the government of Chhattisgarh, in fact, in all the policies the starting line is always like - this policy is initiated to benefit the people of Chhattisgarh, especially the tribal people of Chhattisgarh. But actually this is not happening. This is an example to show that the industrialisation based economic development is not actually benefiting the poor people in the state.

Dr. Yogendra Yadav: I would like to focus not so much on what will happen once the state is formed but add just one or two thoughts on that. But I want to drag you to that in-between zone because most of us are comfortable discussing two things. One is how have inequality and injustice spanned out in the last 40-50 years. The second is, which the comfort zone of the past is and the comfort zone of imaginable future is where the new state would have been formed. But there is the in-between zone which all of us live in, which is the zone of political uncertainty, which is how is it that new states are formed. What is the political process through which such momentous decisions are taken? Why is it that Vidarbha and Telangana, which have been the two original states of the SRC, are not formed and Chhattisgarh where, as she said, no one was demanding the state and it is handed over to them and it is almost thrust upon them. Why does this take place, we do not have a system, I mean we can joke about it, we can laugh about it but all this has not happened over a joke. There are serious political processes that go into such a major decision and this is a question addressed to Prof. Suhas Palshikar who is developing a comparative understanding of states and politics in other parts of the world. We have a huge literature now, about why boundaries change, about how dictatorships give rise to democracy and the transition literature. They need to develop similar literature in India to understand, how is it that these things do happen? There is, of course, an immediate question which has been brought about by several friends here, but more in the nature of accusation

or allegation, but the simple point is that the balance of political forces as it obtains at that moment is very decisive. In 1956, as the story was told to us, if Vidarbha was formed, Congress would have got Vidarbha but would have lost Maharashtra. Naturally, you don't expect any political party to commit suicide like this and similar may be the situation today where congress is positioned *vis-à-vis* Nationalist Congress Party (NCP) in such a way that it would become far more vulnerable if this verdict is given. I think we need to develop that understanding more systematically rather than saying, oh, these politicians don't know what they would do when. We need a systematic science of this to understand that. Also - the question of the SRC - what are the political incentives for any national government to agree to SRC? No one would do it and given the contemporary state, sheer lack of political judgment and lack of political vision that informs our central governments, it's not going to happen out of sheer good will or political understanding. Certain confluence of political forces would go into the making of that moment, when the government says all right next SRC is appointed; and that is really the big question because, as I keep saying, as long as we keep debating this thing, on a case by case basis, we would not move forward. We have to think about the question of the next SRC and what it might do and what is the politics of the next SRC is the question which really needs to be debated.

Just one thought on what will happen when a new state is formed. I would just alert you on one danger, which has already been happening in Chhattisgarh and in some way in Jharkhand also. Creation of a new state suddenly opens up the possibility of a new public sphere, which is not pre-constituted. A new capital comes into being; lots of new positions come into place. A new political centre is created and you normally do not have the political leadership of a stature or of a depth of experience which can handle that. Just imagine India in the early nineteen fifties when

we had a leadership, but in the absence of that, what can happen in that political public space which is suddenly opened up. And it opens up without much preparation, it happened suddenly one day and then there is capture of that political space by certain organised interests. In Jharkhand, the whole government was captured by the mining lobby. And what continues to be Jharkhand Mukti Morcha was bought over. This Madhu Koda experience should be an eye opener for anyone trying to understand, when the public space - I don't mean just the politicians but from politicians to the media, this entire business of thinking about politics, decision-making, opinion making and polity making - this entire arena is simply captured by private interests. An element of that happened in Chhattisgarh. I have to say that, despite all my personal reservations against the BJP, the BJP government - Ramansingh's government - actually almost saved Chhattisgarh from that. If it was Ajit Jogi and Company, the whole state would have been sold to the lobbies for the next 25 years. There is that danger, you see, and that's a moment when coup can happen. Now coup here doesn't mean Army coup. What happened in Jharkhand was a classic coup in which a lobby captured the state. That is why when we think all about the wonderful things that can happen and the opportunities, we should also think about this very serious danger that these new states expose themselves to. It did not happen in Uttarakhand although if you ask Uttarakhandees, they will say it did not happen and one of the reasons it did not happen in Uttarakhand was that the formation of Uttarakhand was preceded by a very strong movement, a very thick discussion. They had thousands of dreams about what Uttarakhand would be like when Uttarakhand is formed. All those dreams were dashed, but the existence of those dreams ensured that what happened were not a capture and a coup. Those are just some thoughts I thought I will share.

Prof. Rath: How is it that the state of what is Chhattisgarh was thrust when nobody was asking for it? I have often wondered about this though I have not gone into this in any detail. Chhattisgarh largely consists of 14 of the 40 Eastern State Agencies under the British rule. Under the British rule, there was a big agency called the Eastern States Agency which had forty princely states under it. There were two constituents: 1. Resident and 2. Political agents, you see; and one of the political agents was responsible for the fourteen states of the Eastern States Agency which now constitute part of Chhattisgarh. These are largely, not exclusively but very largely, tribal areas beginning with Surguja in the North and Bastar in the South. Today's Madhya Pradesh is again largely, largely but not entirely, state area but they were developed state areas

That is not the single reason but that's the overwhelming reason why this state was so easily separated with no murmur but good returns.

Dr. D'Souza: I am not asking last time's question this time, but I want to get back by analytics from the terrestrial location to giving the experience of small states. Let me now speak on behalf of Goa. I think an assumption in our whole discussion of small states is that once we get small states, political leadership would work out its entire calculus, keeping in mind the welfare of the entire state. I think that has been belied in the case of Goa, but in fact Goa has developed. Goa has developed and I think it ranks very high in terms of its all the development indicators - all the development indicators, whichever model you take. Now, why did that happen? I want to suggest that when we are talking of states, in addition to talking of size, we also have to look at it in terms of its comparative advantage within larger economy. So, one state may be resource-rich, right? Chhattisgarh and Jharkhand may be resource-rich, and then you get them to bear the mineral cost. Goa is not resource-rich, but it is leisure-rich. I mean it is identified as the leisure

capital of the country, so there is huge amount of capital flowing in and therefore that changes the whole market and land; so Goa has developed in spite of the predator politicians. And this is the argument I want to make that you have outcomes which are unintended. That predator politicians pursuing self interest produce outcomes which are socially desirable. So, you get good roads, you get good communications. So, you have politician who loots the state but protects his own constituency. So, that is why all this instability. I mean, they loot the state but they know, they can manage their own constituency. So, they will be taking money from the public exchequer but giving it to voters in their constituency for house-building, for marriage feast, for medical expenses, etc., completely as patrons, as Robin hoods, I mean, everyone of these politicians. So, our theory of understanding state politics has to change. We are just too naive and just too simplistic and you know that all these are public spirited individuals who will emerge once they get the right platform. In Karnataka, they - the Reddy brothers - changed the boundary of the state with Andhra Pradesh. And they did the same thing in Goa. Well, it's not reported because the scale is slightly different. I mean they have changed the boundary of the Reserved Forest. So, that is one thing you have to keep in mind that you have consequences which are not intended. And, in the calculus of decision making, we have to figure out what is it that produces the consequences? Now, Goa has developed, but I think economists ask the question was this development optimal in the sense that, given the amount of money that was available, could we have got more, could we have had Singapore rather than Goa, because we have all the advantages and yet we don't have a Singapore. We still have large populations which are below the poverty line. There are a lot of inequalities, including the hinterland versus the coast.

Prof. Rath: There is free migration in Goa, Singapore doesn't.

Dr. D'Souza: Yes. But the point is that the state is not able to bring about equality because of the rapacity of the predator politicians. So, I think the story of Goa in a sense serves as a very interesting counterfactual to the kind of thesis we're putting forward about small states - that they are going to bring more development. If you have small states which do not have resources like Chhattisgarh or Jharkhand, will it then be able to bring about these results?

Shri Abhay Tilak: Madam, I have two questions. I am a part of this institution. When we were devising this seminar, we were wondering if the demands for new states are going to be there, on the basis of the inequities in development. Let us try to understand what the experience of the newly created states has been; that was the basic purpose. Now, may be, unfortunately, we could not get access to economic surveys pertaining to Chhattisgarh. We tried on the internet, everywhere. Now, what we were eager to know about is this. There were two issues which are important and which are likely to have a bearing on the state of Vidarbha as and if it comes into being. The first thing is, as we understand Chhattisgarh is essentially a state which is rich in forest resources, unlike Jharkhand where mining is a major source and minerals is the major natural endowment. Extraction of minerals has environmental implications that is the different issue, but when it comes to forest, you cannot exploit forest as a resource for two reasons - first the control over forest doesn't rest with the state government; it rests with Government of India; this one thing. So, there is a basic question of accessing forest as a resource for development because the control on resources is not with a state it is vested with the centre this is one. Secondly, forest cover and maintenance and nurturing of forest is a precondition or a necessary condition of any kind of environmental balance. Now, given this situation,

do you really, has it been your experience during the past ten years, that in a state which is rich in forest, that itself becomes an impediment for development because the resource that is at your disposal has some inherent limitations as far as utilising it for development purposes. Now I give a small example - Andamans, for example, although it is an island; 85% of Andaman is a reserved forest. So, if you go to Andaman, basic developmental challenge is that they do not have land, revenue land for any kind of developmental activities, be it irrigation, be it small checks, bunds, dams, roads, anything. Now, although Chhattisgarh's forest coverage is small compared to Andaman, nor is it an island state, but do you feel that or has it been your experience that, during the last ten years the sheer fact that though it is a rich state because its endowment is a forest, does that itself become an impediment? That is question one.

Question two - you mentioned about migration, right? Now, this is a serious issue, in the sense I have an access to very confidential information - nothing confidential really - in a sense it is officially confidential - my brother is working in Uttaranchal. Now, when Uttaranchal government started on a very aggressive move for industrialisation, all kinds of incentives have been provided to industries. Many industries from Maharashtra have migrated to Pantnagar because they have been lured by various tax incentives. Now, the real problem over there is the kind of manpower that these industries require is simply unavailable in the local area because the type of technical skills, the kind of educational infrastructure, which provides this kind of technical courses, the kind of qualifying standards that industries require as far as the quality of manpower is concerned, it is simply absent there. So, the irony of the situation is that although Bajaj, Tata Motors, Kinetic all these large corporates are located in Pantnagar, I know every year their human resource development manager comes to Nagpur for selection of quality people. So, is it

a similar kind of situation in Chhattisgarh that - yes, although a separate state has been formed, although - assume, there was no demand - but now having gained the statehood, on the one hand you have started with a resource which cannot be easily exploited commercially; secondly, you are embarking on industrialisation but the structural problem is there if the state is going to industrialise as it is heavily dominated by tribals. The kind of manpower which is available locally and the kind of manpower required by the industry if there is structural mismatch and if this migration issue is going to be a kind of perpetual reality for sometime to come, are we not heading towards some kind of social conflict, that is locals versus migrants. So, are these really the issues which have confronted the state government during last ten years and what is the current thinking over there? Thank you.

Prof. Rath: You see there has been some mention that states are required to see that one third of the total land surface is under forest. Now, I don't want to press yet on it, but I will be very brief and pointed. This is a resolution of the Government of India, adopted some 55 years ago - in 1956, where the Government of India said that one third of the land surface of the country and, as far as possible in most of the states, shall be under forest - that will be the goal. Ten years later, in the Indian agricultural economics conference at Jabalpur, we had organised, for the first time, a session on the forestry economics and many director generals of forest from the individual states and the Boss in Delhi, Forest Advisor to the Government of India and another of his colleagues were present for this occasion. Some of them had written papers that were presented and then in the course of the session's discussions, this we learnt for the first time, because we were not in the forestry business so we did know about it. You see, 33% of the land has to be under forest. I remember some of us stood up and asked, how come that you have decided on 33% or one third of the total land surface and the answer flooded

us, as I am sure it will floor you. You know, how this was decided by the Government of India? On the earth surface, on the surface of the Globe, of the total land surface that is there, one third at that time was under forest. So the United Nations, they say, decided that every country must have 33% of land under forest, as our government much later decided that we must have 33% of our land under forest and therefore every state must have, and I guess, every district must have one third of its land under forest!

You can't imagine the idiocy of this, I am not loosely using the word, I am very advisably using the word idiocy. It's an utterly idiotic proposition but it has been standing on this rule book of the Government of India for the last 55 years. Nobody asks it. That will create Ramarajya in Uttar Pradesh now, where there is not a hector of forest land, now that Uttaranchal is separate. What is that? These people are mad, they don't know what they are talking about and to insist that we shall have one third of our land under forest, this whole discussion on Maharashtra and Vidarbha is going on when it comes to forestry in these terms. Please remember.

Shri Vijay Jawandhia: I think my point is taken by Abhayji, about the migration of labour from Chhattisgarh and above what you said that after the formation of Chhattisgarh the exploitation has increased more. I think this is inevitable in our system unless the policies have changed. The policies for the exploitation of the natural resources which you are having, prior to the formation of Chhattisgarh and now, are not the same. And if the new government is not addressing that problem then there would be no equality and the benefits will not go to the Adivasis as jungles are also exploited, because when I support Vidarbha, and I am a worker of a farmers' movement, always one question is asked to me whether, after the formation of Vidarbha, the farmers' question will be solved? So, I say that I am very clear that after formation of

Vidarbha, the farmers' question will not be solved, because, according to the Constitution of India, agriculture is a state subject, but, in fact, the major decisions regarding agricultural development are with the central government. Now with WTO, all import-export decisions and finances and support prices are with banks and the Central Bank and with the Central Government. So, agriculture problem can not be solved if this type of structure is there. The same thing is with regard to the forest policy, the same thing is with regard to the mining policy. Unless the right of the natural resources and the share of the natural resources are in the hands of the state and is given to the local bodies, I think equality will not be there. Migration of labor, as you have rightly said, is because of education and the expertise or the skills. But another thing which I am also seeing in my area is that this new industrialisation is always favouring the outside labour. Chhattisgarh labour is welcome in Vidarbha and that is because if labour is from outside the chances of having organisation and agitation is less. So, this is a new danger in the new economic policies and the new labour policies. I think, this also will have to be addressed in the context of the new state in the right perspective. Thank you.

Prof. Lalit Deshpande: Prof. D'Souza referred to Goa being the leisure capital of India and also suffering from high levels of unemployment. Goan life is influenced by the Portuguese rule. The colonial living and working habits continue to this day. Employers complain of scarcity of labour despite prevalence of large unemployment. This is because an average Goan has easy access to fish and cheap rice. He loves his siesta after his mid-day meal. Literacy and fluency in English is high among the young and the old alike. Such people do not want to do heavy unskilled work. Hence the migration of unskilled labour from other states, for such work. There are many cultural influences. Both Christian and Hindu

religions have many festivals and their celebrations result in high absenteeism so the reluctance of employers to employ locals. In fact, whatever little industrial investment is there in Goa or there are Warf owners - I know some of the Warf owners who carry iron ore, which is the greatest export from that area. They cannot get Goan labour to be employed in that. All labour is from outside. Goans work outside as drivers, taxi drivers and all this, but their lifestyles are entirely different within Goa. The question about migration is related to this; there are many advantages of having migrant labour. First of all, it is cheap. It is the migrants who want to earn the money first. So, they will work, there will be no unionisation and somehow at least in my part of the country, in the very districts close to Mumbai we ask this question, where in the state there is a big public sector unit there, IPCL, which is very close to, about 100 kilometers from Mumbai. And all the employment there was from outside the place. So, we asked these people why you are working here. These very aspects or cultural aspects as well are important. A cultural aspect is the fact that they say that if we employ local labour, if there is one death in the family, most of the people are related to the person, so they will go for the funeral, they don't come out for work. Since our company has continuous working operation systems, we cannot afford people going out. Take the employment on contracts and everything which was detailed - this is not the time to relate all those details; but for taxi and car drivers, which are the most unskilled jobs, also they could not employ the local labour, which was the tragedy but this was the revelation to us as to why they did not. The only jobs for the locals were in digging operations, cleaning and sweeping. These are the only operations on which local labour could be employed. There were no technical schools or the ITIs at the district level; they were not giving training in the skills which the IPCL would use. The IPCL would have really done it. There is nothing; so there is no

training for the local people. So, naturally you have to rely only on outside labour to come and stay there.

Dr. Anupama Saxena: First, the issue of migration. I think, you have raised a very important issue, but let me first make it clear that actually there are two types of labourers. The industry required 99% of the labourers that are unskilled. And only one per cent, if I call them labourers, only one per cent of technical or the managerial officers are required. So, in Chhattisgarh what we are experiencing, because it has been one of the most socially and economically backward states of India and education sector has not been an exception in our state and educationally we have been very backward; and whatever expertise we do have in Chhattisgarh, that doesn't really have a very good market value. But let me make it very clear to you, that even in our university all our efforts to negotiate with the industrial houses that have come up during the last ten years to train our own students so that they can be hired by the industry have failed. They are not interested to invest in education sector. They are not interested in sharing their benefits with the education sector. And, as far as the unskilled labour is concerned, I can even warn you, because we have conducted a study on politics of migration, that capitalists are actually exploiting the labourers all over India, the labourers from other states, as all of you are suggesting. So, let me share with you one experience; in fact, industrialisation has encouraged displacement of the tribals and the rural people and this displacement has actually encouraged the migration, has increased the rate of migration. So, in a way industrialisation, the pace of industrialisation, is harming the poor, harming the labourers, and as far as your second question was concerned, the environmental issue, the forest issue, actually, unfortunately, they haven't taken up the forest issue; but we are working on two issues, water and land. I don't know what the situation in Chhattisgarh is. It's a mineral-rich state. I don't have much data related

to mining, etc. So I am sorry, I won't be able to express my views on forest. But as regards water - the issue that you have raised - right from the starting of Chhattisgarh, the Chhattisgarh government has declared Chhattisgarh as an industry friendlier state and the best industry-friendly incentives have been provided by the Chhattisgarh government, whether it is in regard to providing water to the industries or land to the industries and universities or electricity to the industries. And let me tell you that Chhattisgarh has been the first state during the Jogi regime at that time to do so - the three rivers of the state were sold. It was the first state to privatise water. So, access to use, access and control over water has become a very important issue in Chhattisgarh. As far as I understand, related to environment, air and water are the two spheres where people are fighting; and you must have recently read in the news-papers that the people's groups in Chhattisgarh have waged a very big battle against Jindal, on the issue of air pollution and on the issue of water pollution. So, for me air and water are the major issues in Chhattisgarh, more important than the forest.

Prof. Khandewale: Thank you, Thank you. Now Dr. Chitre will contribute his views.

Prof. Chitre: I want to talk about three points. The first point has, of course, not come in the discussion so far, but I shall just make a mention of it and proceed further. We tried to make an exercise as to how the new states of Vidarbha and Telangana, if created, might benefit from the devolutions as per the recommendations of the 13th Finance Commission and we have spelt out how far they will tend to benefit, that is, whether they will get larger devolutions. But I shall not elaborate on that. Of course, against that we have to think of the heavy capital investments which they will have to make both in power and irrigation and so whether it will lead to further dependence on loans and central government is an open question. And third, of course, there is

some administrative expense which goes up when a new state is formed and particularly for Vidarbha region or even for Telangana region, unless the Naxalite problem is tackled with a better and more sensitive forest policy, the expenditure on law and order, that is on police, is also likely to go up. So, you may also face higher deficits and dependence on the central government or market borrowing is likely to increase.

My second point is about the complementarity of resources, and about the means and the opportunities to exploit these complementarities. There are three types of complementarities. One is the physical kind of complementarity of resources. One typical example of that will be the river valley projects, which run across the states, and if a state is split, then how the river valley projects when they are taken up and shared with another state and what problems that creates needs to be carefully considered. The other type of complementarity, which was mentioned, arises when raw materials are produced in one part and the market is in another part. If they are part of one state and if the political leadership was really forward-looking enough, one could have taken into account the interests of both the producers of raw materials and those of the final product, for example, of the cotton farmers and the producers of the cotton textiles. If that has not happened, then perhaps you may think of the need for different states so that new or different policies are adopted. But when you are considering to break the regions with such complementarities into separate states, One must consider what is the best way to take advantage of the complementarities by keeping them within the same state or, if they are split into different states, then how to coordinate between the states. Another example of this type of complementarity is in regard to power.

A third type of complementarities is with regard to financial resources. If Bombay, Maharashtra and Vidarbha are together, then financially the surpluses of some parts can be used for the development of other parts. That that has not been used in this manner is another matter, but when you break these parts, these parts become dependent on the centre. That is one of the worries as to how one should look at these complementarities, how best to have our states so that the advantages of complementarities of resources and needs and opportunities can be reaped. For example, there is more industrial development taking place in one part, then there can be migration within the state and that can be accommodated. Reservations are another consideration. For example, if Vidarbha is made a separate state, then with a larger proportion of SCs and STs, you will need larger reservations for them in Vidarbha, because they will not be recognised as domiciles of Maharashtra. Otherwise, that will create problems for the SCs and the STs. At present, jobs are available in the rest of the Maharashtra.

The main reason that there are demands for new states when imbalances in development have occurred is that the state policies have not paid attention to those regions. When the different parts of a large state require different types of state policies, then there is a rationale for having two different states because then, subject to the state list, different types of state policies can be adopted. Now a question is whether there should be some constitutional amendment or some provisions that within the large states the policies can be differentially adopted in different regions, or if this is not possible, then whether new states are required to be created because the different regions require different policies. Also, if the new states like Vidarbha and Telangana are created, will they rectify the state policies? Agriculture was mentioned but I would add forestry and tribal development. Two major concerns for the Vidarbha region at present are forest development

and agriculture policy. Will these be treated more sensitively in Vidarbha? These are the types of question which bother me. We talked about monopoly cotton procurement, which was dismantled because cotton was coming from other states and the burden had increased. Somebody also mentioned that if cotton procurement is re-introduced in Vidarbha, its whole budget will go in for that.

If Vidarbha does not remain in Maharashtra, what are the problems which are likely to arise? A general point which I want to make is this that while carving out separate states from the existing larger states we should also pay attention to exploiting the complementarities in resource availabilities for achieving balanced development of, and for providing equitable distribution of, public goods among the regions. The cost of providing the public goods itself may depend upon certain things like the available natural resources and the geographical terrain. But a major problem may be created in the distribution of the public goods because decision making at the state level doesn't direct them properly. Now, if there is a feeling of oneness, then there is a possibility of give and take. Within the family, you are prepared to make sacrifices for one another because there is a feeling of oneness. If that feeling of oneness goes and you expect that there is no possibility of give and take, then naturally a new state is required. The feeling of oneness is very important. Again one problem was mentioned about diversity and I did refer to this point; see one advantage of diversity is that there are progressive elements in the state which in a sense will/should lead to progressive civil societies. And they should take the cause of the backward regions and they should try to influence policies in that case. Unfortunately, this has not happened in all respects although, as far as Vidarbha is concerned, I think irrigation is an area where there has been great neglect but as far as the other public goods are concerned there has not been that great a neglect. Because of lack of

irrigation in Vidarbha serious agricultural problems have come up and people have committed suicides.

Finally, there is a need for creating the right ethos. That point was made by Prof. Panchamukhi in a different way in his Note, but my point is that if the two states are to be created then it is a responsibility of the civil society to also educate public opinion so that this separation does not lead to antagonism and conflict. Also, if you are likely to be made into a separate state, what are the problems which you might confront? And what are the new policies which you are going to need? So, think about them as well. This is also responsibility of the civil society.

Prof. Suhas Palshikar: Three or four things, since we are also combining it with the more general session. I would take the liberty of relating some of the issues of the current session and the aborted concluding session so to say. I think there has been considerable discussion of the issue of regional imbalance and regional backwardness and therefore I would like to make one submission about this. Whereas administratively and politically it is relevant to discuss the issue of backwardness and imbalance in terms of region, we need also to be alert to the fact that it is a certain kind of politico-economic configuration that actually leads to backwardness of certain parts, regions, districts or whatever it is. In other words, we can say that there are certain material interests which dominate at a given point of time; and again to illustrate in the case of Maharashtra, for example, what if we try to understand the backwardness of various regions in terms of a configuration of the industrial interests and the interests of a certain section of the middle farmers. That they have a certain partial location is well taken; and therefore naturally, the backwardness would reflect in certain regions, it won't be backwardness in general defused terms. But my submission would be that, therefore to reduce all discussion of backwardness to partiality and to

region and to the unit of region and then to climb from that to a further level of political discussion of state formation on the ground of regional imbalance seems to me democratically problematic and also practically unrealistic because one doesn't then realise what constitutes backwardness and what are the causes of that backwardness. It was not V. P. Naik personally but his government and the successive Congress governments in Maharashtra, which were described as having bent backwards to satisfy the demands of the Bombay industrial capital in the post 1960 period. So, one needs to keep this whole issue of regional backwardness in perspective, that is one.

The second question is, if again we go back to what I said yesterday at the beginning, namely, what are the processes that produced states? How were states created in the first instance? I think we need again to go back to a couple of issues in the formation of the states. Look at the way in which the earlier Madras state was sort of broken into and Andhra and other states were created. There was some discussion, of one could say an adversarial nature, that we don't want to be part of Madras province. Perhaps the same could be said of Assam and the creation of various states in North East where an adversarial argument enters on both sides. Assamese feel hurt because their sort of empire has been lost, territory has been lost and the other party also accuses Assam and claims justification of statehood on the grounds of that injustice. I now see in the instances of Telangana and Vidarbha that adversarial context coming back in the process of state formation, more in the case of Telangana currently but potentially also in the case of Vidarbha. If, on the other hand, one looks at the examples of Punjab, Haryana though there were some accusations it is mostly mutual separation and in the case of the three more recent examples again there has been a less adversarial context in

the creation of the state, in the sense that the new state as well as the older state don't enter into an adversarial argument.

Prof. Khandewale: It is a case of divide and grow.

Prof. Palshikar: As I mean what Yogendra was saying earlier as there are certain political contingencies that obtained at that point of time. U.P. would be another such example whereas West Bengal can be potentially an example of an adversarial context. Now, my point is, given the competitive party system that we now have entered into, what would be the implication of an adversarial argument for creation of a new state? That is what I said in the earlier session also. That the moment one enters into an adversarial relationship, the competitive party system automatically blocks the possibilities of creation of a new state on a peaceful basis or an easy basis and there would be either the Telangana situation where you have strikes and deaths and police action every day or there would be a continuous manipulation of the local leadership as has happened in the case of Vidarbha. That's the other point, as far as creation of the states is concerned.

The third point about the creation of the states is concerned with, and in Amit Prakash's earlier discussion there was a mention about it, that identity is the issue. I am surprised and since he is not here, there is no point in discussing it but in the case of Jharkhand identity has not been an issue and identity, as you also pointed out, did not work as an important principle. It is the other way round, in fact, and the example of Vidarbha is instructive for the reason that there is no identity issue that is invoked in the entire argument whereas Telangana still keeps arguing in the context of identity. My argument would be that Western Maharashtra does not have an identity which is a problem; therefore, the moment there is movement for Vidarbha, Western Maharashtra is happy that now it can have some identity as a counter point to Vidarbha argument. Otherwise,

I am on record and I have written it extensively in Marathi, saying that Maharashtra has this problem that it claims to have an identity. Where is that Maharashtra identity? And what constitutes Maharashtra identity? And does Maharashtra society actually care for that identity whatever that identity may be, but then having created the states one may develop a sense of identity.

The next point that I would make, and just a one liner point in a sense, is that we have been arguing about what would happen if the new state is created, etc. I think all of us know this very well that policy regime is not likely to change and therefore to assess the possibility of a new state on the basis of what would be the new policy of the new state is irrelevant. It's a national policy framework within which there can be some tweaking, some tinkering of local policy initiatives. Beyond that there may be little change.

Prof. Chitre: Then why create a state?

Prof. Palshikar: Prof. Chitre's question is a legitimate question; but let me reiterate this that having created a state does not mean any policy change. In the sense of the larger political economy, you don't change that policy. You have this policy framework which has been adopted either in the pre-1980 period as the so-called commanding heights of economy policy or socialist policy, whichever way you like to call it, and then the structural adjustment and therefore the policy of globalisation in the post 1980 period. No state can change it. This example of West Bengal is known to us and therefore that cannot happen, but I will come to answer your question a bit later. Then, the question that Peter and Yogendra were mentioning actually is, to my mind, the most crucial question which is that if there is a new and smaller state, will that state have enough political capacity to withstand the pressures of private material interests. Maharashtra doesn't have that capacity today but if a smaller state of Konkan is

created, for example, then the entire coastal belt of Konkan could be very easily wiped out by private interests. Because the private interests would then have greater capacity to mould the policies of these states and, therefore, we need to factor in this which need not be an argument against this state or that state. What I am saying is simply this - that a larger state perhaps might have the economic resource wise wherewithal to withstand the pressures of private interests including FDI and therefore global capital. Finally, to answer your question.

Prof. Rath: But you said Maharashtra is not able to...

Prof. Palshikar: Even Maharashtra, that's what I am saying, even Maharashtra with all its resources.

Prof. Rath: My question was the other way around, if Maharashtra cannot do, then what difference would it make if there are two states...?

Prof. Suhas Palshikar: Yes, I agree that same point can be turned around. But that's really the point which I have been saying since yesterday that therefore let us imagine that there are various ways in which one can discuss the possibility of formation of the states, *circa* 2010 not 1950 or 1960. Today, we are discussing this and we have come across 3-4 issues, one is what we are currently discussing, namely, capacity of the state to retain its autonomous domain of decision making not policy making. The second is the federal principle that Sandeep Shastri and Peter D'Souza were talking about yesterday. The third is the backwardness versus development argument and the fourth is the de-scaling argument that Yogendra introduced.

I would slightly depart from that de-scaling argument and simply say that in a democratic system one has to agree to the point that power can not be concentrated only at one place. If this principle is accepted then the process of state

formation can become much easier and less troublesome, though identity issues will still remain. In other words, what I am saying is that the democracy principle, not the de-scaling in itself, but democracy principle, should be the first. The federal principle should be the second. The autonomy principle should be the third and the development and viability principle should be the fourth or the fifth principle. If that is the order in which we sort of imagine the possibility of a second, third round of state re-organisation, perhaps, the identity politics that always is involved in the creation of state could be somewhat subdued though not totally avoided. The predatory kind of elites, as Peter D'Souza described them, their emergence is to be factored in and you have to take for granted that that would happen and therefore to decide what unit perhaps can resist both private manipulation and predatory manipulation. So, these are the larger issues which probably come out of the entire discussion as far as I listen to the discussion. Thank you.

Prof. Khandewale: Very well done! Thank you.

Prof. Lalit Deshpande: As a related point, which Prof. Palshikar has raised, I start with doubting convergence theory. We do not know when convergence would take place. In any state we have to accept divergence. It would be caused by market forces. Also, it would be caused by the state being the agent of whatever the Marxists call it, bourgeois class or the capitalist class. If this is the combination, divergence will exist. If you go by the Marxist theory, there you are left with no agency except the revolution which will bring about the necessary convergence. Now, the question is that even in public sector whatever the public goods are to be made, who is going to make those goods? It is suggested that the state will be in charge of making these goods. So, ultimately the state becomes an article of faith for an ordinary person. You know that the state is predatory but then what will you do about it? So, the question we wanted to answer in the earlier session was

how the things can be remedied. We know how the development boards can be remedied but the agent of change itself acts towards promoting divergence. Then what recourse do we have, whether we have development boards, whether you have anything else? How will you go ahead about it?

Dr. Vinayak Deshpande: I was having some questions with Chhattisgarh in my mind, that time. It was not directly related to the discussion which we are having, but anyway one thing which I feel, that for Vidarbha and Telangana it's alright. But for the formation of some other new states, can there be some specific policies and some criteria we can decide? That if population, area, rate of growth, investments, some criteria if we can decide, as Dhar committee probably was talking about on those lines, if we can decide some criteria then formation of state would probably be easier. There should be no hesitation and, people should not fight all the time for that. If we have some specific criteria, then automatically state formation will take place, as it is happening in relation with the universities, that if you have so many colleges and so many things, then automatically it becomes separated. Can we have some kind of mechanism to avoid the problems as we are discussing today?

We can at least think about it. Everything is euphoria; otherwise, we are not going to get Vidarbha as we are discussing today. So, we can have some kind of thinking about this. Then, about Chhattisgarh. The information indicates that Chhattisgarh is developing and there is industrialisation. Now, in spite of the fact that the Naxalite problem is there and Gadchiroli is also facing the Naxalite problem and when we conducted some surveys relating to resource mapping of Gadchiroli, one of the points which was raised by the industrialists was that there is no security, and because there is no security, we don't want to go to Gadchiroli. Now, how Chhattisgarh is not facing that kind of problem? You have

industries in Chhattisgarh in spite of the fact that there is a security problem. And then another issue is about the public distribution system. Data indicates that Chhattisgarh is the state where the public distribution system is operating in the best possible manner. Till now, we were talking about Kerala, where the public distribution system was operating well and it was a model for others but now we are getting the information that Chhattisgarh is giving us a kind of model where public distribution system is operating in the best possible manner. These were the points which I wanted to raise. Thank you.

Shri Vijay Jawandhia: Just one minute. Please bear with me. Giving rice for two rupees a kilo in any part of this country is not a solution to poverty; it is not a solution leading to upliftment of the common man. And if we say that that is good, I think we are just toeing the line that this system wants that you live as a slave and not more than that. Sorry!

Dr. Pitale: Nothing to add much because this has been a discussion in the area of romantic and speculative so not much is to be added to that. But we got a message as to how unrealistic the demand for the Vidarbha state is. And, at the same time, it has been very helpful that at least this gathering knew why it should be. Perhaps, I can say that it is because it has an open mind. We also say, OK, how unrealistic is it? Very good Sir, we will look into that. Please look into that. Why is it required? Please don't forget that.

Prof. Rath: I am reacting to what Prof. Palshikar said. I think the demands for new states will not disappear. Even if you follow an approach of equating public goods, let me say, like the Dandekar committee report being properly implemented. Even then I don't see that demands for new states for particular regions will disappear. There are other reasons, their social, political, sub-nationality considerations, which at a point of time or over a period, are quite clear and

dominant; it begins aggravating before it subsides. It was not as strong once upon a time. Over the years it has grown; and I believe that after a certain number of years of development, it will not be the same. But one has to work in between and keep things in place. The only way to dousing the flames is to try to make a systematic effort at correcting regional imbalances. Systematic effort, not the manner in which, for example, the Maharashtra Government tried to do. Half hearted way, you see, this is what really kills. It is better than not having it. Creating again further extreme instabilities and inequalities in the given region is not right. One doesn't do this. One merely pours oil into the fire. So try to do this, even after this is done, some amount of dousing will take place; but nevertheless, if there is a regional feeling that it must be separate, it's best to separate. But not without making an effort at trying to equate. And at the same time, the new regions must remember that if they are separating without this business, their problem remains on hand. And they will suffer the same fate as the mother state has suffered because of its actions. My strong feeling is, all over the country, while this may be understood and nodded to in conferences, meetings, seminars like this, it is not really at heart of heart appreciated. I will give you one example in order to tell how minds work. Around when the regional imbalance committee report was submitted in 1984, in 1986 and 87 - from the beginning of 86, I happened to a member of the Prime Minister's Economic Advisory Council - in which capacity, I used to go to the Yojana Bhavan for meetings. Now on the floor, I saw the name plate of a very old friend of mine, who was pretty high up in the Planning Commission. So, one day, while going that way, I walked into his room. So, after pleasantries, he said *Aare Rath*, I have seen and read this report of the Regional Imbalance Committee of Maharashtra of which I found you were a member. I said 'Yes'. He said, you see, I have now begun an effort to try to persuade the Planning Commission to adopt this approach for four of the

North Indian states which are plagued by this problem to my understanding. The so-called *BIMARU* states, that is, Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh. He said, I am trying to persuade the Planning Commission to talk to the state governments so that we can adopt an approach like this for these individual states, if the Planning Commission takes the initiative. Then he asked me, now that you are here, may I ask you, will you help us in the Planning Commission if we try to do this at all at the levels of the four states or even if it is in one or two states? I said yes, I am at your disposal; if you want any help, I can give you. For a whole year, I had not met him, towards the end of my second year, one day, - I walked into his room. And I asked in course of conversation: What happened? He said, "Listen, I would have told you, if there was anything positive, I struggled for a whole year in the Planning Commission. Nobody is interested in trying to do anything like this. They all know what the Maharashtra regional imbalance committee report is about". I am telling this story to you in order to drive home a point that at the - I call this bureaucratic level - the Planning Commission was not interested in this approach. In Maharashtra, at the political level - this is what Mr. Mahajan said - they didn't accept or reject the report. And we had submitted the report to a Chief Minister of Maharashtra whom, in my limited way, I considered the best individual politician that I have met in this state - Vasantdada Patil. That man, vernacular final educated, had an absolute wonderful ability to understand and appreciate a point like a flash. He asked Dandekar, he didn't read English, so he asked Dandekar - *Dandekar Saheb, Tumcha English Report aahe to Marathi madhe hoeel sagala, pan mala thodkyat sanga kaay aahe tey*, (*Dandekar Saheb*, your report is in English; it will be completely rendered in Marathi, but give me a gist of it.) Dandekar in his own style in a brief way tried to explain. He sat back - *Mala samajale, mhanje aamche Aatpadiche aadhi lakshat ghayala pahije, mhanaje baki sagale je kay kay aahe tey*

nantar. Hech Na, Mazhya lakshat aale tumche kaay mhanane aahe tey - (I understand. We must first pay attention to our Aatpadi; then all the rest of the things will come after that. Isn't that right? I understand what your point is.) - and yet with him as Chief Minister - nothing happens and nothing was done; that Chief Minister went. None of the other Chief Ministers were of his caliber of understanding. This is the state of affairs. So it is very difficult. I mean if this is for Maharashtra, it's not going to be very different for Vidarbha or Telangana or any where. They will all suffer the same fate more or less. You see, so it's best to try to struggle to do as much as we can on an equitable basis before the new state comes into being; it will come into being if there is a complete social unwillingness, let me put it that way. My leader in Orissa of the 1920's used to say something which was very catchy and I have found it very popular. Those days - British days - he used to say and I will first of all say it in Odia and translate for you into English. He used to say *Kandu thibaa? jaha paoo thibaa, baandhu thibaa*. We shall go on weeping, but whatever we get; we shall tie in our bundle. We shall try to see that things are developing for our different regions in a planned systematic manner. At the end of it, if it is necessary it will come. I am interpreting what Prof. Palshikar has been trying to say, in my way. Thank you.

Prof. Khandewale: Dear friends, we have come to the end of this session. I am very glad and very obliged to all the speakers who have made their valuable contributions to the question - what are the likely problems if the new states are created? By way of summarising I may say that given the global goings on, global markets and globalisation, it will affect each state whether old or new, in almost a similar manner. Second, there is a macro reality and the inefficiencies, irregularities, corruptions of the macro reality. In the Planning Commission or the Central Government, politics and other things will remain the same. They are also given to all the states, Old and New.

Concluding Session: Summing Up and Looking Ahead

Chairman: Prof. Srinivas Khandewale

Prof. Khandewale: When you see thousands of farmers committing suicide, malnutrition deaths being reported with all these super speciality hospitals and number one state Maharashtra not being able to control the malnutrition deaths of Adivasis, where does the administration go? How does the administration not take the cognisance of these things is the problem. One acute example, a fund of a Vidhan Parishad member of Chandrapur or Gadchiroli was spent on a flyover in Bombay. That was reported in a newspaper. The next day that member held a press conference and said - Yes, it has been done. And when these people elect me, they take from me in writing that your money will be allotted by the headquarters, political headquarters. So he said - Yes, Matoshri allots wherever it is. The next day I wrote in the vernacular newspaper, that for this purpose we must get Vidarbha, so that the money will not go beyond Bhusawal. It may be here and there, but not on the flyover in Bombay. From Adivasi area of that MLC the money going up to the heart of the urban concentration, this is a *vikruti* (perversion) of the development process.

Yes, he also said that because some other people have voted for him. But apart from that he would have spent the money there. If Vidarbha is formed, the maximum distance it will go up to is Bhusawal, from Gadchiroli it will not come to Bombay. Therefore, whatever the disparities, inequalities, are there, they will be the concern of a smaller decision making process, within globalisation, within market economy, within capitalistic economy. I have been a student of Marxism, definitely I speak in those terms also and I counter myself on those terms also. What happens to Marxism; people are asking me - Are your parties not supporting you and how do you take a decision about Vidarbha? I said I know

Marxism that much, that peoples' welfare matters. How do you and how do we plead for peoples' welfare in a given situation? Suppose Boards are not working, as I said in the morning, what happens after 2015, when these Boards are wound up? Who is responsible for the inequalities being created between the highly developed Bombay region and the backward regions? No legislative assembly can take cognisance of that. And during the last fifty years no legislative assembly has been able to control it. In fact, as I said in the morning, we have developed jaundice; we see everything from Vidarbha point of view: That the more the concentration, the better it is. So, Bombay people, Poona people, Nashik people will like, they will murmur about it, but they will like it. Because land rents are growing, land prices are growing, profits are growing, markets are going up, they will like it. Though there is a murmuring that all these people - all these shabby people - are coming here, etc. But Dandekar Committee Report has basic two recommendations about shifting of industrialisation and other things. In the morning, Abhay said a thing; probably he is right so far as market logic is concerned, that SEZ's would go to that area where they find it profitable. So we say, let them go to Western Maharashtra, let industrial concentration grow in Western Maharashtra. Let IT sector and Krishna valley irrigation concentration grow in Western Maharashtra, we have nothing to say, but let other areas not suffer from the consequences of this concentration; and what is the consequence, they will require so much of development fund that these surrounding areas will not get anything. And that is our main concern. Therefore, we say that let there be a decision making process, located in Vidarbha. Taking clue from Prof. Palshikar, we have a clear mind, let Shiv Sena govern Vidarbha, let *MaNaSe* (Maharashtra Nava Nirmana Sena) govern Vidarbha; if people want they will elect them. But the decision making process should be in the hands of Vidarbha people. Not that they are not vulnerable. They say that small states are vulnerable. What is

the position of Maharashtra State in regard to water policy? We have been shouting that in regard to water, priority should be given to farming. Priority has been given to industrialisation, because government wants it that way. Therefore, even larger states are vulnerable to that extent and it has been proved. Let us not think that Kerala cannot do things somewhat differently or Goa cannot do things somewhat differently and Vidarbha cannot do things somewhat differently. People will have some ideas in their own situation, given the situation. Therefore, the difficulties that are posed, we take them scientifically. I shall try to answer them somewhat in brief. But all the difficulties are posed as though if Vidarbha is formed and if other small states are formed, the heavens will fall. It's not like that. Therefore, the opportunity is to be given in a dynamic developmental process to try different types of solutions. If the Boards do not work, or if the Assemblies do not give regional justice to the people, then what next? Konkan has been asking for a Development Board. Let me give a finer example. Khandesh people said we want a Development Board. Although Development Boards are not very successful, they said we want a Development Board, we are not getting justice in the Rest of Maharashtra Board. Konkan said the same thing. Both resolutions were passed and sent to the Central Government. Earlier, we were dubbed as separatists - you Vidarbha people are asking for a separate Board, you are separatists. Vasantdada Patil said: *phutirvadi aahat tumhi lok*, (You people are separatists.) You are asking for the Development Boards. Now Khandesh is asking, Konkan is asking. What is the meaning of that? The meaning is that the Legislative Assembly does not satisfy their aspirations, so they feel that the Rajyapal (the Governor) can do a little something. And, therefore, we have to go on churning the possible solutions. And one of the solutions we come to as a conclusion, some people come to a conclusion, whether in Andhra Pradesh or here, that a separate state is required. What are the likely problems to be faced so far as

Telangana is concerned and Vidarbha is concerned? I will speak only for Vidarbha. One of the problems is Naxalism; how to control Naxalism in those districts. One of the problems is rural unemployment, rural illiteracy and poverty. My own Ph. D. student went there and he saw a board which read: *Police bharti band, Naxal bharti suru. (Police recruitment has stopped; Naxal recruitment is on.)* If there is no employment for the rural people, where do they go? They will join the Naxals. And we can see the result. We say that the States Reorganisation Commission (the Fazal Ali Commission) and others had almost all these elements in view. No over-dependence on the centre, self reliance, progressiveness, cohesiveness all these elements are mentioned in Fazal Ali Commission Report also. So, we are not facing these questions anew. They were considered by the earlier Commissions. If you go to the Dhar Commission, many such considerations, including federalism, are mentioned there. That federalism is number one, we have to maintain federalism, we have to maintain cohesion of people, etc. Therefore, Naxalism is one of the problems Vidarbha would face.

Secondly, a new policy set up for development, even today many of our Vidarbha leaders have the same Bombay model, allow any industry to come, develop any type of industry, some development will come up. I think that is emerging out of frustration, because there is no development. Let some development come, let exploitation be there, let pollution be there. We opposed SEZs everywhere. In Chhindwada, Kamal Nath brought some SEZs, and the next day there was a news item. *Chhindawadyamadhe, Chhindawadyateel tarunanmadhye aanandachi lahar - SEZs yeat aahet. Karan kahitari nokarya milteel.* (There is a wave of joy in Chhindwada - among the youth in Chhindwada - SEZs are coming - because at least some jobs will now become available.) We are speaking of exploitation; they are speaking of the left over

opportunity, that at least some development will be there. That is the situation Vidarbha is facing today. Neither capitalistic development nor feudalistic development nor socialistic development, there is no development. Therefore, what do the people do? If I am allowed, we had a hierarchical thing and Vidarbha was probably at a lower level. And the same thing has gone upwards during the last fifty years. There is no upside down. Bombay has not gone down and Vidarbha has not gone to the top. The same layers have gone up. What does that mean? There has been very little or no internal change. And we guaranteed people, Yeshwantrao Chavan told people that we will give you equitable development. But I am very much doubtful whether any developed region can stay behind and allow the resources to go to a backward region, because their representatives are also peoples' representatives. Their requirements are also equally pressing and therefore they will say whatever happens to Vidarbha, we have to look to our own people and constituency. So, let me snatch away the resources. People say Vidarbha MLAs can not snatch away the resources. In the morning Pitale said, I said - Yes, it is true. But do we not have any autonomous right over resources, are the resources only to be snatched in a tug of war, is that a system? If there is a system - there must be a system and then only regional justice will emerge. And that is why I did not speak out in the previous session. In the last session we discussed, why these arrangements have failed. Because they were not properly regulated to take the benefits to the required people - to Nandurbar people, to Aurangabad people or to Vidarbha people or to Konkan people for that matter. And if benefits are not going to the people, they will say - what is the use of these mechanisms, whether there is Regional Board or the Governor or anything like that? And therefore to my mind this is the political economy of the development process. That developed regions are not allowing powers and money to go out of their hand. And so long as this happens, money will not flow to the distant regions. Yes, to the distant

areas, and the problem will be there. I am not saying, as Anupama also said, within 10 years no magic happens. It's a process. But what we learn from Chhattisgarh is, a lot of development effort is going on. Chhattisgarh labour has stopped migrating to Nagpur. They are getting work locally, therefore families are uniting. This is a social consequence, a cultural consequence. People used to laugh at Chhattisgarh people, saying what development these people can bring about. Today, they are advertising that they are number one in MOUs of industrial development. Things happen. Things happen; you look at the advertisements of Uttaranchal Tourism. Chhattisgarh and Maharashtra, there is a lot of difference; Maharashtra is focused on only one, seashore, somewhere, but these people are giving you a full list of destinations in Tourism. So, if everything is being neglected, a chance is to be given to the people, to try their own policies and as Dr. Chitre very well said that and so many others have said, it doesn't have to be taken in the sense of animosity. The complementarities are always there. We chew a pan which comes from Tamilnadu. We chew supari which comes from Konkan. We eat coconut which comes from South. We eat Mangoes which come from Andhra Pradesh, right from February. Regional complementarities are there. And if they can be properly utilised and shaped in a planned manner, it can result in better welfare.

The last point I am saying, let us not be in an impression that Vidarbha people are demanding only for the sake of demand. I am personally a part of Vidarbha Rajya Samajwadi Forum, where we say that we don't want Bombay-Poona model. It will enter into and end up in a gang war. And therefore we want a decentralised regional development model in which forestry, irrigation, mining, cotton textiles are our foundations based on natural resources. Plus, the demand oriented development. Note the central location of Vidarbha. So, we have been thinking in those terms where we think that equitable development

should be given to all the districts - with irrigation development and other things. The last point I would make. When Dr. Alexander was there, he said I want a census of irrigation projects in Vidarbha, of actually what has happened. So, there was a listing: name of the project, Taluka, when it was started, whether completed and if not completed what is the reason, etc. So, you get - *apoorna, apoorna, apoorna, nidhi upalabdha nahi, nidhi upalabdha nahi (incomplete, incomplete, funds not available, funds not available)* pages together, *nidhi upalabdha nahi (funds not available)*. I have a copy of it on my table, and this is prepared by the Governor's office. So it is true, I take it to be like that. If this is happening, there is something wrong. If that wrong is to be righted, Vidarbha people should not be asked to wait for another fifty years. That these fifty years have gone, now you wait for another experiment and we shall try to do. We are cautioned, Vidarbha should happen without animosity - there will be animosity. In Madhya Pradesh and Chhattisgarh there is no animosity. In Bihar and Jharkhand there is no animosity. Uttaranchal is created - there is no animosity. It has been going on very well. So, let us not think on those terms of animosity between us. It is giving opportunity and rights and responsibilities, as you said, give them a drum around their neck and they will learn to beat it, they will solve the problems. If today Vidarbha leaders have no opportunity to stand before Planning Commission, how does the leadership develop? If they have no experience of preparing the state budget, how does the leadership develop? So, they have to be given the responsibilities; they have to be allowed to have their own ideas and implement; and the only thing is that continuously the civil society has to impress upon them the new requirements of welfare and cultural development. So, I think without a sense of animosity, we have to say that new states will have problems. It's not that it will be a wonderland. But the people have intelligence, people have their own concepts, people have

cohesiveness. The last point I am mentioning is, why is cohesiveness required? What should be the unit of planning was the question, and Balwantrai Mehta was in charge of that. He said those people who can make sacrifice for each other should be the unit. Vasantrao Naik said IAS officers should be in charge of the planning process; therefore, district will be the unit. But Balwantrai Mehta said sociologically the people who know each other, who can make sacrifices for each other, they can plan for themselves. Similarly, in the formation of states, people who know each other, who can make sacrifices for each other, who are culturally homogeneous have to be there together. And therefore without taking only the language as the indicator of formation of state, let us have a comprehensive list of the criteria and let us try to have smaller states. They will have problems but they will have opportu-

nities also. Thank you.

Prof. Rath: We just close now. Before closing, let me say a few words of thanks. Some of our friends have already left because they had to catch flights. It has been very intensive two days of discussion. We began at the abstract political, philosophical, structural levels and we have come down to brass tacks of what is happening, what is likely to happen in other parts of the country. It has been a very interesting learning process for most of us, possibly all of us. On behalf of the Indian School of Political Economy, let me thank you for having given us this opportunity to host this Seminar, and create a better understanding amongst ourselves, of the types of problems that are faced and that are likely to be faced in the years to come. Thank you so much.

DOCUMENTATION

The purpose of this section is to make available to the readers official documents such as reports of committees, commissions, working groups, task forces, etc., appointed by various ministries, departments, agencies of central and state governments and international organisations, which are not readily accessible either because they are old, or because of the usual problems of acquiring governmental publications, or because they were printed but not published, or because they were not printed and remained in mimeographed form. We also present in this section, official documents compiled from scattered electronic and/or other sources for ready reference of the readers. It will be difficult and probably not worthwhile to publish the documents entirely. We shall publish only such parts of them as we think will interest our readers. The readers are requested to send their suggestions regarding official documents or parts thereof for inclusion in this section.

We are also keen to publish Papers, Notes or Comments based on the material included in this section. We invite the readers to contribute the same to our journal, which we shall consider for publication in subsequent issues of the journal, after the usual refereeing process.

In the present section, we publish:

1. Nagpur Agreement
2. Constitutional Provision with respect to the States of Maharashtra and Gujarat for Development Boards
3. Report of Fact Finding Team on Vidarbha, Regional Disparities and Rural Distress in Maharashtra, Government of India, Planning Commission
4. Vidarbha Statutory Development Board, Annual Report, 2008-09
5. Marathwada Statutory Development Board, Annual Report, 2009-10
6. The Statutory Development Board for the Rest of Maharashtra, Annual Report, 2008-09
7. Extract from Committee for Consultations on the Situation in Andhra Pradesh, Report, December 2010, (Chairman: Justice B.N. Srikrishna), Chapters 2,4,5,6 and 9, and Appendix.

NAGPUR AGREEMENT

1. Now that a high power Commission is being appointed to report on the question of reorganizing and regrouping of the State in India, we, the people residing in the various parts of the Marathi Speaking area, have reached the following conclusions as a basis for the formation of a single State comprising all such areas.
2. This State should be formed of the contiguous Marathi speaking areas of the present Bombay, Madhya Pradesh and the Hyderabad States. There should be no enclaves within the limits and boundaries of this State. It shall be called Maharashtra or Marathi Pradesh and the city of Bombay shall be its capital.
3. The State will comprise of the three units of Maha-Vidarbha, Marathwada and the Rest of the State for the purposes of all types of development and administration.
4. Subject to the requirements of a single Governor the allocation of funds for expenditure over the different units will be in proportion to their population but in view of the undeveloped conditions of Marathwada special attention shall be given to promote the all sided development of that area. A report in this behalf shall be placed before the State Assembly every year.
5. The composition of the Government shall reflect the proportion of the population of the units.
6. Fair and adequate facilities in proportion to that population of these units shall be assured for admission to all educational institutions having training facilities in vocational and scientific professions or other specialized training.
7. The High Court of the new State will have its principle seat at Bombay and a second at Nagpur. The Bench at Nagpur will ordinarily function for the Mahavidarbha area. While making recommendations of High Court Judges it shall be seen that the Mahavidarbha area gets adequate representation in respect of appointments for the services and the bar. This paragraph will also apply to Marathwada area Mutatis Bhutandis.
8. In the matter of services under Government or Government-controlled enterprises- of all grades- recruitment will be in proportion to the population of the respective units.
9. We believe in decentralization as an effective means of better associating the people of the different units with the administration.
10. We realize the long association of the people of Mahavidarbha with Nagpur as a capital of their State and the various advantages consequently derived by them from it. We are anxious that subject to the efficient conduct of administration of a single State these advantages should be preserved to the extent possible. All steps necessary to implement, this clause will be taken on the advice of experts. The government shall officially shift to Nagpur for a definite period and at least, one session of the State Legislature shall be held every year in Nagpur.

11. The district boundaries shall be adjusted on the basis of latest Census, with village as the unit so as to include all the contiguous Marathi-speaking areas in the New State.

Nagpur

Dated 28.9.53

Sd/-

R.K. Patil

P.K. Deshmukh

Bhau Saheb Hiray

Devikanandan

Yeshwantrao Chavan

Laxmanrao Bhatkar

Pandharinath Patil

Sd/-

Ramrao Deshmukh

Gopalrao Khedkar,

Sheshrao Wankhede

Nana Kunte

Source: Planning Commission, Government of India, Performance Evaluation of Statutory Development Boards (SDBs) in Maharashtra, 2003, Annexure - 1.1.

CONSTITUTIONAL PROVISION WITH RESPECT TO THE STATES OF MAHARASHTRA AND GUJARAT FOR DEVELOPMENT BOARDS

371. Special provision with respect to the States of Maharashtra and Gujarat.

(2) Notwithstanding anything in this Constitution, the President may by order made with respect to the State of Maharashtra or Gujarat provide for any special responsibility of the Governor for -

- (a) the establishment of separate Development Boards for Vidarbha, Marathwada and the rest of Maharashtra or, as the case may be, Saurashtra, Kutch and the rest of Gujarat with the provision that a report on the working of each of these boards will be placed each year before the State Legislative Assembly;
- (b) the equitable allocation of funds for developmental expenditure over the said areas, subject to the requirements of the State as a whole; and
- (c) the equitable arrangement providing for technical training, and adequate opportunities for employment in services under the control of the State Government, in respect of all the said areas, subject to the requirements of the State as a whole.

**REPORT OF FACT FINDING TEAM ON VIDHARBHA
REGIONAL DISPARITIES AND RURAL DISTRESS
IN MAHARASHTRA
with particular reference to Vidarbha
Government of India, Planning Commission**

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Executive Summary

(i) Background

A Fact Finding Team had been constituted by the Planning Commission, at the behest of the Prime Minister, to study the situation regarding disparities in regional development, to recommend necessary measures for reducing regional disparities in Maharashtra, and for addressing the issue of rural distress, especially in the Vidarbha region.

The Team led by Mrs. Adarsh Misra, Principal Adviser, Planning Commission, comprised senior Advisers from Planning Commission and members at the level of Joint Secretary from Ministry of Agriculture and Ministry of Rural Development, Government of Maharashtra and other co-opted members. The Team conducted intensive field tours of all the six affected districts, namely, Yavatmal, Akola, Amravati, Wardha, Buldana and Washim in Nagpur and Amravati divisions in Maharashtra. The visit of the Team had been well publicised in advance and timings had been given to concerned persons and public to meet the Team during the period of visit in March 2006. The Team met innumerable individuals and delegations representing different political and interest groups.

The Team also called upon and held detailed discussions with the officials of State of Maharashtra, with the Finance Minister, Chief Minister and with the Governor of Maharashtra.

Innumerable memoranda were received and studied apart from the reports of Indira Gandhi Institute of Development Research (IGIDR), Mumbai, which had conducted a special study for the causes of suicides as commissioned by Government of Maharashtra. The report brought out by YASHADA, a State Training Institute of Government of Maharashtra; the third and fourth reports of the National Commission on Farmers

chaired by Dr. M.S. Swaminathan; and accessed data and other reports through the Government of Maharashtra and as available on the website for the data of Commission of Agricultural Costs & Prices (CACP) and Cotton Corporation of India (CCI) and Technology Mission for Cotton, RBI, etc.

(ii) Historical disregard of the Constitutional Provision for appropriate investment.

Visiting the six acutely distressed districts, namely, Wardha, Yavatmal, Akola, Buldhana, Washim and Amravati, the Team found astounding evidence of years of continued neglect of a region and its people. Ironically, the area is protected by the Constitution of India under Article 371(2) which, essentially, enjoins a special responsibility upon the Governor and thereby the State Government to ensure that the State provides equitable treatment to the area after taking into account the requirements of the State as a whole. It would appear that with the Nagpur Agreement, 1953, followed by the passing of the Constitutional Ninth Amendment 1956, the problem of providing appropriate investment to this part of erstwhile Central Provinces has persisted since the very beginning. It is also apparent that the elected representatives in the State had, after a couple of decades of such neglect, recognised the difficulty in implementing the above said constitutional provision and passed unanimous resolutions in their 1982 sessions in both Houses of the State Legislature requesting the President of India to issue suitable orders to operationalise the constitutional provision under Article 371(2). Thereafter, in 1994 the President of India was pleased to issue suitable orders giving the special responsibility to the Governor. Pursuant to the special orders of 1994, in the same year, the Governor issued the Development Boards for Vidarbha and Marathwada and rest of Maharashtra Order. This details the rules and

methodology for allocation of development resources for irrigation and other identified sectors amongst the 3 regions.

The Dandekar Committee on Backlogs which was set up in 1983 submitted its recommendations in 1984. These were not formally accepted by the State Government. A fresh Indicators and Backlog Committee was set up by the Governor of Maharashtra in 1995 which also presented its report in 9¹ identified sectors, but no action was taken by the Government of Maharashtra or the Governor of Maharashtra till 2000 when for the first time an attempt was made to have the recommendations accepted by the Government and to peg the backlog at 1994 prices. The delay in implementing the budgetary consequences of having willingly joined Vidarbha to Maharashtra in its very constitution as a State is by itself a measure of inadequacy of the intentions of the Government of Maharashtra over the past more than a decade. The subsequent carrying of the directives of the Governor on the backlog allocations as an Annexure to the Annual Financial Statement has been followed by a weak implementation. It would not be incorrect to state that this lack of implementation in some of the major areas of development is possibly one of the major causes of the present acute distress faced in this region.

The acute and continued neglect of the area is well evidenced even by the Human Development Index (HDI) of the State which shows that out of the 35 districts, 4 of the six highly distressed districts are uniformly among the lowest in the State.²

Till date what the team has found is that the letter of the Constitution is now visible as Annexure to the Annual Statement of Accounts but the spirit to implement is still to be tested. The history of implementation of the allocations since 2000, when the first allocations were indicated, shows that the State has traditionally surrendered the provisions for Vidarbha, while, paradoxically, bulk of the State's power requirements are drawn from this region.³ Even the need to provide energy for energisation of pump sets has not lead to a system of prioritisation. While Nasik district alone has over 2 lakh pump sets, in Vidarbha the number can be equaled only by counting the total pump sets for 5 districts. The difference is not in the water table but in the treatment. Another major area pertains to irrigation, where the region has only 4% area under irrigation compared to rest of Maharashtra with almost 20% irrigated area. One of the oft quoted reasons is the existence of large forest areas (56%) and deemed forests leading to difficulty in getting environmental clearances for the projects. The State has sent applications to Ministry of Environment and Forests, GOI with apparently little success. Appropriate solutions like finding alternative lands for afforestation need to be found. Other reasons for non implementation as found by the team were shortage of qualified manpower, non delegation of powers at the regional level, and delay in sanctions at State level. There is an obvious lack of commitment in implementing any schemes under irrigation in Vidarbha.

As a result of the lack of implementation of the previous directives of the Governor, the remaining backlog as on March 31, 2005 is Rs.8238.94 crores at 1994 prices. The remaining backlog would be Rs.14434.64 crores at 2003-04 prices.

1. Irrigation, Energy, Energisation of Pump sets, General Education including Technical Education, Public Health, Roads, Urban Water Supply, Conservation, Veterinary Services.

2. Washim 31; Yavatmal 33; Wardha 15; Amravati 16; Akola 27; Buldana 20; Nagpur 5; Bhandara 19; Gondia 21; Chandrapur 26; Ga chiholi 34

3. Koredi, Paras, Chandrapur, Kappesera power projects

The Team has recommended that a time frame of 5 years may be fixed for removal of backlog; absorptive capacity of various sectors for incurring expenditure be improved; a strong monitoring mechanism be established for ensuring implementation; a non-lapsable budget head may be created for funds allocated by the Governor; the Annual Financial Statement may reflect both allocation and expenditure for the previous years so as to facilitate better monitoring. The Team also felt that it was necessary to focus on overall perspective planning for the backward regions and emphasis on only removal of backlog should not be the only means of achieving the developmental needs of the region.

As terrorism has already more than a foothold in the region it is suggested that the State may consider treating this not in a compartmental manner but as an urgent signal for development. The team strongly recommends considered measures be explored for ensuring that the commitment of funds in the Budget see the light of actual implementation. In the first instance the team feels that a strong monitoring mechanism under the Chief Minister be put into place. This Committee should monitor the overall trend of expenditure, review the preparative steps for implementation and take decisions on any road blocks arising during implementation. The results of every quarter's planning and implementation of the budgeted provisions should be closely monitored, at least quarterly, by the Governor and the Planning Commission.

Milestones be clearly developed and the relevant Departments should immediately be given delegations at regional level to enable quicker sanctioning and approvals. The Departments be enabled to get the works executed through departmental or out sourced mechanisms so that identified milestones are achieved within given time schedules.

The State Government may consider positioning an Administrator of the seniority of the Chief Secretary of the State to oversee the functioning of these delegated powers.

The State should strengthen the presence of different departments at the regional level. The team noted the posting of a senior and experienced Agricultural Commissioner as the Development Commissioner Amravati and feels this is a step in the right direction for finding appropriate solutions to the needs of strong advisory for the farmers.

The Development Board of Vidarbha should be strengthened. Existing vacancies at different levels including the senior most should be filled urgently. The Board may be charged with the responsibility to oversee the works to be executed though the departmental or out sourced mechanisms so that identified milestones are achieved within given time schedules. The Board should report progress regularly to the State Government and to the Governor.

The following measures are also suggested:

(iii) Pegging of backlog

The backlog has to be pegged at Rs.8238.94 crore at 1993-94 prices and Rs. 14434.64 crore at 2003-04 prices.

(iv) Time bound reduction of backlog

A time frame of 5 years may be fixed for the removal of backlog taking into consideration the overall resource position of the State and the absorptive capacity of various sectors for incurring expenditure.

(v) Monitoring mechanism to be improved

At the State level a high level committee under the Chairmanship of the Finance Minister of the

State may be set up to monitor on a quarterly basis the progress of expenditure in respect of allocations made by the Governor and submit a report to the Governor and the Planning Commission. The State Chief Secretary, Principal Secretary Planning, the Chairmen of the Statutory Development Boards and one MLA from the region concerned may be members of this high level committee.

(vi) Allocations to become visible

It is, therefore, necessary to show the allocations made by the Governor separately in the Financial Statement (Budget) under their respective development heads with details of actual expenditure and Revised Estimates for the previous two years as is being normally done for various heads of expenditures. Similarly, the Summary Statement presently included in the Financial Statement showing the Board-wise distribution of allocations made by the Governor should also contain Actual Expenditure for the year preceding the previous year and Revised Estimates for the previous year.

(vii) Earmarking of allocations both by State and Planning Commission

The State Government may indicate the allocations made by the Governor as earmarked outlays in the Annual Plans and the Planning Commission may in turn earmark these outlays in the approval letters for the Annual Plan. There will be a proportionate cut in normal central assistance if the State Government does not spend the earmarked allocations.

(viii) Reporting

The State Government may include a separate chapter on regional imbalances, removal of backlog etc, in their Annual Plan documents with details of allocations and year wise progress of expenditure. The Planning Commission may

specifically take up the issues related to regional imbalances, backlog removal etc. in the Annual Plan review meetings.

(ix) Suicides and action by the State

Suicide, an extreme expression of distress, has raised grave questions regarding not only the historical neglect of the region but also a philosophical question about the capacity of Governments to be of immediate service to people in such acute distress. While the State Government of Maharashtra has announced a special package in its Assembly in December 2005 at Nagpur, the spate of suicides has continued unabated all through the middle of the last year bringing the number of suicides to over 500 by the middle of May 2006. Maharashtra is not alone amongst various States to face this kind of a crisis. It is reported by the officers of the State Government that in Yavatmal suicides have been occurring in previous years also. To look into the matter in greater detail the State commissioned various professional bodies to study the matter. The State announced its package almost 7 months after the spate of suicides started becoming a near hysterical epidemic expression of the distress of the farmers of the State. At present, however, the State is well organised, and acting almost on a war footing. It is sending teams of officers to visit and provide both economic and psychological counseling to all indebted families. This covers lakhs of farmers in the six districts. Unsubstantiated reports have also been heard regarding suicides from Marathwada also.

It is learnt from a study of past such cases in other States, that suicides have abated only with the announcements of assurances of support price and procurement. The Punjab suicides in Sangrur and other districts are a case in example. Although the crop was paddy, the severe and detrimental linkages to informal input and credit providers and consequential loss of face appears to have been the triggers. Switch over to commercial crop

like cotton, lack of procurement on quality reasons or low realisation of price and quantity and persistence by the informal input dealer to collect his debt with consequential loss of face to the farmer appear to be common strains in suicides across the country. In Karnataka, Andhra Pradesh and in Punjab legislative provisions exist to protect the farmer from having to pay more than the principal as interest. The abolishing of "*kanthuvatt*" i.e., usurious interest to facilitate the farmers to get the loans at lesser rate of interest of note, as too the strong punitive provisions in the Karnataka legislation backed with provision for administrative action through the Head of the Zillah Panchayati Raj who is an administrator. In the Special package announced by the Government of Maharashtra all such debts from unlicensed money lenders have already been declared as null and void and the State has picked up the difference between any interest which is more than the principal. What is needed additionally, perhaps is a system by which any action to pursue collection of debt by unlicensed money lender would be acted upon and the person would be made a public example of so as to act as deterrent to others.⁴

(x) Causes for rural distress in Vidarbha

The Team analysed the various reasons for distress in the region. The physical field tour had given ample evidence of distress due to lack of procurement of cotton, loss due to lower price realisation, and low yield. On a detailed analysis, the Team found that the area has a fair proportion of land under cotton. Jowar and Tur are also grown. Cotton had accrued in leaps and bounds in coverage of hectares earlier but the present trend shows a definite trend towards reduction in area under cotton in the selected districts and a marked increase of area under Soyabean.

The team considered the problems faced by the farmers under different crops and found that for Jowar and Tur, the problems were generally similar to the other regions of the country as the investment cycle and productivity cycle stay at little higher than that of subsistence level. This is essentially because the crops are not really commercial crops and the input outputs are well settled issues and price fluctuations have not disturbed the investment cycle. What has been found is that Jowar is in fact equally unproductive, like cotton, as the cost of inputs and price realised are adverse. As regards Soyabean, where a significant switch over as diversification seems to be happening, the dependence on rainfall has not led to the same problems as in case of cotton. The price fluctuations in Soyabean are a factor in determining the area under this crop. The existence of ITC e-Choupals are likely to become a significant positive event in the area. With these e-Choupals the farmers will be able to enter into hedging at the local level thus reducing the impact of international price fluctuations. More investment into such initiatives which eliminate the middleman will be of tremendous benefit to the farmers. Multi Commodity Exchanges should become a major programme in the area.

In the case of cotton, however, the shock of drop in income due to a variety of reasons including cessation of procurement lead to an alarming perception of acute distress. This found expression in the form of suicide in many cases. The team found various reasons contributing for this distress.

(xi) Distress in Cotton

Cost of seeds and their quality and how this impinged on cost of production.

The flooding of the rural areas by open market input dealers for seeds, pesticides, etc. was

4. Further dwelt on in para 9.3 of this summary.

another channel through which their distress was increased. Although only 15% of the area was found to be under Bt cotton, nonetheless the team found that farmers had invested in seeds which were possibly spurious but also had, on checking, found to have had strains of Bt in them. Having switched to commercial and market economy of hybrids and new strains in cotton, the farmers appear to have been taken in by the promise of protection from bollworm disease and bought into a variety of seeds from input dealers giving out promises of high yield and protection from bollworm, hence an expectation of less expenditure on pesticides. Farmers therefore invested in Bt Cotton or other seeds promising the same results from input dealers with possibly spurious seeds offered at high prices. MAHYCO (Monsanto), a Bt Cotton seed of Monsanto was being sold at Rs 1600/- per packet of 450gms. The alternative seeds made available in different names were sold to farmers at Rs 1400-to Rs 1450 per packet of 450 gms seed. Added to this was the cost of additional packets, often another variety so that the fields could be fully filled. This led to, after picking and preparation of bales, a mixing of the different lengths of staple, thus leading to further lowering of prices actually received by the farmers. The State was aware of the problem and a strong regulatory action of seizing 1 crore suspected spurious seeds was taken. The spurious seeds samples and the results and reports were sent by the State to CICR.⁵ State Regulatory action notwithstanding, the farmer had already sown the filed and not having any alternative was the ultimate loser as even the expected procurement by the MSCCGF⁶ was not done.

In fact the MAHYCO packet available at Rs.1600/- per packet is with a very high royalty. The issue has already been taken up by Monopoly & Restrictive Trade Practices Commission

(MRTPC) and recently it is learnt from newspapers that they have ordered that MAHYCO prices should be equivalent to the prices currently prevailing in China. It is learnt that Monsanto have moved the Supreme Court to obtain relief from this order. In comparison, seed packets of 450 gms are available in Gujarat at Rs 450/- to Rs 500/- per packet as what is in use is Navbharat, a locally developed strain.⁷

Recommended package for free appropriate quality seeds

Given the conditions of severe stress prevailing in the region, the team strongly feels the need to recommend the distribution of 2 packets each per acre (for 2 hectare per farmer of 450 gms free seed packets, appropriate to the climate and soil to about 15 lakh farmers involved in cotton growing in the six districts under severe distress.⁸ It is estimated that, with intense advisory as part of the package, the estimated cost would be around Rs 700/- Crores. This is a minimum and essential support package in view of the large number of suicides and the extreme distress by converting to a commercial crop, by stopping monopoly procurement and by the present adverse influencers of open market practices to which the farmers are not as yet used to. In view of the very short period remaining for khariff sowing, the Team feels that in case seeds cannot be procured or market signals being given in time for the free seeds to reach the farmers, Govt. should provide any other inputs like fertiliser or pesticide within the cap of the package above. The Seed Corporation of India which caters to about half the requirements of seeds of the area can be the agency for distributing the free seeds.

5. CICR- Central Institute for Cotton Research, Nagpur

6. MSCCGF -Maharashtra State Cooperative Cotton Growers Federation

7. The seed had some earlier patent questions, but is at present in circulation through farmers seed banks.

8. Calculation premise: 1 farmer x 2.5 acres x 2x ha x2 packets seed @ Rs 450 per packet(Rs 900 per p farmer per acres x 5 acres= 4500 per farmer x 1500000 farmers=6750000000, ie Rs 675 Crores

Lack of advisory or extension and incorrect farm practices

There was an obvious lack of responsible advisory. This led to the wrong or uninformed choice by the farmers in adopting varieties of seeds which were not suitable for rainfed conditions, coupled with the last 3 years low rains in an otherwise assured rainfall area. The packets clearly carried the sticker that they were best under rainfed conditions, but the farmers did not pay heed to this as, the letters were small, the advisor was the input dealer and the State machinery did not take precautions or measures to warn the farmers. The yield became lower and questions regarding the genuineness of the seeds also became pertinent. The study shows that while Bt cotton, in fact, does quite well in irrigated conditions, does not do as well in rainfed conditions. Besides, it is found that use of pesticides continued to be high in rainfed conditions and as a preponderant number of farmers in Vidarbha are without irrigation, the problem became acute. Even for the forthcoming season it is disturbing to share that there are no campaign wide plans for taking detailed advisory into the hinterland.

Further, it was found that the farm practices followed were questionable as there was 'inadvertent' mix up of different quality of seeds in an attempt to fully sow the land under cotton. Farmers often used 1 packet of Bt cotton and an additional packet of Desi or other hybrid cotton. This resulted in a quality of products which was not of high enough standards for good quality bales and thus the realisation of prices was poor.

The team strongly feels the need to have the State government more directly involved in the provision of appropriate advisory and extension, if necessary by associating Agricultural Universities and other out sourced partners so that people are well aware of the various limitations of different options. The Team also felt it would be

necessary to have adequate financial counseling built into the delivery mechanism so that farmers take appropriate decisions.

Cost of production

The cost of production itself could not be finally settled by the Team. However, based upon different sources of data like Akola University experiments, IGIDR data, data from Department of Economic & Statistics / CACP, the overall finding of the Team was that cotton has not been increasing in productivity in terms of realisation or remunerative returns. As per even the CACP cost of production data, the gross profit to the farmer was less than Rs.4-5000 per hectare.

Promoting value addition

Given the fact that India is also exporting large quantities of cotton, and the relaxed regime for quotas in garment exports, and keeping in mind the extreme backwardness and low investment in the Vidarbha region, the Team strongly felt that end to end production for cotton should be promoted and value addition be done as close to the region as possible. For this, the Team strongly recommended that suitable incentives should be provided for exemption from excise and income tax on the lines of Himachal Pradesh and Uttarakhand so that these six districts are given a special status and investment can be secured for down stream and backward linkages to reduce rural distress. Besides increasing the earnings to the people, this will also enforce a quality check on the farm practices for growing appropriate cotton.

Withdrawal of Monopoly Procurement

The Team found that the immediate trigger of present distress was the sudden shock faced by the farmers due to the withdrawal of monopoly procurement which had been in vogue for the past over two decades.

The Monopoly Cotton Procurement Scheme (MCPS) has been in operation since 1972-73 in Maharashtra. Under this scheme, Cotton procurement was the monopoly of the MSCCGMF and the farmer was not only assured of the MSP, but also received a bonus if MSCCGMF made profit.

IGIDR in its study states "Over time, a plethora of problems were identified with the scheme. The bonus was converted to additional advance price that was also guaranteed. The farmers paid commission to middlemen at the procurement centres. There emerged a class of traders in the guise of farmers. The farmer sold his produce to

trader-farmer at a lower price who in turn sold it to the MSCCGMF." Due to additional Rs.500/- paid by the Federation, there have been instances of cotton procurement from other States to Maharashtra. This led to further accumulation of losses. Due to this, MCPS was relaxed and private traders and textile mills were allowed to buy from farmers directly in 2002-03 when prices were high. Thereafter due to fresh fluctuations in cotton prices, MCPS had to be re-introduced.

The Table below summarises the MSP/Monopoly Procurement Prices as obtained from the Government of Maharashtra:

Procurement of cotton by State of Maharashtra

Year	MSP of GOI (Rs. / Qtl.)	Price declared by Govt. of Maharashtra (Rs. / Qtl.)	Procurement by Govt. of Maharashtra (* ⁹)	Remarks of GOM why no monopoly procurement was undertaken	Average Price received by farmer as reported by Govt. of Maharashtra (Rs./Qtl)
(1)	(2)	(3)	(4)	(5)	(6)
2000-2001	1,825	2,300	15.30		1997.13
2001-2002	1,875	2,300	32.28		1873.91
2002-2003	1,875 (+20)10**	2,300	04.98	Mkt. Prices were high	1949.33
2003-2004	1,925	2,500	NIL	Mkt. Prices were high	2445.46
2004-2005	1,960	2,500	44.95		2086.19
2005-2006	1,980	1,980	03.75 ¹¹ \$	Mkt. Prices were high	1910.00 XX ¹²

Unfortunately, despite more than three decades of monopoly procurement by the MSCCGF there appears to be only lost opportunities in terms of building close relationship with the farmers. Neither in the development of appropriate farm practices nor in pursuing the goals of good quality bales has the Federation

stepped in to assist the farmers. Productivity did not improve nor did competitiveness. Procurement has largely stayed a business and that, too, often through middlemen acting on behalf of the farmers. When market prices fall the farmers need support. Assured procurement when the market fails at least at MSP is necessary.

9. Lakh Bales. (Each Bale is produced from 170 k.g.)

10. Special relief for drought area.

11. Sudden drop in Monopoly Procurement Prices of GOM is stated to be due to high market prices. However, the Fact Finding Team found that there were internal reasons for not proceeding with Monopoly Procurement any further due to high losses in Maharashtra State Cooperative Cotton Growers Federation (MSCCGF).

12. Average price received by farmers at doorstep would be less than the Monopoly Procurement Prices due to purchase by intermediaries. As regards 2005-06 was concerned, the price reported by farmers was Rs.1500/- to Rs.1700/- per quintal.

Procurement and Pricing

Procurement per se will stay an important life line for the farmers. The team firmly recommends that MSP¹³ should carry appropriate variation for the region, so that the price reflects the actual input costs and is not an estimated figure for the entire nation as at present. With this there should be a clear intention to buy at MSP if market prices fall below the same. Farmers should be aware of this policy and annual changes should not be made to the detriment of the farmers.

(xii) The need for Water

Irrigation

The crying need of the area is for water. While it is true that the area is awaiting a favorable allocation under the Governor's directives, the real ailment is also appropriate planning of projects which would benefit the most people. Many projects have been prepared and shelved for want of environmental clearance. Many claim to have capability of reaching water to lakhs of farmers. Priorities need to be developed for such projects as will reach the poorest farmers and the most backward farmers the earliest. At present even last mile projects have not been taken up. With Rs.10,600 crores needed for the balance on-going projects in the region, it was felt that prioritisation should be adopted so as to ensure that those projects where only canal development remains to be completed are given high priority. For the current year the Finance Minister has indicated a list of projects which all under minor irrigation and can be taken up. The list of projects to be taken up for Vidarbha should be reviewed urgently and a time bound programme for the implementation of the full backlog should be designed and put into implementation mode within the next six months, that is right after the monsoons.

The intention should be to reduce the backlog of development of this component within the foreseeable future, in any case the projects should be sanctioned and work should be started no later than the current financial year. Relevant clearances should be obtained from MOEF¹⁴ without further delay, and where necessary the intervention of the Apex Court should be sought. The programme with time bound milestones should be placed in the public domain within the next three months so that people can be assured of the concern of the Government. The programme should be monitored by a Committee under the Chief Minister and be reviewed quarterly by the Governor. The team in its report has provided the material in the annexures to the relevant chapter of the report.

Energisation of Pump sets

At present large pendency is reported in according approvals to pump sets for the region. It is essential that part from reducing the aggravated feelings of neglect the area is given its due share as per the Indicators and Backlog Committee report. Programmes involving participation in sharing of costs and benefits for maximum benefit to the people should be considered and implemented. A time bound programme should be prepared and placed in public domain so that people are aware of the time by when their demands are likely to be met. The Team also recommends that system for clearance of applications for energisation of pumps may be created in favour of reduction of massive backlog in Vidarbha. This programme should be commenced upon within next few months and should be monitored by a mechanism which should be

13. Minimum Support Price.

14. Ministry of Environment and Forests , Govt. of India.

placed with the Chief Minister as Chairman. The programme should be reviewed quarterly by the Governor.

Watershed development

The Team recommends large scale efforts for water harvesting and popularising participatory water harvesting and management measures so that at least one supplementary irrigation is available to the cotton crop.

The team found that the farmers have faced additional crisis due to use of seeds meant for irrigated conditions; adverse cost of production; and due to lower rains in an otherwise assured rainfall area. The team also found that, surprisingly, only a few attempts at bori-bund programme were visible by the roadside. Comprehensive programme for development of harvesting structures or water shed programmes were not available. Obviously the essential input of water as a supplementary irrigation was not available to the farmer. Possibly, the manner in which the schemes for watershed development are being conducted have contributed to this deficiency. Possibly the reason could be found in the continuous pegging of the backlog in irrigation with no attempt at finding adequate and sufficient alternatives in the field. It is necessary to take up water shed development in a campaign mode with clearly set time schedules. Close participation of the people should be ensured. Participatory management techniques and systems should be encouraged. There should be wide dissemination of the advantages, the maintenance requirements and the need to build community strength for ensuring that there is adequate supervision and care for the continuance of the cleared out channels. Different sources have indicated to the team that the channels for watershed development are held up due to these

getting silted in forest areas and that it is difficult to get environmental clearances for executing relevant works.

The team felt it was desirable to have detailed micro plans prepared either with the supervision of the Development Board or through outside agencies so that time bound programmes for augmenting the availability of water can be put in place. Works should include the malgajari tanks which are communally owned and if repaired could give tremendous support to the farmers. The micro plans can be prepared simultaneously if work is outsourced. A strict time schedule for preparation and for involvement of people and also for obtaining relevant clearances should be followed. The plans and their implementation should be placed in the public domain for comments and for sharing of information and should be monitored by a Committee to be set up under the Chief Minister and be reviewed quarterly by the Governor. The Planning Commission should also review at the time of Half yearly review and Annual Plan discussions. The plans and implementation strategies should be ready by the end of the current calendar year at the latest.

The Planning Commission should review the progress at the time of Half yearly review and Annual Plan discussions.

(xiii) Credit

All the 11 districts of Vidarbha have a good banking network consisting of 823 commercial banks, 199 RRBs,¹⁵ 709 DCCBs¹⁶ and 59 other banks adding up to a total of 1790 bank branches. The total outstanding deposits and advances as on 31.03.2005 are Rs. 10,777 crore and Rs. 6,022 crore respectively. The Credit Deposit Ratio is 68.8%. The direct finances to agriculture is Rs. 2,449.76 crore as on 31.03.2005. However, in

15. Regional Rural Banks

16. District Central Cooperative Banks.

spite of a good banking network, the farmers face a lot of problems in availing credit due to various reasons such as default of earlier loans, existence of defunct cooperative banks, societies, etc.,

Credit availability is of crucial importance for this region. Admittedly, the lack of adequate credit is a problem in other areas too. However, this region has suffered on many counts and it would be appropriate to put into place mechanisms and a package to alleviate the special sufferings of people in the distressed six districts. Due to the fact that with switch over to commercial varieties of seeds, debts have accumulated over the last few years and very few in these districts are outside the defaulter lists. A case study of one district conducted in Washim District is part of the report as an annexure. This shows a very high volume of accounts holders, in fact more than the number of total family units of 5 for the population, and a very high figure for default. The heavy indebtedness among the cotton farmers is not only due to loans outstanding to formal system but also to informal system. The larger volume of loans appeared to be owed to the informal system, bulk of which comprised unlicensed money lenders or input dealers.

The State has announced a special package which is stated to have financial implications of over Rs.1000 crores. The package is unlikely to actually provide relief sought by the farmers. It has taken a significant step to announce all debt from unlicensed money lenders as null and void, has rescheduled the payment of the principal amount, has restructured outstanding crop loans up to Rs.25,000/- @ 9% interest rate, declared a moratorium for the first 2 years and announced concessional interest rate of 5% if restructured loan is paid on schedule and has opened a fresh credit line with a cap of Rs.25,000/- through the Kissan Credit Cards.

While all loans from unlicensed money lenders have been declared as null and void, the problem is acute and will need some other solutions. As indicated earlier, while legislation exists in some states for dealing with this problem, and in the instance case a declaration has been made making all such loans as null and void, nonetheless the issue of magnitude of loan, the service which is provided by informal channels and the persistence with which the input dealer will return to his identified 'market' remains. The team, at this moment is unable, due to shortage of time and insufficient consultation, to suggest clear recommendations. It does however feel that the problem needs to be attended to systematically, particularly within the context of the fact that open market is here to stay, a service is provided and a cost is paid. Consumer protection mechanisms clearly need to be developed along with enablement of the farmer to use the same.

As the State package has declared all loans from unlicensed dealers as null and void, the essential aspect of a strong administrative deterrent for any actions by dealers to try and collect old dues need to be streamlined. For the immediate future for Vidarbha region the team can only suggest open public hearings at the level of Collector or his Deputy Collector authorised by him to identify the magnitude of the problem of credit owed to unlicensed as well as to licensed dealers so that the magnitude of the problem is identified and immediate deterrent measures can be initiated. This will also ensure that farmers feel the protection of the government machinery and do not face perpetual loss of face on this issue leading to suicides. The issue is sensitive to farmers and will need very delicate handling. This forum should become a permanent feature till such time that rural resource poor credit problems have been systemically resolved. In the meantime this forum should be authorised to undertake grievance redressal on a case to case basis. Legislative backing for the long run needs to be strengthened. The team has also made

recommendations regarding establishment of wide network of Farmers Self Help Groups and creation of a Jointly Administered and funded Account to tide the farmer over such immediate distress.

In practical terms, farmers, who are now into the commercial crop of cotton will need high amount of credit for both fertilisers and pesticides apart from the input cost for seeds while they will have a cap of Rs.25,000/- to contend with, as per the package. Firstly, due to the cap in the package, no other activity than farming will have a line of credit available for the next some years. The declaration of all other debts as null and void would mean that few input dealers would be on the scene for the next forthcoming season at least. What alternative mechanisms are proposed by the State Government for provision of seeds and other inputs is still a big question mark.

The Team strongly felt that the list of defaulters being very large, it is important to bring farmers back to the formal credit system as expeditiously as possible. Banks have a big role to discharge direct lending in the area. While the defaulter list can be handled with a waiver which will be to the tune of at least Rs 300 crores (based upon averaging of the figures from one district, namely, Washim. After adjusting for funds allocated for restructuring the interest component of the special package of Maharashtra of December 2005, it is expected that the amount will be approx. Rs.300 crores) banks have also to be ready to step forward to help the people. The State and District Coordination and Planning Committees for banks should take note of the issues involved and adopt practices which are promotive and not negative right at the time of getting the application from an ex defaulter. The administrative machinery from agriculture department should take up information dissemination amongst the bankers.

Government should also consider providing back ended subsidies to the banks. Lead banks should play an active role in otherwise likely to be rejected as risky applications. De-risking can be best achieved by a back ended subsidy. Appropriate assistance should be provided by the State Government in regard to this, if necessary, with dialogue with RBI of India.¹⁷

As cooperative structure in the region is very weak and most of the cooperative banks / societies are stated to have their net-worth eroded, the Team recommend the intervention of NABARD¹⁸ for strengthening the cooperative system. The team recognises that this is an unconventional step and that NABARD is usually involved only in refinancing only, and that special dispensation would need to be made by RBI for direct lending to identified nodal agencies., the team nonetheless feels that involvement of NABARD is desirable given the current level of weak credit availability due to lending procedure. Since it would be operationally cumbersome for NABARD to monitor the activities of every cooperative banks / societies individually, a few nodal agencies should be identified from among the banks / societies. Such agencies would essentially be the larger of the entities having several smaller entities under their command area. NABARD would then be able to provide a line of credit to each nodal agency who would in turn distribute the line to the individual entities. NABARD would provide training in credit assessment, disbursement and recovery skills to the nodal agencies and would jointly scrutinise the loan applications with the agency. This would ensure that the credit appraisal and monitoring is done with the necessary level of expertise. Prudential norms could then be introduced to develop the functioning of the societies. The team

17. Reserve Bank of India.

18. NABARD- National Bank for Agricultural and Rural Development.

recommends that the Government of Maharashtra enter into dialogue with NABARD and RBI for this purpose.

(xiv) Recapturing main recommendations

Short Term and Immediate (Immediate to one year)

Distribution of appropriate seeds

Provide free seeds to every farmer in affected districts @ 2 packets per acre for 2 hectares, that is 5 acres @ approximately Rs 450/- per packet for the forthcoming kharif season this year, the expected cost for the region being approx. Rs.700/- crores for 15 lakh farmers, including intense advisory and extension to be undertaken by the Government. Procurement to be either by Government or with outsourcing under technical supervision. The time for kharif being very near, an urgent implementation for timely sowing will be necessary. In view of the very short period remaining for khariff sowing, the Team feels that in case seeds cannot be procured or market signals being given in time for the free seeds to reach the farmers, Govt. should provide any other inputs like fertiliser or pesticide within the cap of the package above. The Seed Corporation of India which caters to about half the requirements of seeds of the area can be the agency for distributing the free seeds.

Advisory and Extension

While it is recommended that advisory be carried out in campaign mode under distribution of seeds as above, it is necessary to design and implement advisory for improved farm practices and appropriate informed decisions regarding pesticides, fertiliser, supplementary irrigation by harvesting rain Water, maintaining quality of product.

Waiver of Institutional credit

Waive all institutional credits owed by the farmers in affected districts of Vidarbha region. After adjusting for funds allocated for restructuring the interest component of the special package of Maharashtra of December 2005, it is expected that the amount will be approx. Rs.300/- crores.

Disciplining unlicensed money lenders

Public hearings to be organised and conducted intensely in the distressed districts to evaluate dealer by dealer the money owed to them covering both principal and interest. This will ensure that presence of Government is firmly established in the minds of the people, grievance redressal is taken up, and the fear of loss of face in public is given a different cast thus reducing the chances of further suicides. Additionally, legislative measures should be strengthened on the pattern of Karnataka, Andhra Pradesh and Punjab be considered. The implementation of such provisions be taken up seriously so that examples are made with adequate publicity thus assisting the cause of protection of the farmers.

Streamline Institutional credit flow

Increase the flow of credit from commercial banks; provide suitable de risking of banks with back ended subsidies for taking up loan applications from ex-defaulters. Lead banks to take up the issue of increased direct lending urgently. NABARD to be requested to consider reopening a direct lending line of credit for nodal agencies of cooperative society banks along with measures for introduction of prudential norms and discipline.

Water harvesting and conservation

To ensure this year's monsoon water is conserved, watershed development and rainwater

harvesting structures (eg. Check dams) need to be put in place. Existing Malgajari tanks need to be renovated and restored and projects where only canal development remains incomplete need to be taken up urgently. Participatory water sharing and management systems may be introduced. Co-operation of Agricultural Universities and their students may be enlisted for implementation of such programmes during the immediate season.

Backlog and its implementation issues

A non-lapsable budget head may be created for the funds allocated by the Governor for backlog removal and for the equitable distribution of resources among the different regions.

The backlog has to be pegged at Rs.8238.94 crore at 1993-94 prices and Rs14434.64 crore at 2003-04 prices.

A time frame of 5 years may be fixed for the removal of backlog taking into consideration the overall resource position of the State and the absorptive capacity of various sectors for incurring expenditure.

The mechanism for monitoring the progress of expenditure needs to be strengthened. At the State level a high level committee under the Chairmanship of the State Finance Minister may be set up to monitor on a quarterly basis the progress of expenditure in respect of allocations made by the Governor and submit a report to the Governor and the Planning Commission. The State Chief Secretary, Principal Secretary Planning, the Chairmen of the Statutory Development Boards and one MLA from the region concerned may be members of this high level committee.

Committees be set up for finalising administrative actions for delegating funds to the regional level under different departments.

Time lines and mile stones for implementation of the identified 9 sectors be established and action for quarterly monitoring by the Chief Minister and the Governor be completed.

Lists of pending applications for agricultural pump sets from Vidarbha region be scheduled for clearance and the time schedule be laid out and shared in the public domain.

Irrigation Backlog

Irrigation, which is a major emotive issue in the area, must be given due emphasis. Apart from the money which is due to Vidarbha region under backlog in irrigation, emphasis needs to be placed on completion of on-going projects. The current difficulties being faced due to 'Juddupi jungle', the degraded forest, need to be resolved on a war footing. State Government should apply to Ministry of Environment and Forests (MOEF)/Forest Advisory Committee for providing alternate land for forestation immediately.

Prioritisation of irrigation projects in consultation with the Development Boards and the local administration be completed by a committee under the Chief Secretary.

Dedicated Feeder line for separate agriculture requirement be implemented.

The Development Board of Vidarbha should be strengthened. Existing vacancies at different levels including the senior most should be filled urgently. The Board may be charged with the responsibility to oversee the works to be executed though the departmental or out sourced mechanisms so that identified milestones are achieved within given time schedules. The Board should report progress regularly to the State Government and to the Governor.

Intermediate Measures (Within two years)

Regional Development Plans

While the efforts towards liquidating the identified backlog should continue vigorously, there is a need to prepare detailed regional development plans for each of the regions of the State, based on the local resources and the felt needs of the people. The available resources should be pooled together to address the development needs of the region.

Allocations to become visible

It is, necessary to show the allocations made by the Governor separately in the Financial Statement (Budget) under their respective development heads with details of actual expenditure and Revised Estimates for the previous two years as is being normally done for various heads of expenditures. Similarly, the Summary Statement presently included in the Financial Statement showing the Board-wise distribution of allocations made by the Governor should also contain Actual Expenditure for the year preceding the previous year and Revised Estimates for the previous year.

Earmarking of allocations both by State and Planning Commission

The State Government may indicate the allocations made by the Governor as earmarked outlays in the Annual Plans and the Planning Commission may in turn earmark these outlays in the approval letters for the Annual Plan. There will be a proportionate cut in normal central assistance if the State Government does not spend the earmarked allocations.

Reporting

The State Government may include a separate chapter on regional imbalances, removal of

backlog etc, in their Annual Plan documents with details of allocations and year wise progress of expenditure. The Planning Commission may specifically take up the issues related to regional imbalances, backlog removal etc. in the Annual Plan review meetings.

Pilot organic farming with a view to achieving self-sufficiency and sustainable farming.

Consumer Protection movements and systems

Serious efforts should be made to create appropriate consumer protection measures and systems as without these the farmers will be without any recourse in open market conditions.

Long Term Measures

Procurement and Pricing

It is recommended that an additional provision be made under National MSP (as in the case of drought prone areas) for such areas where farmers' resource base is already severely eroded. In such cases, it would also be desirable to have a back-up effort of arrangements for procurement. There should be a clear intention to buy at MSP if market prices fall below the same.

Value Addition of cotton

Restructure the sub components of Technology Mission on Cotton to ensure end to end production with close linkages with textile mills coupled with incentives for investment by private sector, if possible, in the Vidarbha region. Experimentation with public private partnership with private sector textile mills should be encouraged.

Empowerment of Farmer growers

Apart from promoting Cotton Growers Federation for increased empowerment and improved

information and knowledge and economic response capacity building, such forum may also be used for bringing transparency into overseeing loan approvals.

Contributory Fund and Self Help Groups

Jointly administered people's social safety funds to be set up as a contributory fund with farmers SHGs being federated at Tehsil or Block levels.

Crop Insurance

Crop insurance based upon weather should be expanded to cover all districts under distress. The Team recommends that if the production falls, due to less rainfall by more than 20% in a revenue village, then on the basis of Collector's certificate, and the weather forecasts and actuals of rainfall, the equivalent amount of cash for the crop loss needs to be paid to the farmers.

Chapter I

Rural Distress in Vidarbha Issues related to cultivation of Cotton

1.1 Terms of Reference 3

Although chronologically the Team should have presented Item 1 and 2 in the beginning, the Team, feels that as the rural distress issue is of emergent importance with the continuing spate of suicides in Vidarbha, with concentrated numbers in Yavatmal, it would be important to first deal with the **TOR 3** which is:

"to find out the factors leading to rural distress in Vidarbha region and to study the existing relief packages announced by the State Government;"

1.2 Organisation of material for studying the major causes of distress expressed by people in Vidarbha

1.3 The Fact Finding Team decided to study and analyse the situation regarding Cotton in greater detail in the context of suicides and acute rural distress reported from other states also, like Andhra Pradesh, Karnataka, Kerala and Punjab. Most of the houses visited by the team were of cotton farmers and except for rare exceptions, the memoranda submitted and the people met all talked about cotton as their major reason for distress. The team studied the data on area, production and productivity in the region for 2004-05 2005-06 and found that cotton production is covering more than approximately 40% of the area with Soyabean, Tur and Jowar being the other crops. About 10% area under cotton is inter-cropped with tur. A table under total area under production is at **Table 1**. Some of the other issues raised by people pertained to the backlog issues, particularly in relation to irrigation and also issues pertaining to lack of power and in some cases employment.

1.4 As farmers were quite categorical in their complaints regarding low yield due to rain fed situation, low yield due to poor quality of seed, low yield due to switch over to Bt Cotton, pest infestation, higher pesticide use and increased costs due to this, these issues have also been studied based upon available data. Further, farmers had complained about spurious seeds, high costs, and low credit facilities.

1.5 The sections below are organised to study various aspects of cotton cultivation, it's yield and performance, technical performance issues in view of the fact that Bt Cotton has taken centre stage, and of course the Minimum Support Prices, monopoly procurement and average return versus cost of cultivation. Associated issues of national policy, import and export and national initiatives are also summarised.

The Team felt it needed to specifically address the following questions:

- * Whether a direct correlation can be drawn between statements of the farmers that their distress was due to performance of Bt cotton and the facts;
- * How is cotton organised nationally and what policies are in - place for promotion of the commodity , with what obstacles, if any;
- * What is the relationship of import / export to total production and whether import duty at only 10% has any direct impact on the realisation of the farmer in Vidarbha;
- * Whether performance of Bt Cotton was as poor as reported' and whether the same is true for other parts of the country also;
- * Whether technical questions arise regarding the quality of seed;
- * Whether the all India, and Maharashtra technical performance of cotton is similar to technical performance in Vidarbha, and what are the obvious reasons for poor performance in Vidarbha;
- * What is the factual position regarding use of pesticides and the contribution to costs;
- * Whether prices obtained by farmers were below MSP and what are the mechanisms in place to correct price realisation;
- * What is the reason for monopoly procurements to be withdrawn by Maharashtra;
- * What is the scale of indebtedness and is it an obvious cause of distress;
- * Whether rain fed conditions have any direct impact on the performance of Bt cotton, and if yes, then what percentage of farmers are able to obtain supplementary irrigation, if at all;
- * What then is the role of the State in providing irrigation in the backward region and policies for water conservation and water harvesting;
- * What remedies are possible in the immediate future, and in the long run.
- * Whether it is possible to switch from almost mono cropping of cotton to other crops;

- * Whether allied activities are possible and what has been the investment so far in this area;
- * Whether non farm activities can be easily introduced and whether any such attempt has been made at a large scale in the region so far;
- * What are the input out put ratios versus the MSP and what is the Cost of Production;
- * Whether oranges, a major diversification in the region have fared better.

These issues, and associated have been studied and summarised below under separate headings.

1.6 General causes of distress

Rural distress has, in the recent past been the topic of many journalistic articles and has raised feelings on the need to study the matter in greater detail. From causes, to economics at work, to an analysis of the investments, the marketing structures, the legal provisions for farmers marketing federations, the capacities available for informed decision taking, the need to find solutions for large hectares under rain-fed alone conditions, to cooperative successes and failures, and even to choices for urea and pesticides have been engaging the government for some time now. Gross fixed capital formation in agriculture as a proportion of GDP declined from 3.1% during late eighties to 1.6% during last part of the ninth plan. Percentage of Plan expenditure against total plan expenditure also declined nationally from 13.1% to 7.4%. In Maharashtra the decline was to 4.5% from 6.1% for the same period. Planning Commission has announced a desirable rate of 4% growth in Mid Term Appraisal for Tenth Plan for Agriculture and thus expects to address the issue by drawing attention to required initiatives in this neglected area.

Various studies have been conducted to go into the reasons as to why agrarian crisis has become so acute that farmers in certain regions of the

country have resorted to the extreme steps of committing suicide. The studies reveal that there is a complete breakdown of coping mechanisms in rain-fed areas to take risks with a kind of farming system which requires substantial loan taking from informal sources at high interest rates, and this too in a scenario in which returns are not assured due to vagaries of both monsoons as well as markets.

The availability and the utilisation of agricultural credit is under severe strain. There appears to be a gap of at least 50% in agricultural requirements, (based upon district case studies), for agricultural credit, while there appears to be some evidence in shift of availability of credit to urban areas. In Maharashtra, where the cooperative banks have, traditionally been the strong supporters and almost the single means of credit to the farmers for many years, are now under severe strain. The National Sample Survey 2003 indicates a high level of outstanding loans. The credibility of the institution is also under question as the real interest rates to the beneficiary have, over time, been much higher due to the three tier structure of giving the loan. By the time the in between tiers have adjusted their administrative costs, the farmer pays above 13% interest as found in Washim District. The procedures have also been found to be cumbersome and time taking. The structures are no longer sturdy and are unable to deliver real relief or timely support. This issue of credit has been expanded upon in greater detail in the discussion below.

Breakdown of cotton-economy has been largely due to high cost of cultivation, low prices or sharp corrections like cessation of Monopoly Procurement in Maharashtra. Decisions to import long staple cotton at 10% import duty for Ludhiana hosiery are being quoted as possible causes for farmers' distress in Vidarbha. While monopoly procurement has been burdening the state with unproductive expenditure, free market operations are leading to agrarian distress in the

cotton-belt of Vidarbha. All kinds of cotton has been getting mixed while being purchased by the traders and all kinds of cotton gets grown by the farmers in an unorganised manner without adequate extension and or knowledge of the appropriate practices for optimum returns. The markets have also been, in Maharashtra, in the hands of traders, some of them unscrupulous who have either purchased the bales from the doorstep or have been part of the Monopoly Procurement scheme and taken over the procurement on behalf of the Federation and made profits while transferring a bare minimum to the farmer. When the procurement is done by the Federation, the payments are in three installments making it difficult for farmers to retain sufficient funds for their working capital for the next sowing seasons. IGIDR in its study on the cotton part of rural distress has clearly brought out the yield related and price related shocks have been many in cotton growing leading to many farmers dropping below the poverty line. This, despite the fact that, the farm holdings have generally been in the region of over 2 to 3 hectares, except in some districts like Washim where at least 50% of the farm holdings are less than 2 hectares.

1.7 Cotton: Area and Production

Cotton is one of the important commercial crops grown extensively in India. Over 4 million farmers in India grow cotton as the main source of their income and livelihood. The textiles sector, which is primarily based on cotton fiber, is the largest employer and income provider in India, second only to agriculture. It employs close to 82 million people - 35 million in textiles and 47 million in allied sector. The total employment by 2010 is expected to reach 94 million people. With about 9 million hectare area under cotton, the country occupies 1st position in the world. However, the productivity is relatively low in comparison to other cotton growing countries. India produces 177 lakh bales on 78 lakh hectares (2003-04) as against 325 lakh bales in China on

51 lakh hectare area and 218 lakh bales on 49 lakh hectares in USA. India accounts for approximately 25 per cent of world's total cotton area and 16 per cent of world's cotton production. The per hectare yield of cotton in India is lowest (300 kgs per hectare against world average of 580 kgs. per hectare). **(Table 2 gives the international comparative data).**

1.8 Total production of Cotton

The calculation based for total production adopted in this report is based upon Directorate of Economic and Statistics, Ministry of Agriculture which provides the data to CACP in the calculation for official version of cotton production. As per the CACP, the calculation is based upon the cotton plucked and thereafter a seed and fiber ratio is used for arriving at number of bales by dividing by 170 kgs. In the case of Textiles Commissioner's Trade Estimates brought out annually, they are based upon the actual number of bales as reported by all ginning mills in the country. The variation occurs because of the use of moisture in formation of bales. At national level the variation is too wide and reconciliation, though attempted, has not yet been completed in the finalisation of production figures. For the current year, for example, the official version shows 16 million bales while the Textile Commissioner's Trade Estimates shows 23 million bales. The Team has adopted production figures of CACP which is the official version.

Maharashtra contributes 33% of the total cotton acreage of the country, but the share in total cotton production is only 19%. The major reason for low productivity is said to be the mostly rainfed cultivation conditions and the heavy infestation of pests. A mere 4% of the area under cotton in Maharashtra under irrigated conditions. The productivity is abysmally low (271 kg /ha, 2005-06) **(Table 3 gives the State wise**

comparative productivity figures). The hybrid cotton covers about 73% of the area while improved hirsutum varieties cover about 11% and arboretum cultivars cover 16% area of total area under cotton. Most of the cotton varieties and hybrids possess medium and medium long fiber.

There is growth of area under cotton despite the anomalous situation of reduced profitability reported from Maharashtra and particularly from Vidarbha.

The Crop wise share of Estimated Gross Value Added (EGVA) to share of Area (TE 2002-03) and Incremental EGVA¹ (TE 200203 over TE 1995-96) and the Production Growth rate of major Crop Groups in Selected Districts, 1990- 01 to 2002-03 indicate that the area under cotton has been growing at a higher rate even though the gross profitability has been decreasing. The increase in growth rate of area under cotton has, in fact, been at least 0.4% in some of the districts studied by the Fact Finding Team to 1.1% in Yavatmal and 2.8 % for Maharashtra overall. Share of area under cotton in the districts visited by the team was found ranging between 33.13% to 46.81% for the same period. This is given in detail at **Annexure J**. Tables are at **Annexure K** and **L** respectively.

During 2004-05 total area under cotton cultivation is 2839500 ha. out of which 78100 ha. was irrigated and 2761400 ha. rain-fed. The year-wise details of area under irrigated and area under rain-fed are at **Table 4** Current Scenario of Desi cotton cultivation in Maharashtra presented in **Annexure J**.

The yield level is much higher in the States which have larger areas under irrigation. The average yield (2005-06) in the States of Gujarat, Madhya Pradesh, Andhra Pradesh, Karnataka and

1. (Source: State Income of Maharashtra, Directorate of Economics and Statistics, Mumbai 2005 - On web)

Tamil Nadu which have 15 to 41 per cent area coverage under irrigation was 655, 401, 525, 328 and 623 kg/ ha respectively.

Vidarbha region is one of the four major cotton growing regions of the State. In Vidarbha, cotton is a predominant crop in six districts namely Yavatmal, Amravati, Akola, Buldana, Washim, and Wardha. Although crops like jowar, soybean, moong and tur are also grown in some limited area, the farming economy of the region revolves around cotton cultivation. Cotton is also grown in Marathwada, Khandesh and Deccan canal regions.

1.9 Bt-Cotton in India: Technical information regarding the genetic modification and approvals thereof.

Bt. cotton is a genetically modified crop wherein cry1Ac gene derived from *Bacillus thuringiensis* variety Kurstaki is introduced in the cotton plant enabling it to encode for an insecticidal protein cry 1Ac resulting in conferring resistance to a group of insects especially bollworm. With the breeding efforts and aggressive marketing by private sector seed companies, particularly MAHYCO, Bt. cotton varieties gained popularity among the farmers in all cotton growing areas. The area under cotton trebled in a very short time, both in India and in the world.

The Genetic Engineering Approval Committee (GEAC), in the Ministry of Environment and Forest has so far approved 20 Bt. Cotton hybrids for commercial cultivation in the country.

GEAC approved the Bt. Cotton hybrids on account of the superiority in Bollworm control, particularly in *Heliothis* bollworm, management, and due to reduced use of insecticides in respect

of Bt. Cotton hybrids. Besides, it helped in conservation of natural enemies of cotton pests and non-target organisms.

1.10 Productivity; Pests and disease; and technical performance

Pest and disease attack are one of the most important factors affecting yield levels significantly. Approximately 21500 M.T. insecticides in terms of active ingredients are used on cotton. This contributes 55 percent of the total pesticides utilised in the country. In cotton the three most damaging lepidoteran species affecting the crop in India are American bollworm (*Helicoverpa armigera*), Pink Bollworm (*Pectinophora gossypiella*), and Spotted Bollworm (*Earia vittella*). Indian cotton farmers have to spray their cotton crop 6 to 15 times per growing season for controlling insects with an average cost of Rs. 5500-6000 per hectare.

1.11 Commissionerate of Agriculture has conducted field evaluation on different characteristics on the standing crops to study usefulness of the Bt. Technology. The highlights of the findings are as below, There is no difference in the physical characteristics; diseases and pests incidents were noticed only on non Bt. cotton hybrid, sucking pests was noticed in both varieties. For Aphids, Jassids & Thrips it was found that infestation was 7 to 10% and in Bt. hybrids 12 to 15%. While fly: 2 to 3% infestation was reported on both BT and Non-Bt cotton varieties. For Bollworm, during 2004-05, there was moderate to heavy infestation reported on non Bt. cotton hybrids crossing ETL level and farmers had to spray their crops for control. The infestation of bollworm was also reported on Bt. cotton hybrids but was below ETL level. The yield of Bt. cotton on an average is more than yield of its non-Bt counterpart and standard check in every picking.

1.12 Yield and Technical Performance of Bt. Cotton in major cotton growing States:

As per the information provided by the different States, the **yield of Bt. cotton is 15% to 30% higher as compared to non-Bt. Cotton.** Performance report of Bt. cotton received from the States of Tamil Nadu, Karnataka, Andhra Pradesh, Gujarat and Madhya Pradesh are summarised in **Annexure-K**. In general, the productivity of Bt. cotton remained higher than non-Bt. cultivars. Nonetheless, a few observations emerged out of the report which necessitate serious consideration; Impact of drought on Bt Cotton was recorded in some districts in Tamil Nadu in Kharif 2003; The yield in irrigated plots was comparatively better compared to rainfed crops in Bt cotton hybrids; The Bt. cotton hybrid could not withstand the moisture stress compared to non-Bt cotton varieties; thereby the yield was affected.

1.13 Yield and Technical Performance of Bt. Cotton in Maharashtra:

Maharashtra has the highest area under cotton cultivation in India. Average area under cotton cultivation in Maharashtra is 2.8 million ha. On an average Maharashtra share of area under cotton is 33% with 19% of the cotton production at national level. The productivity of cotton is 271 kg. per ha. which is low compared with productivity of other States. Maharashtra produces approximately 30 lakh bales per year (2003-04). The area covered under Mahyco Bt. cotton varieties is 106080 hectares. Studies at IACCIP, Akola on the infestation of bollworm in Bt. vs. non Bt. cotton and the yield levels indicated superiority of Bt. Varieties. Significant findings were that Bollworm damage seen through bollworm larval population was significantly less in Bt. cotton hybrids as compared to non Bt. and Check hybrids in spite of no sprays for bollworm control on Bt. cotton hybrids as compared to 3 to

5 sprays on non Bt. and Check hybrids. Yield of seed cotton was significantly more in Bt. cotton hybrids as compared to their non Bt. and Check hybrids. Under irrigated conditions, **the seed yield of Bt. cotton went up to 25 to 30 qts/ha, however, the area under irrigation is meager (2 to 3%) in the State.**

1.14 Area expansion under Bt. Cotton in Vidarbha as well as Maharashtra:

In the year 2002-03, only three Bt. cotton hybrids i.e. MECH-12 Bt, MECH- 162 Bt and MECH-184 Bt were under cultivation in Maharashtra state on 12194 ha. which was only 0.4% of the total area of cotton in the state. In the year 2005- 06, 12 Bt. cotton varieties are under cultivation on 520050.4 ha which is 15% of the total area under cotton during the year. The area under Bt. cotton increased from 0.4% in 2002-03 to 15% in the year 2005-06. Table 5 gives the variety wise, year wise, picture of Bt. Cotton hybrids in Maharashtra. The Specific Bt. Cotton varieties grown in Vidarbha as well Maharashtra are at **Table 6**. Briefly MAHYCO, NUJUWIDU, Rasi Seed, Pro-Agro, Ankur, Maha Beej are covering MCH 12, 162, 184, 650 varieties.

1.15 Other studies on Technical issues

Detailed information on the damage of other insects (aphids, Jassids, thrips, etc.) in Bt. cotton, and also on the susceptibility of Bt. cotton to these insects vis-à-vis non-Bt. Cotton needs to be generated. There is no detailed survey available on performance of Bt. varieties under rainfed conditions. The limited data nonetheless shows that Bt. varieties have relatively less tolerance to drought and that they are more advantageous under irrigated conditions only. **The performance of Bt. Cotton hybrids against bollworms under rain-fed situation at IACCIP, Akola is given at Table 7.**

Improvement in local germplasms-

The Gujarat Story Gujarat has achieved tremendous increase in productivity, reduction in cost of cultivation by 50% by reducing seed cost and expenses on pesticides mainly by encouraging seed research and farmer to farmer exchange of seeds without inviting provisions of the global IPR regime. The Central Seeds Act, 1996 was instrumental in the success of local varieties. It was, however, alleged that a hybrid variety (Navbharat-151) developed by a local seed company, Navbharat, which has become very popular among farmers because of its high productivity (1200 to 1500 kg per hectare), resistance to bollworm attack and low seed cost (Rs.500 per packet of 450 gms), has tested positive for Bt.

Source: Down to Earth, March 31, 2006.

1.16 Some conclusions regarding technical parameters and yield issues in Maharashtra/Vidarbha based upon State's Report:

- * The average yield increase of Bt. cotton over its non Bt. counter part during last three years is 29.54% and over its standard check during last two years is 15.79%.
- * The cost of seed fixed by Mahyco is Rs. 1600/- per packet, which is extremely high for resource poor farmers
- * The average productivity of cotton in the State is 190 kg. lint per ha (2003-04) as against 357 kg. per ha, in Andhra Pradesh, 452 kg. per ha in Punjab, 399 kg. per ha in Haryana and 274 kg. per ha. in Karnataka.
- * The studies carried out by State Department of Agriculture, Maharashtra revealed that the yield of Bt. cotton varieties is undoubtedly higher than the non-Bt.
- * The pest resistance of Bt. cotton is restricted to Lepidoptera insects only, and the varieties are as susceptible to other insects as their non-Bt cotton counterparts.
- * The economics of Bt. cotton is more attractive under irrigated conditions. Moreover, field level observations also indicated that despite resistance to Lepidoptera group of insects, Bt. cotton is not completely free

from Bollworm infestation, of course, the damage is less compared with non- Bt varieties.

1.17 High output of Bt. Cotton

- * Cost benefit ratio is less in Bt. cotton hybrids as compared to non Bt. and Check hybrids due to high cost of seed of Bt. cotton hybrids.
- * Gross monetary return is more in Bt. cotton hybrids as compared to non Bt. and Check hybrids.
- * Cost on plant protection is less in Bt. cotton hybrids as compared to non Bt. and Check hybrids.

1.18 Supply and Demand of Cotton

The year-wise details of supply of and demand for cotton in India are given at **Table 8**. The table shows that opening stock is increasing at a high rate every year due to excess of supply over demand. The estimated opening stock for 2006-07 is 82.50 lakh bales which is 34.02% of the production of the previous year. The continuing situation of the excess supply of cotton will

have a dampening impact on domestic prices unless exports are stepped up. This will need quality control on fiber length.

One solution could be to encourage diversification to other crops by reducing the area under cotton and also in encouraging export of cotton by providing suitable incentives. In Vidarbha some diversification has taken place already with an increase of 1 lakh ha in Soya bean. ITC is investing in E Choupal service in Vidarbha for crops other than cotton. The initiative has to yet take off.

An alternative could be to expand the end to end production with suitable incentives for intensive involvement of the textile and garment industry so that value addition is done as close to the farm as possible, thus ensuring appropriate farming practices, growing of appropriate cotton, and quality maintenance in ginning and packing.

One should, perhaps not be too concerned about the apparent over supply of cotton at present. It appears that with the present WTO dispensations the prospects of cotton economy and its development strategies should not be assessed in isolation. Cotton has relatively stronger linkages with the forward value addition chain to the textiles industry. This industry is apparently fairly well integrated with the world market where India is a significant trade stakeholder. The distortions in the global cotton trade and price volatility thereof had been impinging on the domestic cotton sector. Besides, the high subsidies by some countries, and the erstwhile quota system, the FTAs / PTAs and applications of rule of origin by trade blocks had been creating barriers in the trade. However, in recent years, the global cotton and textiles economy is witnessing relatively stronger reform impulses. The lapse of Multi Fibre Agreement in (MFA) since 1st January, 2005 brought an end to trade distorting quota regime, thus offering larger opportunities for India to expand its textiles trade. Lately, the

declaration of the recently held Hong Kong Ministerial Conference of WTO unveiled the frame work of negotiations for the Agreement on Agriculture (AoA), which is emphatic on phasing out the exports subsidies. Besides, the declaration also expresses greater sensitivity to the trade distorting subsidies given by developed countries to their cotton farmers, which in turn has adversely affected the cotton economy of several Least Developed Countries of Africa. In the outcome of ongoing negotiations, the reduction of subsidies in world cotton economy therefore is expected to be more specific. These developments provide the prospects of better competitiveness to Indian cotton farmers as well. The development agenda of the domestic cotton economy therefore needs to take note of these trade dynamics and orient itself for harnessing larger benefits from emerging opportunities.

The cotton economy therefore needs to be viewed as a commodity package which is fairly well integrated with the global market and the trade environment.

1.19 Technology Mission on Cotton

In view of lower yields & poorer lint quality of cotton as compared to many other countries, the Government of India is implementing a Technology Mission on Cotton (TMC) since 2000-2001 in 13 States viz. Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Tripura. **The aim of the mission is to increase the production, productivity & quality of cotton.**

The TMC has four Mini Missions (MM) namely MM-I (Research and Technology Generation), MM-II (Extension and Developmental Activities), MM-III (Improvement in Marketing Infrastructure) and MM-IV (Modernisation of Ginning and Pressing Techniques). MM-I is implemented by the ICAR, MM-II by Department

of Agriculture and Cooperation and MM-III and MM-IV by Ministry of Textiles. During past five years, TMC have shown significant impact in terms of enhancement of cotton productivity, quality and area expansion under the crop. Major components of different Mini Missions and budget allocations are given in **Annexure-L**.

1.20 Deficiencies in the TMC approach

It may be seen that the needed emphases on end to end production with the farmer in the forefront is lacking. While approved components like up gradations of specified components of ginning mills etc. are being implemented the entire effort is to implement that specific component without building desire backward and forward linkages for the farmers. There is an opportunity to identify the appropriate seeds for specific areas by conducting trials with Agricultural Universities. This could be followed by launching strong advisories to the farmers. While it is not proposed that free market operations be interfered with, the mission should take leadership for ensuring that informed options and choices are operated by farmers. Similarly, end to end development will require necessary linkages being developed either in Government or innovatively through Private/Public participation. The models of farmers as shareholders, and as banks for seeds as operational in Gujarat are attractive. Alternative methodologies could also be planned for.

Import / Export Policy of cotton

The import of cotton is under OGL with 10% import duty. Export of cotton was earlier regulated by the Ministry of Textiles based upon availability for domestic use. However, it is now deregulated. The quantity of raw cotton imported came down from 22 lakh bales in 2000-01 to 6 lakh bales in 2004-05. At the same time the exports of cotton went up from 0.6 lakh bales in 2000-01 to 20 lakh bales during the same period.

There is definite evidence of creation of threat perception when cotton is imported. **Table 9** shows the export and import of cotton from 1996-97 to 2004-05.

Support Price (MSP) for cotton

The minimum support price for different varieties of cotton in India is given in **Table 10**. However in Maharashtra Cotton Federation purchases cotton under monopoly procurement scheme. Cotton Corporation of India and Private purchasers are also in competition for the purchase of cotton. The MSP has ranged from Rs1215 for Bengali Desi in 2000-01 to Rs 1310 for same variety in 2005-06; from Rs 2900 for Suvin in 2000-01 to Rs 3135 for same variety in 2005-06 with other varieties like V797, J 34, LRA 5166, H-4, JKHY-1, S-6, DCH South, fetching a variety of prices in between.

The Minimum Support Price (MSP) for two basic varieties of cotton viz. F- 414/ H-777 and H-4 are announced by the Government of India on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP). The MSPs for other varieties of Cotton are fixed and announced by the Textile Commissioner on the basis of MSPs announced for these two basic varieties of Kapas. For the Cotton Season 2005-06 (Oct.-Sept.), the MSP for F-414/H-777/J- 34 variety was Rs.1760/-per quintal, and Rs1980 /-per quintal for H-4 (Long Staple) variety.

Whenever market price of cotton falls below the MSPs, the Cotton Corporation of India (CCI) in the Ministry of Textiles undertakes procurement of cotton at MSP in all the cotton growing states, except in Maharashtra where Monopoly procurement Scheme of the state government is in operation. The Minimum Support Price for cotton in India in Rs. per quintal is at Table 10A.

1.21 The Monopoly Cotton Procurement Scheme (MCPS)

The Monopoly Cotton Procurement Scheme (MCPS) has been in operation since 1972-73 in Maharashtra. Under this scheme, Cotton procurement was the monopoly of the MSCCGMF and the farmer was not only assured of the MSP, but also received a bonus if MSCCGMF made profit.

Over time, a plethora of problems were identified with the scheme. The bonus was converted to additional advance price that was also guaranteed. The payment of additional price was de-linked from the actual market scenario leading to instances when Cotton was purchased dear and sold at a cheaper rate. This led to a loss that cumulated over time. In addition to this, poor storage facilities led to mixing of different grades of Cotton and destruction by fire and rain. Office bearers involved in grading and weighing took to rent seeking activities. The farmers paid commission to middlemen at the procurement centres. There emerged a class of traders in the guise of farmers. The farmer sold his produce to trader-farmer at a lower price who in turn sold it to the MSCCGMF. The payment to farmers was delayed and staggered.

To do away with the problems under MCPS, monopoly procurement was relaxed and private traders and textile mills were allowed to buy from the farmers directly in 2002-03. This proved beneficial to the farmers, as the open market prices during this and particularly in the next season was higher than the MSP because of higher international price for Cotton.

The doing away with MCPS was very short lived. In 2004-05, there was an increase in Cotton production all over the world and open market prices fell much below the MSP and MCPS was back in operation leading to record procurement by MSCCGMF. Under MCPS, price paid per

quintal (average fair quality of long staple) was about Rs.2500, but payment was not immediate. Many farmers sold their produce in the open market at Rs.1900 or even lower. It is by and large the trader-farmers or farmers who do not want ready cash who sold to the MSCCGMF. The MCPS was relaxed in 2005-06 and private players were allowed to procure resulting in farmers resorting to distress sale and realising prices much less than the MSP.

1.22 Procurement of cotton at MSP during 2004-05

Due to a record production of cotton in the country and in the world during 2004-05, there was crash in prices both in domestic and international markets. Accordingly, cotton was purchased at MSP by various agencies. The quantity procured under price support scheme till now, is as under:

Agency	Quantity procured (lakh Bales)
Cotton Corporation of India	27.08
NAFED	0.36
Maharashtra State Cooperative Cotton Growers Marketing Federation	43.00

1.23 Steps taken for stabilisation of cotton prices

- * For stabilising cotton prices, interaction with stakeholders was held in Oct-2004 by Department of Agriculture;
- * Cotton Corporation of India is procuring cotton at MSP;
- * For the first time, GOI allowed NAFED also to procure cotton at MSP;

- * GOI approved export of cotton limiting 20 lakh bales under price neutralising scheme with an export assistance of Rs 1000 / candy of kg towards transport , handling etc.;
- * CCI has exported 2.87 lakh bales of cotton till 6.5.2005.

Cost of Production: Data from Akola Agricultural University

1.24 Input Output in rain-fed/irrigated conditions.

1.24.1 Some data from experiments conducted at Akola Agricultural University (AICCIP) give a clue as to the input output ratios. These are given at **Annexure- M**.

1.24.2 They have deduced that the input output is not favorable as below:

1.24.3 Input/output ratio for cultivation of Bt. Cotton in Maharashtra

Sr. No.	Average production cost per hectare (input cost) Bt. Cotton	Average cotton production (qu/ha)	Income in Rs. per hectare
1	Rs. 16000/ ha.	10	Rs. 2010 per quintal i.e. Rs. 20100

Also given are calculations from Akola on the actual cost of production of different varieties, both in irrigated and rainfed conditions. These are at **Annexure N, O, P and Q** respectively.

1.25 Cost of production: IGIDR

1.25.1 IGIDR in its study of specific cases has identified that they found cost in studies to range between Rs.15,000 to Rs.20,000 per acre; including all other expenditure of fertilisers,

pesticides, labour and total costs. They determined a hypothetical net income varying from Rs.12,200 to Rs.27,000. On their analysis, such net income in fact means the per annum earning of around Rs.2500 per person. Variations can be built in for Rs.500 per quintal additional income in cases where Maharashtra Monopoly Procurement was in place.

1.25.2 They have summarised that "it is generally the case that in an acre of land one packet of seeds (910 grams) that costs around Rs.450/- to Rs.500/- for non- Bt. Varieties and Rs.1600/- for legal Bt. Varieties would suffice". However, due to a guaranteed germination rate of 65 per cent only, farmers end up sowing two instead of one packet of seed. This increases the seed requirement. Under assured water, the seed requirement might reduce with existing practices; an income of Rs. 4037 per person per annum (that is Rs.336.45 per capita per month) is arrived at.

1.26 Cost of production: Department of Economics and Statistics/CACP

1.26.1 General observations regarding Cost of Bt Cotton to the farmer; practices; and causes for low returns

About 95% area is rainfed in Vidarbha region of Maharashtra and hence, cotton is mostly grown under rainfed situation. Under rainfed condition spacing recommended for hybrid cotton is 90 x 60 cm and the plant population comes to 18500 plants/ha. Generally sowing of two seeds per hill is recommended under rainfed situations that means 37000 seeds will be required for sowing one hectare area and seed rate required will be 3 to 3.5 kg/ha for 90 x 60 cm spacing. The cost of Bt. cotton hybrid seed is Rs. 1600-1800 for a bag of 450 gms which contains approximately 5000-5500 seeds that means for 37000 seeds, i.e., seven packets of 450 gms will be required which costs Rs. 11200/-. This seed cost is not affordable

by a normal cotton grower. Under rainfed situations the yields of cotton are not constant every year due to erratic and uneven rainfall. Presently the Bt. cotton producing seed companies giving one packet of 450 gm for one acre area with the recommendation to sow one seed per hill, which reduces the plant population per hectare which results in yield less than expectation under rainfed situation. It is observed that Bt Cotton gives more yield versus non-Bt Cotton. Bt. Cotton seed cost is high; that is why cost of cultivation increases. Bt Cotton needs good management practices.

An analysis has been conducted of the data generated by the Directorate of Economics and Statistics in Ministry of Agriculture (which forms the basis of recommendation on prices announced by CACP).

This is a stratified sampling of large, medium and small farm holdings and around 6000 samples are taken annually. The total inputs include rental lease labour, costs of pesticides, fertilisers etc. for the farm as a whole, hereafter an apportionment is done for specific commodities. The costs of production data published currently are available for 2002-03 (**Table 11**) and annual additions are made by accounting for changes in wage/labour/o ther costs as known nationally. Disaggregated data at regional level is not possible while State level data is available. The Team has thereby taken into account the data and analysis done by experiments of Agricultural University of Akola; case studies carried out by IGIDR and source data quoted by IGIDR in various studies carried out by different experts for the Vidarbha region. Clear conclusions regarding actual input/output are, thereby not statistically possible as this would be an area of study itself. However, the Team is of the clear opinion that precise input/output is not available and the cost of production at present appears to be much higher particularly for Bt. Cotton which is available only in specific varieties as per the desire of the cotton seeds companies. Till such time that high prices are lowered,

the market economic pressure will push the low resource farmer to a level of investment which is indeed suicidal.

In such an event, it is but natural that expectations will be created from the Government for providing protections either by support prices or by making available crop loans.

1.27 Cost of Seed

1.27.1 Cost of seed in the calculation under cost of production has been difficult to identify precisely for Vidarbha region. However, taking into account the fact that 15% of the area in the State is under Bt. Cotton from MAHYCO where the cost of one packet is Rs.1600/- on the average, the remaining figures have been derived from the cost of production and its basic data as used by CACP. CACP has estimated Rs.600/- per packet as a base cost in the calculation of cost of production. The Team has, thereby, adopted the CACP costing in arriving at the cost of production. The Akola data based upon experiments has used Rs.1600/- as a base cost for seed. The variation in return to the farmer is thereby greater when the tables between Akola and CACP are compared.

1.28 Cost of production: Findings

1.28.1 Between TE 1995-96 and TE 2002-03, the annual average for gross value of inputs used in agriculture in Maharashtra increased by Rs.2063 crore (from Rs. 19892 crore to Rs.21956 crore). In TE 2002-03, Jowar, Tur, Soyabean and Cotton account for 88 per cent, 69 per cent and 84 per cent of the area under major crops in Wardha, Washim and Yavatmal respectively. For these four crops the item wise share of cost of production in Maharashtra in 2001-02 is given in **Table 11A**. It shows that operational costs account for nearly 75 per cent of the costs in Jowar, Soyabean and Cotton and about 57 per cent in Tur. A substantial part of operational costs is

human and animal labour. For cost attributed to human labour, imputed family labour account for 47 per cent in Jowar, 45 per cent in Tur, 34 per cent in Soyabean and 37 per cent in Cotton. With regard to animal labour more than 75 per cent of the costs is attributed to owned bullocks. It is as high as 92 per cent for Cotton. Most of the machine labour is hired. The share of costs on account of seeds, fertiliser, manure and insecticides is higher for the cash crops, Cotton and Soyabean, when compared with Jowar and Tur.

1.28.2 What is most striking is the high use of insecticides in Cotton. Per hectare usage in cotton cultivation is nearly 13 times higher than that of Soyabean, 82 times higher than that of Tur, 442 times higher than that of Sugarcane where per hectare insecticide use was Rs.1.4 in 2001-02 in Maharashtra, and nearly 2000 times greater than Jowar. Cotton accounts for more than 89 per cent of the total expenses for insecticides.

1.28.3 For Jowar, Tur, Soyabean and Cotton the projected cost of cultivation for Maharashtra and Minimum Support Prices (MSP) for India in 2004-05 is given in **Table 11B**. It shows that the MSP for Jowar and Cotton are greater than A2+FL costs (all paid costs including rent for land imputed family labour) but lower than the C2 costs (A2+FL plus interest on value of owned capital assets and rental value of owned land), for Tur and Soyabean it is above C2 costs. This gap between costs and MSP reiterates the relative disadvantages associated with the cultivation of Jowar and Cotton and relative advantages of cultivating Tur and Soybean. This would hold for Cotton even after taking into account that Maharashtra State Co-operative Cotton Growers Marketing Federation Limited (MSCCGMF) paid an additional Rs.500/- per quintal over and above the MSP in 2004-05.

1.28.4 Thus it may be seen that for the farmer the growing of cotton has become increasingly unproductive in Maharashtra.

1.29 Rural Credit Requirements

1.29.1 Credit Requirements of Yavatmal

Vidarbha Jan Andolan's - Kishore Tiwari states

"The district, along with four others in western Vidarbha's Amravati division, has witnessed most of the suicides. The money-spinner of yesteryears has become an unremunerative crop, with even once-progressive farmers with 20 to 40 acres balking at sowing another crop. Increasing cost of inputs, piling debts and dwindling incomes that have made repayment difficult are pushing the farmers over the brink."

1.29.2 Fresh crop loan to all farmers is only solution to stop suicide. Government of Maharashtra has announced that interest rate on crop loan will be reduced to 6% from existing 9%, but when only 5% farmers are taking loan for farming from bank, what is the use of this reduction, Kishore Tiwari asked.

"In Vidarbha out of 3.2 million cotton growers, 2.8 million farmers are old defaulters of bank loans and not eligible for institutional credit. Hence taking loan from private money lenders and falling in to the debt trap is inevitable for them. In order to stop this exploitation of Vidarbha farmers, it is must to provide them bank credit".

1.30 Case study: Washim District

1.30.1 The issue of Rural credit and its availability for agricultural purposes has been analysed in greater detail in one district, Washim. It is found that of the 841771 population, there were 195543 account holders in Washim, 50357 were having less than 1 ha of land, 89521 had more than 2 ha of land. From above classification of Agriculturists it is clear that almost 50% of the Landholders in the Washim District are holding land which is

economically not viable and can not become self sustainable. Therefore they have to depend on Agricultural crop credit every year. The study shows that on an average the requirement of credit for agricultural purposes was at least Rs. 75 Crores per annum. With addition of other needs, including household needs the requirement increases to Rs. 150 Crores. Details, including particulars of credit owed by suicide families are at the **Annexure R** giving details of the Case Study of Washim.

1.30.2 The Fact Finding Team during its visit to various villages and districts found that over 95% of the farmers had been covered through institutional credit either through banks or rural cooperative societies. There are 823 Commercial Banks, 199 RRBs², 709 DCCBs, 59 Other Banks. There are thus 1790 bank branches in total in the 11 Districts of Vidarbha. The Districts wise details of bank branches are at **Table 12**. The district wise details of outstanding deposits, advances, CD Ratio³, priority sector advances, direct finance to agriculture, advances to weaker sections and SC/ST are at **Table 13**. Over time, particularly during the last 3-4 years, due to inability to pay back principal amount, most of the farmers are now in the list of defaulters. Nonetheless, since the farmers are continuing in agriculture, their requirements of sustainable and productive occupation will continue to require adequate pre-crop sowing loans. There is, therefore, an emergent need to review the credit package as it is currently available. The operation of the defaulter list will continue to keep most of the farmers out of the frame of formal credit system. The special package of the Chief Minister announced in December 2005 under formal Institutions only provides for moratorium of interest while the principal amount stays outstanding. The issue regarding input dealers and credit available through them at exorbitant rates

continues to stay a problem area as these are not registered/licensed dealers. Despite the annual dispensation of 30% increase of credit availability by banks in rural areas for agriculture, as per existing policy, we will be unable to reach large number of distressed agriculturists. To bring back the majority of these farmers to the formal credit system is an essential pre-requisite for amelioration of the current rural distress prevailing in the region.

1.30.3 The overall outstanding credit figures at national level for agriculture are given in The Trends & Progress in bank credit 2004-05 (RBI) which shows that for agriculture the figures of outstanding credit have risen from Rs.73,518 crores in March 2003 to Rs.1,22,370 crores in March 2005 with a variation of 31.8% over the period 2003-04 to 2004-05. Similarly, the State-wise distribution of deposit and credit of scheduled commercial banks in statements of 2004 and 2005 of RBI (from website data of RBI - www.rbi.org.in) indicates the credit figures of Rs.3,65,925 crores for Maharashtra as a whole (Team could not obtain immediately, the variations for Vidarbha). However, since this would be through banks, it would not be relevant to the rural farmers as they were found to be covered more by cooperative banks than by commercial banks.

1.30.4 Given the above figures, it would seem relevant to study the precise outstanding figures in the Vidarbha region. In the absence of disaggregated data, the Team has made an estimation of outstanding from the case study data available from district Wasim. Rs. 85 crores have been found to be an outstanding figure through different sources of formal credits in Wasim and if we multiply these figures by six affected districts, we would arrive at a figure of Rs. 510 crores outstanding debt for the distressed region. Gross

² Regional Rural Banks.

³ Ratio of credits to deposits.

farm credit requirement as indicated by the Chief Minister, Maharashtra is Rs.6000 crore, 20% of which in Vidarbha.

1.31 Taking into account, the magnitude of requirement for credit in the region, the team has made several recommendations.

1.32 Terms of Reference 3 pertains also to an analysis of the adequacy of the **Special Package announced by Maharashtra Government** in December 2005. Specifically it enjoins upon the Team:

"to find out the factors leading to rural distress in Vidarbha region and to study the existing relief packages announced by the State Government;"

The Special package announced by the State Government (copy of detailed package at **Annexure-A**) contains a few sound proposals regarding sharing of crop insurance premium, increasing flow of credit and rescheduling of loans. Detailed discussion on the Special Package is at Section 5 (page 48). The package is nonetheless unlikely to address some of the most important and perpetual problems causing distress to the farmers of the Vidarbha region. It is silent on the issue of indebtedness, spurious seeds, exorbitant cost of seeds, transport of produce (cotton) to the Federation purchase points, delay in completion of irrigation projects, etc. There is also a need for integrated watershed development and cost effective water harvesting measures. (The State Government has now in 2006-07 included a water shed development programme for Yavatmal alone at Rs.100 crore annually. This is a good beginning). Any package ignoring these issues would be of limited advantage to the farmers. State Government may consider following action points for inclusion in the Special package:

- * Inclusion of public sector agencies in production and sale of Bt Cotton and strict measures to prevent the entry of spurious seeds in the market.
- * Completion of pending irrigation projects on top priority and in a fixed time frame.
- * Implementing cost effective watershed development projects including rainwater harvesting.
- * For credit requirements of farmers and for crop insurance specific suggestions are made at paragraph 33 above.

1.33 It may also be interesting to find out the reasons as to why farmers borrow from unlicensed money lenders at high interest rates despite existence of public sector credit institutions. This knowledge (feedback) should be used to revamp the functioning of credit institutions as far as loaning to the poor farmers of Vidarbha is concerned.

1.34 There are other necessary recommendations which are summarised subsequently in the Report.

1.35 Summary of Findings under Rural Issues

1.35.1 Miseries of cotton growers of Vidarbha

In the recent surveys conducted by Fact Finding Team in different districts, an array of problems related to cultivation and marketing of cotton were noticed, which are listed below:

- * **Exorbitant cost of Seeds:** The cost of Bt. cotton seed is one of the major factors affecting the cost of production and the cost benefit ratio. One packet of MAHYCO is sold for sowing of 1 acre of land at Rs. 1650/-. This one packet per acre is the recommendation for normal sowing in good irrigated conditions. However, one packet is not sufficient for raising a rainfed crop because of narrow spacing. Thus farmers have to either use more than 1

packet seed per acre for desired plant population or compromise with a poor crop stand resulting in lesser yield. According to AICCIP, Akola, a good crop stand in rainfed area would require 07(seven) packets of 450 gms seed per hectare.

- * **Yield and economics of cotton under irrigated vs. un-irrigated areas:** Statistics clearly indicate scarcity of irrigation water is one of the major bottlenecks in achieving high productivity. The state of Maharashtra with 4% area under irrigation has an average cotton productivity of 147 kg. per hectare. On the other hand, average cotton productivity (lint) in the State of Punjab, Andhra Pradesh, Tamil Nadu and Karnataka is 366, 289, 295 and 202 kg per hectare respectively as 99.7, 18.1, 34.9 and 13.8 per cent of the cotton areas in these States respectively is irrigated. Studies carried out by State Department of Maharashtra further reveal that the net returns under Bt. cotton are higher under irrigated conditions.

- * **Farmers' perceptions on Bt. Cotton versus other popular hybrids:** As per the feedback of the field level officers in Maharashtra, although the performance of Bt. over its non-Bt counterparts is better its performance as compared with other popular non- Bt hybrids like (NCS-145) (Bunny), Ankur 651, Paras, Brahma is not better. The feedback received from most of the farmers of the states is as follows:

- i) The average boll weight of MAHYCO BT cotton varieties is 300 gms/ 100 bolls, i.e., three gm/boll which is low as compared to other non-Bt popular hybrids which gives 550 to 600 gms/100 bolls;

- ii) The staple length of the Bt Cotton varieties is also short and hence it fetches lower price in market compared with other popular hybrids;
- iii) The Bt cotton variety shows more susceptibility to wilting under heavy rains compared to other popular varieties;
- iv) There is no mechanism to control the cost of Bt cotton seeds. In this particular year, the cost of only 450 gm packet of Bt cotton seeds of MAHYCO is Rs. 1600/-. The Team felt that in rain-fed areas this does not give adequate return the MRTPC.

- * **Seed Banks:** No seed banks exist.
- * **Spurious Seeds:** Due to higher cost of Bt cotton seeds and their better performance in different areas, the sale of spurious seeds by unauthorised agencies is very common. The problem is more acute in remote areas, where farmers have no access to authorised seed sale agencies (outlets).
- * **Lack of awareness:** A recommended package of practices of Bt cotton cultivation is neither available to the farmers nor any such effort is visible on the part of the State Agriculture Department/ SAU to educate the farmers about cotton cultivation particularly benefits and possible risks of Bt cotton.
- * **Ineffective Extension:** As the performance of State (public) extension agencies is not satisfactory. The local input dealer is the only person to guide the farmers on seed, pesticide and fertiliser related matters. The farmers are naturally misguided to spend more and follow inefficient input use practices, even Bt Cotton seed (sub standard?) is sold with the promise of complete resistance to pests and diseases whereas the farmers have to go for repeated spraying of pesticides (spurious?) to control pest infestation.

- * **Poor Credit Facility:** The credit institutions are either not adequate or too methodical (involving cumbersome procedures). Hence, private money lenders are the major source of credit to the farmers. Not only are the interest rates are exorbitant but farmers are also pressurised by the money lenders for timely repayment even under crop failure conditions. The situation is further aggravated when these moneylenders become input dealers, who initially misguide the farmers to purchase sub-standard material on credit and then procure his produce at their own terms and conditions.
 - * **Poor market infrastructure:** Inadequate road connectivity and market linkages in rural areas often lead to exploitation of farmers by the middleman procuring the produce at very low price. The farmers have to sell their produce in village itself to meet their pressing family demands as also to repay the time-bound debts.
 - * **Support price:** Minimum support price for cotton is low in comparison to cost of production. Monopoly procurement has been withdrawn suddenly leading to a sudden and massive shock to the farmers.
 - * **Inadequate moisture:** Because of lack of irrigation facilities and also low rainfall the moisture content in soil profile particularly in affective root zones remain inadequate at active physiological stages, (i.e., flowering and fruit setting) besides the lack of moisture to meet even routine requirements of crop survival increases the chances of wilting of the plantations either due to moisture stress or due to pathological infestations;
 - * **Physical disorders:** physical disorders in the crops owing to neglect of balanced plant nutrition is another important constraint. Deficiency of potash and micro nutrients like Zinc, Boron and Copper have emerged as significant nutritional problems for citrus in recent studies carried out by Central Institute of Citrus, Nagpur. Unless these problems are appropriately addressed there is less hope of revival of citrus orchards.
- Due to heavy rains and hailstorms, there have been tremendous losses to farmers in the region affecting large hectares in the region. Relief is being made available by the Government as per existing norms.**

1.36 In the light of above points, it is apparent that the cultivation to market chain is not farmer friendly. The least informed resource poor farmers therefore, succumb to the clutches of unending indebtedness and unemployment.

1.36.1 The problems of citrus decline: For last several years, citrus orchards of Maharashtra, particularly those of Nagpur and Amravati region have suffered due to several biotic and abiotic reasons leading to degeneration of citrus plantation on the one hand and falling productivity on the other. Two major reasons are identified for the same:

1.37 Recommendations

1.37.1 Quality of Seeds and related issues

Strict quality control on Bt Cotton seed is a pre-requisite. There is need to increase the number of players in cotton seed production so as to rationalise the cost of seed. Public sector seed companies and R&D institutions should explore the possibilities of developing non-Bt strains of pest resistant hybrid cotton. Only certified seeds should be allowed to be sold in the market that too only after its satisfactory performance as verified by local SAU on the basis of 3-5 years of field trials. Existing legal provisions under Seeds

Act, 1966 should be implemented vigorously to curb the entry of unauthorised seed traders in the market.

Experiments in other States have indicated success in maintenance of quality of seeds by promoting farmers cooperatives / systems for ownership and stakeholdership in ginning mills and establishment of seed banks by farmers whereby the quality and quantity of the staples have been ensured. These systems should be studied from other States and promoted in Vidarbha region.

1.38 Improve Advisory and Extension

1.38.1 Farmer Advisory and Extension Services in the region were found to be extremely poor. It should be immediately strengthened by positioning of adequate extension staff and capacity of the staff should be built up. Farmers need to be well informed about the technological and risks factors of growing Bt cotton particularly in low productivity rainfed situations, its susceptibility to sucking type insects, market prospects, etc.

1.38.2 There are good examples of enlisting private partnership in extension in States like Punjab. The Ex-Agriculture Commissioner, Government of Maharashtra has also made strong recommendation for the involvement of NGOs and private sectors for extension and also in some cases to provide inputs and thus, avert the need for unprincipled input dealers. The State Government may work out appropriate PPP models for extension.

1.39 Supplementary Irrigation

1.39.1 Vidarbha's annual rainfall is 90 cm and is, therefore, known as an assured rain fed area. There were poor rains in 2001-02 and 2002-03 and arrangements for supplementary irrigation would have been very useful. The terrain in Vidarbha is uneven and there is high run off of

water. The soil is also shallow. There is, thus, urgent need to provide for protection and integrated watershed development. Further, due to lack of cooperation between the Forest and Irrigation Departments, the channels for irrigation in the canals for watershed are heavily silted. This can be easily sorted out by working with the tributaries in such a manner that the canals do not choke up and reasonable watershed development can take place. Besides there are innumerable irrigation projects which are held up at the last mile. Finishing these could benefit the farmers. Clearances should be obtained and resources secured.

1.40 Water Harvesting

1.40.1 Pragmatic programmes of water harvesting need to be implemented so as to enhance the possibility of raising a post cotton Rabi crop. Banaskantha is a comparable area with Vidarbha in that it has arid characteristics like in Vidarbha. The single supplementary irrigation in Banaskantha is obtained by buying the service through one large pump owned by another farmer. The pricing structure is as follows: Rs.400 to Rs.600 for the protective irrigation for each single picking, and same process is followed for the 8 to 9 pickings which are obtained by the farmers for the crop on an average. The costing of one picking and one special irrigation is as follows. Rs.1900/- is the price for picking and Rs.600/- is the maximum amount for water and another Rs.200/- can be deducted for picking charges. A clear profit of Rs.1100/- is available on the average for every picking to the Banaskantha farmers per acre. At least one supplementary irrigation should be ensured by mapping out likely partners for the season and engaging non-governmental assistance to forge the relationships in the initial years till a strong cooperative movement grows for pani Panchayat systems.

1.41 Reduce use of Pesticides

1.41.1 Extensive use of pesticides seems to induce depression. Therefore, safe and judicious use of it in cotton belt may be demonstrated and promoted.

1.42 Farming System Approach

1.42.1 The concept of farming system, i.e., mixed farming involving appropriate mix of farm enterprises needs to be promoted on a campaign basis.

1.43 Cotton Growers Federation

1.43.1 Small farmers' cotton growers associations be promoted to empower them. Federating such associations at block / district level is strongly recommended. Contract farming concepts should be promoted with private sector / NGOs so that risks can be shared. Information and knowledge can be shared and a joint economic response is possible at the farm level.

1.44 Improved Practices

1.44.1 To promote better farm practices for cotton, the need for harmonised production of bales so as to meet the technical parameters of good quality should be kept in mind. In Gujarat, the TMC-I (research and seeds), TMC-II (production and marketing), TMC-III (Ginning) and TMC-IV (link with textile units) are functioning effectively. All three TMCs (1, 2 & 3) work effectively and harmoniously and depend upon the farmers, who are shareholders in the cooperative ginning mills. This leads to harmonised bale preparation, where the buyers have the confidence to procure the same quality. The practice is to grow the same seeds in concentrated areas. The difference in Maharashtra is that farmers have no confidence in one variety and follow the incorrect practice of sowing three different types of seeds at the same time on the fields. This leads to non-harmonious quality in the bales prepared from their product

and thus brings down the prices. There is a positive role of cooperative ginning mills where the farmer is a shareholder and is able to ensure that the quality of all products is improved.

1.45 Value Addition

1.45.1 End to end production with close tie up with textile mills needs to be taken up with missionary zeal in all cotton growing areas. The relative advantages of setting up mills elsewhere due to infrastructure need to be bridged so as to enable appropriate incentives for farmers to stay in the business of farming.

1.46.Pricing Policies

1.46.1 The Monopoly Purchase prices adopted by Maharashtra were much higher than those of MSP and, subsequently, with the withdrawal of monopoly purchase the capacity to make a recovery by the farmers was eroded. In other States, the farmers are protected by regular incomes and a constant pricing as against the fluctuating prices of Monopoly Purchasing schemes of Maharashtra which has led to acute erosion in the income of the farmers. In all other States, the farmers get at least what is available at the MSP provisions, if not higher than that. A consistent and economically justifiable policy which will give some reasonable level of assured support and purchase is necessary.

1.47 Organic Farming

1.47.1 Organic farming along with its limitations of being successful only in large farms needs to be studied on ground situations with reference to cotton growing belt.

1.48 Counseling

1.48.1 Counseling and information support to the affected families be extended engaging competent and professional NGOs so as to facilitate their continuing in farming.

1.49 Credit

1.49.1 As an immediate measure the current outstanding loans of farmers in the six severely affected districts may be waived. Mere restructuring will not provide any ray of hope as the farmers are not in a position to purchase seed for the forthcoming Kharif season. Years of neglect of the area in terms of little or inadequate extension has led to the farmers incapacity to make informed choices and in the present scenario of sharp market corrections and shocks like cessation of decades old practice of monopoly procurement has eroded their capacity to survive in a perceived hostile climate. Traditionally the farmers have been used to desi hybrids cotton and have had procurement year after year, with the added disadvantage of having enjoyed the 'higher' prices due to the higher rates of monopoly procurement. It is doubtful that farmers themselves have enjoyed the higher rates as it would appear that the benefit was in fact enjoyed by the traders who procured on behalf of the federation. Nonetheless they have had assured procurement to depend upon for decades. Sudden withdrawal has made it difficult for them to face the real world with reduced prices, and incorrect choice of Bt Cotton. Either the Government of Maharashtra should revert to monopoly procurement, which would be an expensive decision for them, or the current outstanding loans, at least in the formal system should be written off. This may be around Rs. 500-600 crores as per estimations. With this the additional burden of Rs. 300/- crores expected to be borne by the Government of Maharashtra for subsidising the banks for restructured loans an restructured interest burden will reduce automatically. As such the outflow of cash will be less than Rs 400/- crores as an estimate.

1.49.2 The actual quantum of informal debt owed to input dealers could not be finalised by the Team. At the best, estimates can be drawn on the basis of loans taken over 3 transactions as brought out by IGIDR in its study in the Vidarbha region

which gives a variation between Rs.24000 to Rs.34000 per transaction. Each suicide family has taken an average of 3 transactions and thus the figure would range around Rs.1 lakh approximately for rural resource poor families. However, discounting of the formal component of the debt will also be necessary from the above figures as brought out by IGIDR. The other variations have already been given above and the Team would not like to put a figure to the amount of debt owed to informal channels. The Team would like to strongly recommend and suggest that some measures of open public hearings may be conducted in the distressed districts to evaluate dealer by dealer, the money owed to them. This will facilitate the Government coming to a decision regarding how to give a clean slate to these farmers for forthcoming Kharif season.

1.49.3 While waiver has been recommended for outstanding debt in the formal system at paragraph above, an alternative could be to consider provision of seeds to the farmers in the 6 districts in Vidarbha through arrangements to be made by the State Government. The distribution could be done by seed cooperatives / Seed Corporation / Seed Bank or any other method. The average seed costs as taken into account by CACP in their calculation of cost of production is Rs.600/- per packet. For each acre, 2 packets will be necessary in rainfed situation. The number of farmers in Vidarbha in the 6 districts would be ranging between 14.7 lakh to 16 lakh as per estimates received from the State Government. With an additional cost of Rs. 200/- for distribution, the total cost of the packet of seeds would be Rs. 800/-, thus leading to an amount of around Rs. 250 crores approximately for 15 lakh farmers. This should be a feasible option of support to the farmers for making available less expensive, but hybrid variety seed, thus ensuring that the farmers have their basic seeds available with them for forthcoming kharif season. For their additional requirement for production, they would still need

credit for pesticides and labour which should be organised by enhancing credit availability in the rural areas.

1.49.4 The team considered the suggestion of Government of Maharashtra to involve NABARD as a facilitator for credit delivery through commercial banks, co-operative banks and societies. The present impediment of many of the societies having weak financial status should be overcome by a thorough overhaul and review of the system. The involvement of NABARD will ensure appropriate lending mechanisms being brought into play, thus enabling the cooperative societies to deliver credit to the rural population.

1.49.5 Since it would be operationally cumbersome for NABARD to monitor the activities of every cooperative banks/societies individually, a few nodal agencies should be identified from among the banks/societies. Such agencies would essentially be the larger of the entities having several smaller entities under their command area. NABARD would then be able to provide a line of credit to each nodal agency who would in turn distribute the line to the individual entities. NABARD would provide training in credit assessment, disbursal and recovery skills to the nodal agencies and would jointly scrutinise the loan applications with the agency. This would ensure that the credit appraisal and monitoring is done with the necessary level of expertise.

1.49.6 Credit availability needs to be more even in its distribution. Systems in place do not encourage this. Mechanisms could be established with wide participation of farmers overseeing the loaning approvals. This will ensure that the list of beneficiaries is transparent and inclusive. A regular system of crop loans should be set up so that there is no reversal to earlier indebtedness. NABARD through RRBs, commercial and cooperative banks should operate with provision for wide participation in the loaning process.

1.49.7 As a long term measure, the intervention of NABARD for making credit available to the farmers during the forthcoming Kharif season and thereafter should be attempted. NABARD may also help the co-operative banks and societies to improve their net worth. It is also essential that prudential norms and best practices are introduced in this sector and training centres are established for skill up gradation.

1.49.8 A system for setting up a jointly owned, Jointly Administered People's Social Safety Fund needs to be considered. This could be a Contributory Fund with equal contribution for funds from farmers and Government. Government's component for the Fund can be raised by levying a cess / tax on intermediate or finished cotton products. This could be worked out by a Special Committee under Ministry of Finance. The amounts could be used for welfare of the truly distressed. This will avert suicidal situations as like in SHGs it should be possible to take loans for marriages etc. Farmers contribution could be started as low as Rs.10 or Rs.50 per family as normal in SHG situations. The system could be federated at Tehsil or District level with the SHGs of farmers being around 15-20 per group.

1.49.9 Ill-health leading to hospitalisation has been noted as the second largest cause for rural indebtedness. Ill-health necessitates immediate financial expenditure and also results in loss of earnings from works. There is a need to deliver cost effective health care packages to the farmers. As the existing public health care facilities are inadequate and farmers invariably go for high cost private health care services, it is suggested that the State Government may take initiative in developing and implementing a public private partnership model in health care. The Government of Maharashtra may implement a scheme similar to the 'Yeshavini Cooperative Farmers Health Scheme' of Government of Karnataka under which 85 hospitals were selected based on set criteria and package rates were negotiated and fixed for over 600 types of surgeries. The package

included all costs so as to provide for the beneficiary cashless surgical treatment. Premium per person is total at Rs.25/- per month which was given as subsidy by the Government in the first year. From the second year, the farmers' contribution has been fixed at Rs.10/- per month. In Karnataka, 16 lakh farmers had enrolled as members in the first year.

1.49.10 Similar initiatives of public private partnership in Gujarat in 6 identified backward parameter districts involve handing over of management of Government hospitals to private partners. Here the existing costs under nonplan and plan continue to be provided by Government which private partner undertakes to improve health delivering to BPL and with nominal use charges for APL.

1.49.11 Similar insurance cum savings scheme with a subsidy element needs to be developed to meet marriage expenses especially of girl children (with at least a 20 year duration).

1.50 Crop Insurance

1.50.1 Crop insurance has to be reorganised in a meaningful way. It was found that small and marginal farmers were not getting the due benefit of National Agricultural Insurance Scheme (NAIS) as at present the Insurance Unit happens to be Taluka/Block rather than Village Panchayat. The variability in crop yield at the village level gets neutralised at the block level, so the farmers get deprived of the benefits of Insurance Scheme.

1.50.2 The Department of Agriculture & Cooperation has proposed implementation of Modified NAIS, which, inter-alia, envisages village panchayat as unit of insurance. As it involves huge outlay (Rs.8145 crores with 50% penetration), its implementation at the National level may be prohibitive. The detailed proposal in respect of modified NAIS is annexed as Annexure S. The

Planning Commission, therefore, supports piloting the MNAIS in few States/districts having requisite data collection capability/infrastructure. In this context, the Team suggests that a few of the selected districts could be in Vidarbha region of Maharashtra.

1.50.3 As at present data is not available on actuarial basis which is essential for any successful Insurance initiative, it is suggested that the scheme may be piloted in a limited manner based on actual data of rain/weather and the insurance be linked to rainfall data of Vidarbha with provision for 20% drop in rainfall from usual of 90 cm as the basis of the insurance package on a trial basis. On successful implementation of the actuarial data based trial insurance scheme the question of expansion to other causes for failure may be considered, and even then, on a further trial for another three years.

1.50.4 The Team also recommends that if the production falls, due to less rainfall by more than 20% in a revenue village, then on the basis of Collector's certificate, and the weather forecasts and actuals of rainfall, the equivalent amount of cash for the crop loss needs to be paid to the farmers. The extra premium for this should be part of this package.

1.51 Recommendations for Citrus in Vidarbha

- * Assuring some bare minimum irrigation at least during critical physiological stages.
- * Soil and plant test based site specific nutrient management is the key to ensure judicious replenishment of plant nutrients. The availability of fertiliser nutrients like NPK, Zn, B and Cu have to be ensured at input sale points. Equally important is to launch an awareness drive to educate farmers and also the extension machinery about the problems of citrus decline and their possible remedies.

Chapter III

Issues Related to removal of backlog in Public Investment

3.1 In a large country like India, disparities in the levels of development not only among States but also among regions and districts within States are bound to exist. These disparities may be attributed to historical factors, differences in resource endowments, environment, governance, terms of trade and competitiveness, quality and scale of public investment, and a host of other factors. However, in India public intervention for removal of regional disparities has been generally recognised as one of the important tools of public policy.

3.2 Maharashtra, with an area of about 3.08 lakh Sq. kms. and a population of 9.67 crore as per the 2001 census, is the second largest State in terms of population and the third largest in terms of area. The State has three distinct regions, viz., Vidarbha, Marathwada and the rest of Maharashtra. The Vidarbha region comprises the revenue divisions of Nagpur and Amravati, the Marathwada region comprises the revenue division of Aurangabad and the Rest of Maharashtra region comprises the revenue divisions of Nasik, Pune and Konkan including greater Mumbai. There is also a demand for treating Konkan as a separate region.

3.3 Of the three regions, Vidarbha region which was part of the erstwhile Central Provinces had from time to time raised the demand for a separate State. The origin of the movement for Maha Vidarbha can be traced back to 1905. The Akola Pact of 1947 entered into by the Congress Party leaders agreed to establish a single province of United Maharashtra with sub-provinces for the Marathi speaking areas, Central Provinces and Berar, by name 'Maha Vidarbha' and for west Maharashtra with separate legislatures and cabinets for the subprovinces, but with a common Governor. The States Reorganisation

Commission had, in fact, recommended the formation of a separate Vidarbha which was not accepted by the Government. Before the Commission submitted the report in 1955, eminent social and political workers of Maharashtra had entered into an agreement which is known as the Nagpur Agreement (1953). The salient features of the Nagpur agreement are as follows:

- * For the purpose of all types of development and administration, the three units, namely Vidarbha, Marathwada and the rest of Maharashtra will be retained as such.
- * Subject to the requirements of a single Government, the allocation of funds for expending over the different units will be proportion to their population but, in view of the undeveloped conditions of Marathwada, special attention will be given to promote all-sided development of the area. A report in this behalf will be placed before the State Assembly every year.
- * The three units will be given representation in proportion to population in (a) the composition of the Government, (b) the admission to all educational institutions having training facilities in vocational and scientific, professions or other specialised training, and (c) the services, of all grades, (under Government or Government-controlled enterprises.
- * The High Court of the new State will have its principal seat at Bombay and a second seat at Nagpur. The Bench of Nagpur will ordinarily function for Vidarbha area. While making recommendations of the High Court Judges it shall be seen that Vidarbha and Marathwada areas get adequate representation in respect of appointments from the services and the bar.
- * Subject to the efficient conduct of administration of a single State, the advantages derived by the people of Vidarbha from Nagpur as the capital of their State shall be

preserved to the extent possible. The Government shall officially shift to Nagpur for a definite period and at least one session of the State Legislature shall be held every year in Nagpur.

- * The administration will be decentralised as an effective means of better associating the people of different units with the administration.

3.4 As the leaders from Vidarbha felt that the provisions of the Nagpur Agreement needed to be given constitutional recognition, Article 371(2) was included by the Constitution (Ninth Amendment Act, 1956. Article 371 (2) now reads as follows:

3.5 Article 371(2): Special provision with respect to the States of Maharashtra and Gujarat.

"Notwithstanding anything in this Constitution, the President may by order made with respect to (the State of Maharashtra or Gujarat), provide for any special responsibility of the Governor for:

- * the establishment of separate development boards for Vidarbha, Marathwada (and the rest of Maharashtra or, as the case may be,) Saurashtra, Kutch and the rest of Gujarat with the provision that a report on the working of each of these boards will be placed each year before the State Legislative Assembly;
- * the equitable allocation of funds for developmental expenditure over the said areas, subject to the requirements of the State as a whole; and an equitable arrangement providing adequate facilities for technical education and vocational training, and adequate opportunities for employment in service under the control of the State Government in respect of all the said areas, subject to the requirements of the State as a whole."

3.6 On 26th July, 1984 both Houses of Maharashtra State Legislature passed unanimous resolutions requesting the President of India to make an order in exercise of the powers conferred on him under Article 371(2) for the establishment of separate Boards for Vidarbha, Marathwada and the rest of Maharashtra.

3.7 Fact Finding Committee (1984)

3.7.1 The Government of Maharashtra appointed a fact-finding committee of experts under the Chairmanship of Dr. V.M. Dandekar on August 3, 1983. The Terms of Reference of the Committee were the following:

- * To decide on indicators for assessing imbalance in development.
- * (2.A) On the basis of (1) above, and in relation to the average development in Maharashtra, to determine district-wise imbalance in 1960 and in the latest year for which information is available.
- * (2.B) With this in view, to obtain information on the development expenditure incurred district-wise from 1960 up to the latest year for which information is available and the implementation of the development programme.
- * (2.C) To take into account the assistance given by the State and the Central Governments and by institutions under their jurisdiction.
- * To determine what action the Government could take in relation to which of the indicators and the limits thereof.

To suggest remedial action to remove the existing imbalance as determined and long term measures to prevent recurrence of such imbalance.

3.8. The Dandekar Committee undertook a sectoral study of backlog in nine developmental sectors namely (1) Roads (2) Irrigation (3) Village Electrification, (4) General Education (5) Technical Education, (6) Health Services, (7) Water

Supply, (8) Land Development Soil, and Water conservation and (9) Veterinary Services and submitted its report in 1984. The sectoral backlog calculated by the Dandekar Committee as on 30.6.1982 was Rs.3186.77 crore. Vidarbha Region was the worst sufferer with the sectoral backlog as on the said date being Rs.1, 246.54 crore the backlog in the irrigation sector as on 20.6.1982 was Rs.1, 385.93 crore. The backlog of irrigation sector in Vidarbha region was Rs.527.31 crore that is 38.05% of the total sectoral backlog. The report of the Dandekar Committee was not formally accepted by the Government of Maharashtra but made small allocations ranging from Rs.200 crore in 1985 to Rs.500 crore in 1993-94 for correcting the imbalance. Though the Committee had recommended that 85 percent of the yearly budgetary allocations might be used for removal of backlog, this recommendation was not implemented by the State Government.

3.9 Presidential Order (1994)

The President of India passed an Order dated 9th march, 1994, providing for Special responsibility of the Governor of Maharashtra. The relevant portion of the Order is reproduced below:

"(ii) Special responsibility of Governor:

The Governor of Maharashtra shall have special responsibility for the establishment of separate Development Boards for Vidarbha, Marathwada and rest of Maharashtra and for matters specified in sub-clauses (b) and (c) of clause (2) of article 371 of the constitution in respect of the area of each such Development Board."

3.10 In discharge of the Special Responsibility conferred on the Governor by virtue of the Presidential Order, the Governor of Maharashtra issued the Development Boards for Vidarbha, Marathwada and the rest of Maharashtra Order, 1994. (hereinafter referred to as the 1994 Order).

This order was issued on 30th April, 1994. Rule 7 and Rule 8 of this Order are relevant and read as under:

3.11 Allocation of funds for developmental expenditure: - The Government of Maharashtra shall ensure equitable allocation of funds for developmental expenditure over the areas of Development Board, subject to the requirements of the State as a whole.

* In ensuring equitable allocation of funds, the Governor may:

take into consideration the recommendations, if any, made by the Development Board, and Where he considers it necessary and appropriate, seek advice from any person or body of persons in the matter of allocation of funds.

3.12 Allocation of funds to be reflected in annual financial statement - The allocation of funds or outlays made by the Governor shall be reflected in the Annual Financial Statement to be placed before the State Legislature and the development activities with regard to the outlays as aforesaid, shall be carried out or caused to be carried out by the State Government and the funds so allocated shall be non divertible from the area of one Board to that of another Board:-

Provided that:

- * Re-appropriation may be made in conformity with the budgetary rules and procedure on the development activities undertaken as aforesaid within the area of a Board.
- * In the implementation of the development activities, the prevailing norms shall be adhered to, and
- * The respective administrative departments shall continue to implement and exercise administrative and technical supervision and control over the developmental activities.

3.13 Rule 8 provides that allocation of funds or outlays made by the Governor under the order shall be reflected in the Annual Financing Statement to be placed before the State Legislature and that the development activities with regard to the outlays as aforesaid shall be carried out or caused to be carried out by the State Government. Rule 8 also provides that these funds shall be non-divertible from the area of one Board to that of another. 3.14 Indicators and Backlog Committee In 1995, the Hon'ble Governor appointed a committee of experts which is popularly known as "Indicators and Backlog Committee" with the following terms of reference:-

- * to decide on appropriate indicators for assessing relative levels of development and appropriate sectors for assessing the backlog in different areas;
- * to ascertain relative levels of development according to such indicators and the backlog in the different sectors for every district and where applicable, for every taluka having regard to the levels of development in the State as a whole;
- * to suggest appropriate action for bringing about balanced regional development on the basis of relative levels of development and the backlog so ascertained; and

- * To suggest appropriate methods for ensuring equitable allocations of development expenditure over the areas of the three Development Boards.

The indicators and Backlog Committee submitted its report to the Governor on 11.7.1997. The Government accepted the report in principle. However, the Government recommended that the views of the departments in the sectors relating to irrigation, higher and technical education, energisation of pumps and land development soil and water conservation should be referred to the indicators and Backlog Committee for consideration while calculating the physical and financial backlog. The Hon'ble Governor referred the views of the aforesaid departments to the reconstituted indicators and Backlog Committee which was asked to finalise region-wise physical and financial backlog as on 1.4.1994 in the aforesaid sectors. The reconstituted indicators and Backlog Committee submitted its report to Hon'ble Governor on 27.9.2000 and the same was accepted by the Government of Maharashtra.

The reconstituted indicators and Backlog Committee arrived at a total sectoral backlog of Rs.14, 006, 77 crore. The region-wise break up as on April 1, 1994 is given below.

(Rs. in crore)

Sl.No.	Region	Backlog in the Irrigation Sector	Backlog in other Sectors	Total backlog
1	Vidarbha	4083.00 (55.04%)	2541.02 (38.57%)	6624.02 (47.60%)
2	Marathwada	2401.00 (32.37%)	1603.55 (24.34%)	4004.55 (28.77%)
3	Rest of Maharashtra	934.00 (12.59%)	2444.20 (37.09%)	3378.20 (23.63%)
4	Total	7418.00 (52.96%)	6588.77 (47.04%)	14006.77 (100%)

(Figures in brackets are percentages to the total)

3.15 In so far as irrigation sector in Vidarbha is concerned, the backlog arrived at by the reconstituted indicators and Backlog Committee is Rs.4, 083 crore (55.04%). The conclusions reached by the reconstituted indicators and Backlog Committee reveal that from 31.3.1984 to 31.3.1994 the backlog of Vidarbha Marathwada Regions of the State of Maharashtra continued to increase while the backlog of the rest of Maharashtra showed a declining trend. As on 31.3.1984, the backlog in the irrigation sector in Vidarbha was Rs.537.31 crores or 38.05% which rose to Rs.4,083 crore or 55.05% and in comparison the backlog or Rest of Maharashtra which

was Rs.541.90 crore as on 31.3.1984 rose only marginally to Rs.934 crores. More importantly, in percentage terms the backlog of the rest of Maharashtra in irrigation sector drastically dropped from 39.10% as on 31.3.1984 to 12.59% as on 31.3.1994.

3.16 While the irrigation backlog in Vidarbha has increased from 38.05% in 1982 to 62.20% in 2002 the irrigation backlog in rest of Maharashtra has progressively declined from 39% in 1982 to 4.73% as on 1.4.2002.

BACKLOG IN IRRIGATION SECTOR

Region	As on 30.6.82	1994	2000	2002
Vidarbha	38.05%	55.40%	59.78%	62.20%
Marathwada	22.85%	32.37%	32.85%	33.10%
Rest of Maharashtra	39.10%	12.59%	7.37%	4.70%
Total	100%	100%	100%	100%

3.17 Directives issued by the Governor of Maharashtra

The Hon'ble Governor of Maharashtra has been issuing detailed directions every year under clause 7 of the 1994 Order regarding allocation of plan funds. The first of such orders separately allocating funds for the three development boards were issued for the Annual Plan 1995-96. This system continued till 2001- 02. Till that year, the region-wise allocation for nine identified sectors was ordered by the Governor. The nine sectors are (1) irrigation; (2) roads; (3) general education; (4) technical education & vocational training; (5) health services; (6) water supply - rural and urban; (7) land development, soil and water conservation and horticulture; (8) veterinary services and (9) electrification of pumps.

For the annual Plan 2002-03 the Hon'ble Governor issued detailed directives vide his Order dated 15th December 2001. These directives gave a lot of information about the backlog

and allocation for the three boards for various sectors. For the first time the total allocation for the irrigation sector was distributed board-wise-in earlier years certain part of the allocation for irrigation sector used to be earmarked for removal of backlog and was covered by Hon'ble Governor's directives. In other words, for 2002-03 the distinction between backlog and non-backlog funds for the irrigation sector have been done away with. The same system was continued till now. The directives for the year 2006- 07 have been issued on 6th March 2006. As per these directives, the distinction between backlog and non-backlog allocations should be removed in the Irrigation Sector and the Divisible outlays in the overall allocation in the Irrigation Sector as a whole, which includes both the Budgetable and Non-budgetable outlays, should be distributed amongst the areas of the three Development Boards on the basis of the following weightages.

(1) Backlog (As on 1st April, 2005)	25%
(2) Population (Excluding Greater Mumbai)	40%
(3) Net sown area-	20%
(4) On-going projects	15%

The total allocation for irrigation ordered by the Governor is Rs.2480.00 crore. Out of this the shares of the different regions are as follows:

(1) Vidarbha	941.91 crore
(2) Marathwada	531.46
(3) Rest of Maharashtra	1006.63

It was further ordered that should the State Government, resort to market borrowings, outside the budget, for the irrigation sector, money so raised should be for the State Government as a whole and distributed amongst the three Development Boards equitably as indicated above.

After deducting allocation for the Irrigation Sector and funds for removal of backlog in other backlog sectors, the Divisible portion of the remaining Plan outlays should be distributed amongst the three regions in proportion to the overall population of the respective regions.

There shall be no diversion of funds from backlog to non-backlog and from the area of one Development Board to another.

The allocation indicated in these Directives or on the basis of what has been indicated by the State Government. Should be in subsequent years over all allocation for irrigation increase the same formula shall be applicable to such additional plan allocations.

The Governor further directed that a minimum allocation of Rs.1475 crore should be earmarked for backlog removal in sectors other than Irrigation in Annual Plans for next three years starting from 2006-07. The region-wise allocation of Rs.1475 crore outlays for backlog removal in 2006-07 should be as follows:

Sr. No.	Region	Outlay for backlog removal (Rs.in crore)	Percentage to total
1	Vidarbha	501.79	34.02
2	Marathwada	322.29	21.85
3	Rest of Maharashtra	650.92	44.13
4	Total	1475.00	100.00

It was also stipulated that the sectoral allocation for backlog removal within the region should be done in proportion to the remaining backlog in the respective sectors as on 1 April, 2005.

Planning Department should study the distortions in the expenditure pattern in other backlog sectors for last three years and after assessing the reasons for the same ensure that the outlays earmarked for backlog removal are expended appropriately in future.

3.11 Within the overall allocation for the removal of backlog in the areas under the respective Development Boards, as mentioned above, the Scheme-wise outlays should be made by the Planning Department based on the recommendations made in consultation with the respective Development Boards and the concerned District Planning Committees in respect of district level schemes and the concerned Departments in respect of State Pool and State Level Schemes.

3.12 After deducting allocation for the Irrigation Sector and funds for removal of backlog in other backlog sectors, the divisible portion of the remaining Plan outlays should be distributed amongst the three regions in proportion to the overall population of the respective regions.

3.13 The funds from backlog to Non-backlog and from the area of one Development Board to that of another Development Board shall not be diverted.

3.14 Implementation of the Directives issued by the Governor

Information received from the Government of Maharashtra, Office of the Governor and the Statutory Development Board indicate that the implementation of the directives issued by the Governor Maharashtra has not been satisfactory. The amount allocated by the Governor for the Irrigation sector and the expenditure reported by the State Government for the Annual Plans 2002-03, 2003-04 and 2004-05 are presented in **Table 14**. The figures show that while there was shortfall in expenditure to the tune of Rs.2528.21 crore for Vidarbha, Rs.1147.65 crore for Marathwada for the three Annual Plan taken together, the rest of Maharashtra region recorded an excess expenditure of Rs.1585.67 crore.

Table 15 gives the region-wise remaining financial backlog in the sectors other than irrigation as on April 1, 2005. The table shows that Vidarbha has a backlog of Rs.1329.66 crore, Marathwada Rs.854.13 crore and rest of Maharashtra Rs.1725.21 crore as on April 1, 2005. The total remaining Backlog as on April 1, 2005 for sectors other than irrigation is Rs.3909.00 crore.

As per the information provided by the State Government the total backlog was reduced from Rs.14006.77 crore as on April 1, 1994 to Rs.8238.94 crore as on March 31, 2005 at 1994-95 prices.

As per rule 8 of the 1994 order of the Governor of Maharashtra, the allocation of funds made by the Governor shall be reflected in the Annual Financial Statement to be placed before the State Legislature and the development activities with regard to the aforesaid outlays shall be carried out or caused to be carried out by the State Government and the funds so allocated shall be non-divertible from the area of one Board to that of another Board.

As regards including the allocations made by the Governor in the Annual Financial Statement, the State Government has included those outlays as a one page annexure in the Annual Financial Statements (copy of the relevant statement for the year 2005-06 is at Annexure). However, the allocations made by the Governor have not been shown separately under the relevant heads of expenditure. In the absence of such clear depiction of the allocations made by the Governor, under the relevant heads in the Financial Statement along with expenditure figures for the previous years, the Legislature was not in a position to review and monitor the actual expenditure incurred against the budget allocations made for the Development Board Regions.

The Financial Statement for a particular year gives information relating to expenditure incurred Revised estimates in the previous two years and budget estimates for the current year. For example, the Financial Statement for the year 2006-07 will give Actual Expenditures for 2004-05, Budget Estimates for 2005-06, Revised Estimates for 2005-06 and budget estimates for 2006-07. Such details will enable the legislature and the public to have a clear picture of the expenditure being incurred under various heads. However, the Financial Statement does not give such details regarding allocations made by the Governor making it impossible for the legislature and the public to know the actual expenditure incurred during the previous years in respect of allocations made by the Governor.

It is, therefore, necessary to show the allocations made by the Governor separately in the Financial Statement (Budget) under their respective development heads with details of actual expenditure and Revised Estimates for the previous two years as is being normally done for various heads of expenditures. Similarly, the Summary Statement presently included in the Financial Statement showing the Board-wise distribution of allocations made by the Governor

should also contain Actual Expenditure for the year preceding the previous year and Revised Estimates for the previous year.

3.15 Existing mechanisms at the State level for monitoring removal of Backlog

The State Government has reported that they have a multi level mechanism for reviewing the removal of backlog from the implementing department to the Hon'ble Governor. The allocations made for removal of backlog are monitored by the concerned administrative departments dealing with those subjects. In the Planning Department there is a Cell, which continuously collects and collates data and also monitors the performance of various sectors. The three development boards are headed by elected representatives and experts and review the performance of backlog in their respective area. At the Government level there is a Committee under the Chairmanship of Hon'ble Minister for Finance & Planning for reviewing performance of various sectors. The Hon'ble Governor also monitors the performance and the performance of various sectors incorporated in the directives issued by the Hon'ble Governor. The latest directives for the year 2006-07 also contain the review of performance of various sectors.

3.16 Brief Summary In brief, today's position is:

- * Governor's directives under Article 371(2) of the Constitution of India are now being followed at the time of placement of Annual Financial Statement before the Legislature.
- * All funds including loans, tied funds from Centre, AIBP, are subjected to the same formula.
- * Even supplementary grants will have to observe the above discipline.
- * Actual expenditure against allocation is likely to stay questionable as evidenced from previous track record of lack of effective

monitoring and implementation systems; and lack of monitoring of implementation in identified sectors.

- * Lack of political will is still evidenced for implementation.

3.17 Recommendations:

The foregoing review has shown that even though investment backlog in various sectors has been identified and the Governor has allocated adequate funds every year with a view to liquidating the backlog within a reasonable time frame, the total backlog still remains at a staggering Rs.8238.94 crore as on March 31,2005 at 1994 prices. At 2003-04 prices the remaining backlog is Rs.14434.64 crore. The backlog could not be liquidated as the State Government did not spend the amount allocated by the Governor in respect of Vidarbha and Marathwada regions while there was excess expenditure in respect of Rest of Maharashtra region.

The following suggestions are made for more effectively managing the backlog issue:-

- * The backlog has to be pegged at Rs.8238.94 crore at 1993-94 prices and Rs14434.64 crore at 2003-04 prices.
- * A time frame of 5 years may be fixed for the removal of backlog taking into consideration the overall resource position of the State and the absorptive capacity of various sectors for incurring expenditure.
- * The following measures are also suggested:
 - * At the State level a high level committee under the Chairmanship of the State Finance Minister may be set up to monitor on a quarterly basis the progress of expenditure in respect of allocations made by the Governor and submit a report to the Governor and the Planning Commission. The State Chief Secretary, Principal Secretary Planning, the

Chairmen of the Statutory Development Boards and one MLA from the region concerned may be members of this high level committee.

- * It is, therefore, necessary to show the allocations made by the Governor separately in the Financial Statement (Budget) under their respective development heads with details of actual expenditure and Revised Estimates for the previous two years as is being normally done for various heads of expenditures. Similarly, the Summary Statement presently included in the Financial Statement showing the Board-wise distribution of allocations made by the Governor should also contain Actual Expenditure for the year preceding the previous year and Revised Estimates for the previous year.
- * The State Government may indicate the allocations made by the Governor as earmarked outlays in the Annual Plans and the Planning Commission may in term earmark these outlays in the approval letters for the Annual Plan. There will be a proportionate cut in normal central assistance if the State Government does not spend the earmarked allocations.
- * The State Government may include a separate chapter on regional imbalances, removal of backlog etc, in their Annual Plan documents with details of allocations and year wise progress of expenditure. The Planning Commission may specifically take up the issues related to regional imbalances, backlog removal etc. in the Annual Plan review meetings.

Chapter IV

Constitutional Issues Involved

4.1 Article 371 (2) of the Constitution of India is unambiguous. Articles are reproduced below:

371. Special provision with respect to the States of Maharashtra and Gujarat -

(2) Notwithstanding anything in this Constitution, the President may by order made with respect to the State of Maharashtra or Gujarat, provide for any special responsibility of the Governor for -

(a) the establishment of separate development boards for Vidarbha, Marathwada, and the rest of Maharashtra or, as the case may be, Saurashtra, Kutch and the rest of Gujarat with the provision that a report on the working of each of these boards will be placed each year before the State Legislative Assembly;

4.2 Subsequent orders of President of India of 9th March 1994 provide special responsibility to the Governor for establishing separate Development Boards for Vidarbha, Marathwada and rest of Maharashtra and for all matters specified in sub clause b and c of clause 2 of Article 371 of the Constitution. The Attorney General, Mumbai has given his opinion in December 2003 regarding the mandatory nature of these provisions and has opined that while article 202 (3) F of the Constitution of India is not attracted the provisions are, nonetheless, mandatory.

4.3 On further analysis, it is found that the provisions are adequate to even withhold permission to introduce the Annual Financial Statement to be placed before the State Legislature. The Constitutional provisions are adequate and need to be enforced.

4.4 The expenditures since 2001-02 have, however, not been commensurate with the allocation in Marathwada and Vidarbha whereas in the rest of Maharashtra, it has been higher than the allocation carried in the Governor's directives.

4.5 There was a continuing demand from delegations that the team may treat the expenditure as charged under Article 202. However, as

Article 202 is meant for such expenditures as have been provided for in the Constitution of India, or have been voted upon by the Parliament, such a conclusion would be constitutionally incorrect.

4.6 The current position has been explained in detail in the backlog section. It may be seen that from 1.4.2000, some part of the Governor's directives are being partially implemented. However, in the absence of any clear implementation mechanism the existing provisions are rarely getting spent.

4.7 Given the heavy build up of backlog and annual surrender / diversion of funds, it is important for the State to consider establishing higher level of delegation and some form of regional governance at Vidarbha so that the usual time spent in obtaining approvals can be circumvented. With any such system, we will need to have appropriate financial provision and financial delegation along with the responsibilities for the pending allocation under different departments.

4.8 At present, there is no provision for implementation at regional level. The existing Vidarbha Board has been functioning without adequate capacity to implement. The analysis of the capacity of the Vidarbha Board is given at subsequent sections are at **Annexure-T**. While it functions under the Governor it has been supporting schemes under the annual Rs.100 crore grants in a very ad hoc manner. So far the expectation has been that allocation made for backward regions would be spent by the respective departments. Experience has shown that this is not so, and outlays are invariably surrendered and re- appropriated.

4.9 Recommendations:

A non-lapsable budget head is suggested for the funds allocated by the Governor for backlog removal and for the equitable distribution of

resources among the different regions.

Regional authorities may be created under relevant departments to ensure that backlog build up is reduced and that expedited implementation can take place. Appropriate staffing of the regional authorities and vacancies at the cutting edge need to be manned. Delegations both financial and administrative may be carried out. The position may be reviewed every quarter by a High Powered Committee to be set up by the State Government.

The mechanism for monitoring the progress of expenditure needs to be strengthened.

The focus so far was on identification and removal of backlog with relatively limited success. While the efforts towards liquidating the identified backlog should continue vigorously, there is a need to prepare detailed regional development plans for each of the regions of the State, based on the local resources and the felt needs of the people. The available resources should be pooled together to address the development needs of the region.

Chapter V Working of Statutory Development Boards

5.1 The three Statutory Development Boards: Vidarbha, Marathwada and Rest of Maharashtra were set-up by a Presidential order under article 371 (2) of the constitution on 9th March 1994. The Governor of Maharashtra was assigned the special responsibilities for the constitution of the Boards, framing rules and guidelines, allocation of funds for development expenditure and equitable arrangement for education, training and employment in services under the control of the State Government. After constituting the three Boards on 30th April 1994 with their Head Quarters at Nagpur for Vidarbha, Aurangabad for Marathwada and Mumbai for Rest of Maharashtra, the Governor issued detailed orders and

guidelines for the proper functioning of the three Statutory Development Boards. The Governor's order and the guidelines implicitly take care of the spirit and points raised in the Nagpur agreement of 1953.

5.2 Composition of the Board

5.2.1 Each Development Board had initially seven members on it, out of which one member was a member of Maharashtra State Legislature from the area of respective Development Board. One member was from a local authority, and three expert members having special knowledge or experience are appointed from the field of Planning, Finance, Administration, Irrigation, and Public Health etc. One Commissioner of the Revenue Division from the area of respective Development Board was also appointed to the Board and an officer of the State Government of the rank of Additional Commissioner of a Revenue Division from the respective Development Board, was appointed as Member Secretary of the Development Board. Recently two more expert members, one more member of the State Legislature and Chairman of the State Planning Board as an ex-officio member have been included in the Board. In addition, Divisional Commissioners of the Revenue Divisions in each board area have also been taken as members of the respective Development Board.

5.3 Term of Office

The term of the Boards is normally for three years.

5.4 Functions of the Development Board Development Board functions as laid down in the Governor's order are:

- * To ascertain relative levels of development in different sectors in relation to its area on the basis of appropriate indicators, having regard to the levels of development in the state as a whole.
- * To assess the impact of various development efforts in removing backlog and achieving overall development within its area.
- * To suggest levels of development expenditure over the area of Development Board during a plan period including annual plan, and
- * To prepare an annual report on its working and to send it as far as possible within three months after the end of every financial year to the Governor for placing it before the Maharashtra State Legislature Assembly.

The Governor has also institutionalised the involvement of Development Boards in the State Planning Process. The Chairmen of the Development Boards have been appointed as ex-officio members of the State Planning Board. The members of the Boards have been appointed as ex-officio members on the District Planning Committees, which prepare the district plan.

The backlog funds for three regional boards are allocated by the Governor subject to the requirement of the State as a whole. The schemes to be taken up under backlog and Annual Plan are decided by the Planning Department in consultation with the administrative departments. The Planning Department examines the proposals and accords approval to schemes in conformity with the approved schematic pattern. The Planning Department also coordinates with other Ministries/ Departments and monitors the progress annually of the physical and financial performance of the backlog and special fund schemes in the three regions.

5.5 Role of Development Boards in the Identification of Regional Backlog

Regional imbalances were in existence before the Development Boards were set up in 1994. The State Government was clearing the regional imbalances identified by the FFC since 1985. The greatest contribution of Development Boards was to identify their regions' backwardness in specific sectors and highlighting the need for a fresh look of their regions position *vis-a-vis* to the state which has resulted in the setting - up three Joint Committees of the Development Boards.

- * Indicator and Backlog committee for identifying the three regions development position in 30 sectors/sub-sectors.
- * Joint Committee for higher/ technical education and training education for equitable arrangement and
- * Joint Committee on opportunities for employment in Government services in the three regions.

The Chairman and expert members of the three Development Boards actively contributed by highlighting their regions development and backwardness in these Committee reports which was accepted by the Governor and the State Government and are at various stages of implementation.

Marathwada Development Board had pointed to the need for equitable distribution of water resources from Tapi valley project (9.135 TMC against the present 2 TMC of water) Marathwada Krishna project (60 TMC against the allotted 24 TMC of water) and upper Godavari river basin water by augmenting the surplus water from Nar, Par and Damanganga rivers. Marathwada and Vidarbha Development Boards had also brought to the notice of the Governor on the lack of progress in clearing the backlog of energisation of pump sets and the present policy of MSEB in the electrification of agricultural pump sets which had allocated 71% of the work in the RoM region

and 17% to Marathwada and 12% towards Vidarbha region under non-backlog targets which will create fresh backlogs in the three regions. Vidarbha Development Board had been demanding the revision of Forest clearance act for the clearance of irrigation projects and to the increasing backlog position in road sector under village connectivity, road length/ 100 Sq. Km and Built Operate and Transfer Programme of major roads.

Rest of Maharashtra region had demanded that taluka may be taken as a unit in DPAP areas for calculation of backlog in irrigation sector. RoM region Board had also demanded that the indicator based on the ratio of developed potential to ultimate potential should be used for working out the backlog in irrigation sector.

Development Boards were also actively involved in assessing the physical and financial backlog position periodically and gave feed back to the Governor and Planning Department. Vidarbha and Marathwada Development boards had brought to the notice of the escalating backlog in their regions. The remaining physical and financial backlog as on 1st April, 2000 was finalised by the Governor after taking the views of the three Statutory Development Boards.

Besides highlighting the existing backlog position in higher education/vocational training sector and in employment opportunities in Government services, the Development Boards of Vidarbha and Marathwada had resolved in their meetings to update and undertake fresh backlog created after 1st April 1994. They have requested the Government and the Governor to give proper directives to the concerned departments to furnish the necessary information to the Development Boards for the preparation of report.

5.6. Development Impact on Major Sectors

The Vidarbha Development Board has helped

to set-up the Super Specially Hospital at Nagpur as well as the Orange Processing Plant at Morshi and Katol. The Board had also utilised the money on projects like Ambanala development work in Amravati, soil and water conservation works in the Melghat region and construction of school rooms, setting up of Agro Poly Clinics and the desalination programme in the villages of the Puma Valley. The Vidarbha Development Board has given substantial financial assistance to the literacy programme of the government.

The Marathwada Development Board has taken up construction of school rooms on a very large scale. The Marathwada Development Board has also successfully intervened in the Dairy Development Programme for establishment and/or expansion of chilling centers at Kada, Latur, Bhoom, Aurangabad, Osmanabad, Vijaipur, Nilanga, Nanded and Beed. It has also helped in starting the Government Milk Scheme at Latur. The Marathwada Development Board has also fruitfully utilised the money in strengthening the medical infrastructure of the region. The CT Scan provided to the Government Medical College at the cost of Rs. 300 lakhs will help the poor patients immensely as the CT Scan rates have been fixed at Rs.500 to Rs.700 only. Besides these, irrigation projects, road and conservation, literacy programme, etc. has been taken up.

A review of the schemes recommended by the Development Boards as culled out from their respective Annual Reports also reveals that the Special Funds are being provided for some non-backlog or non-developmental schemes also like (i) Creation of Chair in the name of Pt. Bhimsen Joshi (Rest of Maharashtra). (ii) Modernisation of Prison facilities/Administration (Vidarbha, Marathwada and Rest of Maharashtra). Further, the schemes are being recommended without any prioritisation of sectors for clearance of regional backlog out of the Special Fund. There are several schemes, recommended by the Development

Boards, which appear developmental and related to clearance of backlog but not approved by the Planning Department.

5.7 Perspective Plan for Utilisation of Special Fund

In the meeting of Governor with the Chairman of three Development Boards held at Raj Bhavan on 8 February, 2000, the Development Boards were asked to prepare a perspective plan for utilisation of Special Fund for the next 3 years with emphasis on social sectors like health, education, women and child welfare where the benefits directly reach the people in their region.

Special Fund of Rs. 100 crore is being allocated to the three Development Boards every year since 1995-96 for small and useful work of Development in nature. These funds are allotted in proportion to their shares in backlog and population (43.86% in Vidarbha, 27.28% in Marathwada and 28.86% in RoM) and were utilised by the three boards to a large extent for strengthening social infrastructure facilities in education and health institutions, road development, social welfare and irrigation facilities. Some weaknesses exist nonetheless these funds have helped in bringing in some development change and the resultant impact is perceptible in areas of education, health and social welfare sectors.

The activities of the Boards and the resultant impact since their formation have not been fully felt. However, the constitution of the Development Boards has helped in bringing in awareness and changes in the planning and allocative processes.

For the year 2000-2001, the Vidarbha Development Board had sent proposals of Rs. 10.56 crore to the Government for the schemes under the sectors of education, health, social welfare out of the Special Fund of Rs. 48.86 crore available

with the Board. The Vidarbha Development Board has proposed Rs. 10 crore each for the years 2001-2002 and 2002-2003 for sectors of education, health and social welfare. The Board has communicated to various regional offices to suggest the schemes in these sectors to be undertaken under special fund. However, the Member Secretary has mentioned that there is no active response from the concerned administrative departments.

The Marathwada Development Board has proposed to allocate about Rs. 9.40 crore to social sectors like women and child development, agriculture, animal husbandry, public health and education out of special fund of Rs. 27.28 crore. Rs. 3 crore has been proposed to be allocated for construction of roads. The Rest of Maharashtra Development Board has decided to allocate Rs. 11.30 crore out of their Special Fund every year in the plan 2001-04, for fisheries (2 crore), tribal development (1 crore) women and child development (2 crore) agriculture and animal husbandry (1 crore), public health (2 crore) and general education (3.30 crore). A detailed note on the working of the Statutory Development Board in Maharashtra is at **Annexure T**.

5.8 Recommendations:

- * The present set up of the Statutory Development Boards does not seem to be the appropriate mechanism for achieving the planned development of the Vidarbha and Marathwada regions. As the central problem of these regions relate to rain-fed farming, an appropriate agency/authority may be established to prepare integrated watershed based development plans for these regions and to implement those plans with the participation of all stakeholders. The recent report of the Parthasarthy Committee appointed by the Union Ministry for Rural Development contains a detailed blueprint and guidelines for establishing a National

Authority for Sustainable Development of Rural Areas (NASDORA) under which state level agencies up to the district and village level could be set up. Separate rain-fed area development authorities may be set up for Vidarbha and Marathwada regions under the umbrella of the proposed NASDORA.

Chapter VI Backlog in Irrigation

6.1 Backlog in Irrigation Development in Vidarbha

State of Maharashtra has total geographical area of 308 lakh ha, out of which 225.40 lakh ha (73%) is culturable area and 64.34 lakh ha (21%) is forest cover. Total surface water available in the State is to the tune of 4646 TMC from Major river basins like Godavari, Krishna, Tapi, Narmada and West flowing rivers of Konkan region. Water allocation except in Konkan region is decided by respective Water Dispute Tribunals. Vidarbha region of Maharashtra State, though rich in forest cover and water availability is way behind in irrigation development compared to the average irrigation status of Maharashtra State.

Vidarbha region has total geographical area of 97.40 lakh ha (31.62% of State). The culturable area of this region is about 57 lakh ha which is about 58% of its geographical area and about 25.29% of total culturable area of State. Forest cover in Vidarbha is 37.28 lakh ha, which is 38.26% of its geographical area and this is above the expected national policy cover of 33%. About 58% of forest cover of Maharashtra State is in Vidarbha region. It's percentage is much more in eastern part, i.e., in Bhandara & Gondia (51.07%), Chandrapur (46.4%), Gadchiroli (94.49%).

6.2 Development of Irrigation Potential:

Total irrigation potential created by June 2004 in the State is 51.50 lakh ha which is about 22.85%

of culturable area and 48% of the ultimate irrigation potential of the State. Compared to this, the irrigation potential developed by June 2004 in Vidarbha is 11.67 lakh ha which is about 20.46% of the culturable area and 31.60% of its ultimate irrigation potential.

The irrigation potential developed in Vidarbha comprises 1.76 lakh ha irrigation potential created by Ex-malguzari tanks constructed way back in 16-17th century. Many tanks are constructed in pre-independence era, whose irrigation potential is 0.48 lakh ha. This implies that only 9.43 lakh ha irrigation potential is developed in Vidarbha after independence, which is about 0.16 lakh ha/year. Other regions of the State which were behind Vidarbha at the time of independence in irrigation development have now marched ahead of it in post independence period.

The Pune region has lion's share of irrigation development. The irrigation potential created by June 2004 in Pune region is 37.23% of State followed by Marathawada (22.24%) and Nashik region (17%). The two regions in Vidarbha are way behind with the figures standing at 12.25% for Nagpur and 9.34% for Amravati.

The created irrigation potential is in contrast with the water availability in the region. Since, Marathwada region has only 8.5% of available water compared to State; Pune & Nashik region put together may hardly equal the Vidarbha's share if the west flowing rivers in Konkan are excluded. Considering this aspect, the backwardness of Vidarbha in irrigation sector gets highlighted.

6.3 Vidarbha's Backlog in Irrigation Sector:

The backlog of Vidarbha calculated by Indi-

cator Backlog Committee in 1994 was 8.72 lakh ha in physical terms and of Rs.10032 crores in monetary terms. If the irrigation potential developed by Ex-malguzari tanks (which is the effort of local people without Govt. participation) is excluded the backlog rises to 10.48 lakh ha which if expressed in monetary terms will account for Rs.12056 crores.

If the causes of this huge backlog are to be found out, attention goes to the Forest (C) Act, 1980. The abundance of forest in Vidarbha region (more than national policy of 33%) and particularly in the forest dominated districts, viz., Bhandara, Gondia, Chandrapur & Gadchiroli were the first targets of the Forest (C) Act, 1980. Nearly every irrigation project involves more or less forest land attracting the provision of the above Act and stalling its initiation or continuance any further.

6.4 Irrigation Projects affected by Forest (C) Act, 1980:

As of now, 101 projects are held up for want of forest clearance having irrigation potential of 9.30 lakh ha, the forest land required for them is 0.21 lakh ha, which is a meagre 0.56% of the forest cover of Vidarbha, 0.32% of the forest cover of Maharashtra. (At present 10 projects out of the above 101, have got final approval from Central Govt. after sustained efforts).

Out of the 101 projects, 42 projects having irrigation potential of 4.80 lakh ha, though taken up for construction, could not go ahead for want of forest clearance. The forest land required for them is 0.11 lakh ha. The status of irrigation project affected by Forest (C) Act, 1980 is as below:

Sr. No.	Particulars	Vidarbha Irriga- tion Dev. Corp.	Water Resources Deptt.	TOTAL
(1)	(2)	(3)	(4)	(5)
1	No. of projects affected by forest	28	73	101
2	Irrigation Potential (Lakh ha)	5.72	3.58	9.30
3	Affected forest land (Lakh ha)	0.12	0.09	0.21
4	No. of projects finally approved.	2	8	10
	a) Irrigation potential (Lakh ha)	0.27	0.09	0.36
	b) Forest land diverted (Lakh ha)	0.0004	0.00113	0.00153
5	No. of Ongoing projects affected by forest	20	22	42
	a) Irrigation potential (Lakh ha)	4.32	0.48	4.80
	b) Forest land diverted (Lakh ha)	0.09	0.02	0.11
6	Administratively Approved but affected by forest	6	43	49
	a) Irrigation potential (Lakh ha)	1.4	3.1	4.5
	b) Forest land diverted (Lakh ha)	0.03	0.07	0.1

About 24 projects though got administrative approval, could not even be taken up for construction since no funds were made available to them, pending forest clearance. Their irrigation potential is 2.82 lakh ha.

The overall geographical area of Vidarbha is 97.43 lakh ha and out of this an area of 37.28 lakh ha is covered by forest of various types. The percentage of forest is 38.27% compared to the geographical area as against the national policy of 33% forest cover.

The Vidarbha area of the state is having substantial backlog in the irrigation sector. To provide relief, it is essential to have a different approach toward the problem of irrigation projects getting delayed because of non-approval under the Forest (C) Act 1980. Some separate treatment is necessary and desirable because of the forest cover being much higher than what is contemplated in the national policy.

Of the 11 districts of the Vidarbha region, the forest cover in Chandrapur, Gadchiroli, Bhandara & Gondia District is much more than the contemplated national policy of 33%.

* The total cultivable area, gross sown area and net sown area in the 11 districts of Vidarbha are 6.0627 m.ha, 6.3151 m.ha and 5.1752 m.ha. respectively.

* The region falls in Godavari and Tapi basins. The irrigation developed so far till June, 2005 is 0.874 m.ha. from state sector schemes and 0.304 m.ha. from local sector schemes (total 1.178 m.ha). Potential created as a percent of gross sown area is only 19% for the region as a whole. At least 30% irrigation coverage is required for drought proofing.

* **Table 16** gives district-wise details.

* So far 10 major, 49 medium and 650 minor schemes have been completed creating a potential of 0.6487 m.ha. (**Table 17**).

* 15 major, 30 medium, 12 renovation and 164 minor schemes are ongoing with an ultimate potential of 1.259 m.ha. of which 0.2218 m.ha. has been created till June, 2005 (**Table 18**). Completion of these schemes will add another 1.04 m.ha. of potential taking the percent irrigation coverage to 35%. The balance cost of on-going projects is about Rs. 10,600 crore.

* Except in Amravati & Buldhana, the State of ground water development in other districts is less than 43%. The overall level of ground water development in the region is only 34%.

Only 3 districts are having semi-critical, critical and over-exploited taluks. The total of such taluks is only 4 (**Table 19**).

for afforestation so that, as per the Forest Act, the total forest land cover does not get reduced.

6.5 Recommendations under Irrigation:

- * The strategy should be to provide increased funding to the Vidarbha Irrigation Development Corporation to complete on-going projects in 7-10 years. Ground water in potential areas needs also to be developed through a back-ended subsidy scheme to add to the potential. The balance cost of on going project s is about Rs.10600 crores.
- * On going projects may be reprioritised to ensure that those projects where only canal development remains are given high priority.
- * In the case of Vidarbha what needs to be ensured is not the realisation of total potential but the essentiality of specific projects based upon the maximum hectares which can be brought under irrigation. Additionally, only those projects which are already taken up and have only canal development remaining could be a second set to be considered on parity. A division between projects falling in degraded forests or 'Juddupi jungle' will also need to be verified on the ground so that degraded forest areas can be identified and the number of projects which fall in the degraded forest area can be segregated and taken up for special permission under the Forests Act. In all such cases alternative lands will have to be identified

Chapter VII Energisation of Pumpsets & Energy Backlog

7.1 Present Status: At present the State of Maharashtra is passing through an acute power shortage as compared to the situation 2-3 years ago. In the year 2003-04, total demand of State was recorded at 11,357 MW whereas in the year 2004-05 the demand increased by 1392 MW and reached the level of 12,749 MW. In the current year (2005-06) the demand is recorded at 12,987 MW.

As per CEA reports the power shortage in the Maharashtra state is as given below:

Year	Peak Deficit		Energy Deficit	
	MW	%	MU	%
(1)	(2)	(3)	(4)	(5)
Beginning of 9th Plan (1997-98)	929	9.4	1786	2.9
End of 9th Plan (2001-02)	1539	12.5	7051	8.8
2002-03	2713	19.8	11680	13.4
2003-04	2635	18.2	8967	10.2
2004-05	2522	16.8	11174	12.1

Status of Energy Situation in Vidharba Region: The energy requirement of Vidharbha is 2009-MW whereas the availability is 1503 to 1611 MW. The regionwise demand and availability of power for the period Oct., 2005 to Feb., 2006 is as under:-

Sr. No.	Region	Demand (MW)	Availability (MW)	Shortfall (MW)
(1)	(2)	(3)	(4)	(5)
1.	Vidharbha	2009	1503 to 1611	398 to 508
2.	Marathwada	1891	1142 to 1253	638 to 749
3.	Khandesh	1714	1090 to 1190	524 to 626
4.	Western Maharashtra	3489	2404 to 2588	901 to 1085
5.	Konan	3181	2656 to 2880	301 to 526
Total		12284	8393 to 9522	2763 to 3492

In urban areas of Vidharbha the load shedding is 5:30 hours per day and in rural areas the load shedding is 12 hours per day. Electricity supply made available to agriculture sector is 12 hours per day.

One of the major areas where the backlog in Vidharbha is felt is in the energy sector. The common refrain is that though majority of electric power is produced in Vidharbha area, the energy requirements of Vidharbha, in particular for the energisation of agriculture pumps is not fulfilled as compared to the Western Maharashtra. The following table shows the status of generation (plant wise) in the State during the period March 2005-February 2006).

The Status of Generation (plant wise) in the State March, 2005- February 2006 is as follows:

Sr. No.	Name of the Power Generating Plant	Generation in (MU)
(1)	(2)	(3)
A. Thermal Power Stations		
1.	Koradi	5855.765
2.	Nasik	5126.909
3.	Bhusawal	3041.129
4.	Parali	4713.911
5.	Chandrapur	12780.709
6.	Khaperkheda	5175.750
	Total	37130.344
B. Gas Power Plant		
1.	Uran	3431.318
C. Hydro Power Stations		
1.	Koyna I & II	947.727
2.	Koyna IV	2423.826
3.	Koyna III	767.916
4.	KDPH	110.855
D. Small Hydros		
		901.684
E. Hydro Power Plant		
1.	Tata Power	1885.00
	Total	1885.00
F. Thermal Power Plant		
	Tata Power	8393.00
	Reliance Energy Ltd.	3947.00
	Total	12340.00
	Total A+B+C+D+E+F	59938.667

Out of the above the generation plants at Sr. No. A (1,5,6), i.e., at Koradi, Chandrapur and Khaperkheda generating a total of 23812.224 MU energy are in Vidharbha, which constitutes 39.7% of the total electricity generation in the State.

7.2 Pumps in Vidharbha: As per the information provided by Adv. M.G. Kimmatkar, Expert Member, Vidharbha Statutory Development Board, Nagpur, the average number of agricultural pumps per 1000 hect. of cropped area as on 31.3.2005 is 100.32 in Vidharbha, whereas this number is 191.25 in Western Maharashtra and 126.13 in Marathwada. Similarly, out of the total electrical energy consumed in the State for agriculture pumps during 2003-04 (which is 10155.20 MU), the Vidharbha region consumed 1166.30 MU which amounts to 11.49%. In Western Maharashtra consumption was 6659.64 MU which is 65.58% and in Marathwada consumption was 2258.91 MU which is 22.24%. As far as the physical backlog of energisation of agriculture pumps is concerned, as on 1.4.2005, the backlog in Vidharbha is 215099 whereas backlog in Marathwada is 109073, whereas the Western Maharashtra not only has nil backlog but is having an excess of 357320 agriculture pumps having energised. The position as on 31st March, 2001, is that the total number of agricultural pumps in 5 districts of Amravati revenue division, (i.e., Amravati, Washim, Akola, Buldhana, Yavatmal) is 2,85,160. Comparatively the number of energised agricultural pumps in 6 districts of Nagpur revenue division, (i.e., Nagpur, Wardha, Chandrapur, Gadchiroli, Bhandara, Gondia) is 1,78,187. At the same point of time in only one district, namely, Nasik has the number of energised pumps is 2,00,270. Ahmednagar district has 2,33,068. Both these districts are part of Western Maharashtra Region. The reason for such an enormous difference is not the water table level but huge pendency of applications by farmers who have applied for electric connection.

This issue becomes even more significant in view of the fact that about Rs.9,250/- annual subsidy is given by the State Government on these agriculture pumps. This is perceived as not only a loss of irrigation potential which could have been made available to this region, but also as a denial of financial assistance in the form of subsidy to the farmers of this area. The detailed backlog position of energisation of agricultural pump sets of the State in different regions is given in **Annexure U & V**.

7.3 Remedial Strategies:

It is understood that at present the system of giving administrative approval by a competent authority for Vidharbha is based in Nasik district. It would serve the purpose of removal of backlog better if necessary approvals could be given from Nagpur and Amravati for their respective district.

Considering the future demand up to 2011-12 - A plan for 17,312 MW generation in addition to existing generation capacity has been prepared and the details are as under:-

Sr. No.	Particulars	Proposed generating capacity in MW
(1)	(2)	(3)
1.	Project under progress	750
2.	NTPC & Inter State projects	2872
3.	Dabhol Project	2150
4.	Mahagenco's Project	7540
5.	Power purchase from Private Power Project	4000
	Total	17,312 MW

Fact Finding Committee established by State Government under prominent economist Dr. Dandekar in clause 8.4 of its report has suggested "We suggest that in dealing with the applications, priority should be given to applications in district where there is a backlog. After these are cleared, applications from district having relatively

smaller number of energised pumpsets per 1,000 hectares should receive priority". Similarly the Indicators and Backlog Committee with Adv. M.G. Kimatkar as the convenor adopted the same criterion. The Government has already taken decision that while liquidating backlog calculated by Indicators and Backlog Committee, care will be taken to see that no fresh backlog is created. In spite of this, imbalance is increasing every year. The consumption of energy for agricultural pumpsets is also much more in the districts and the regions having more number of pumps compared to the cropped area. All this needs to be addressed.

7.4 Potential for electricity generation in

Vidharbha: The Vidharbha region is well endowed with not only rivers but, also there are huge deposits of coals in this region. As per the various representation given to the fact team of the Planning Commission the potential creation for hydro electricity is estimated to the tune of 5000 MW. These hydro electricity projects can also create an additional irrigation to the tune of 4.5 lakh hect. Similarly, new Thermal Power Projects can be set up in the region.

Annexure-I

Brief Summary of the Discussions with Chief Secretary, Chief Minister and Governor, Maharashtra

1.1 The Team called upon the Chief Secretary, Chief Minister and Governor of Maharashtra on 5-5-2006. Chief Secretary had organised a meeting with all concerned Secretaries and Commissioners at the Secretariat. The Chief Secretary informed that the State Government had taken additional measures to alleviate the distress in Vidharbha region. Over and above the existing special package announced in December 2005, they have made arrangement for fresh crop loans through the banks up to Rs.25,000 through Kisan Credit Cards @ 9%. The difference between 9% and actual bank rate, if any, will be

borne by the Government of Maharashtra. The State is looking at loan disbursement of Self Help Groups and intends to encourage formation of such groups. They will adopt a multi agency approach to increase the number of players providing crop loans at affordable interest rates. The State will stand by the commitment that no loans from cooperative banks will be charged interest more than the principal.

1.2 The State is also considering subsidy on crop insurance premium.

1.3 The State has decided to give 50,000 farmers, from economically weak category from the six concerned districts, an assistance of Rs.25,000 to undertake land development, in situ soil and moisture conservation, and for this purpose Rs.50,000 will be made available annually by the Government. The State is also preparing to give assistance to farmers through Self Help Groups at Rs.1,00,000 per group for undertaking non-farm activities. They will pay share capital @ 1:5 to encourage establishment of agro processing industries. The State proposes to promote Samudaik Lagna (community marriages) to reduce the burden of finance in conducting marriages.

1.4 An amount of Rs.769 crores is owed to the farmers under the Capital Formation Fund of the Maharashtra Monopoly Procurement Scheme implemented by the Cotton Marketing Federation. Rs.354 crores were supposed to be disbursed by 31-3-2006 and the remaining was to be disbursed in 2006-07. The State proposes to give Rs.1,000 per Hectare for a maximum of 2 Hectares to 22,00,000 farmers as economic loss was caused to the farmers due to spurious seeds. The amount involved will be Rs.280 crores. At Rs.5 crores per district annually, the State proposes to proceed with a Technology Mission approach for organic farming. A special Vidarbha Watershed

Mission with Rs.100 crores annual provision to tackle integrated soil and water conservation project in Vidarbha is on the anvil.

1.5 A special study of Yavatmal district has been commissioned with Gokhale Institute of Economics & Politics, Pune as the spate of suicides continued unchecked. The State has decided to post a full time IAS officer to oversee the implementation of the package including the helpline being set up in Yavatmal.

2.1 The Chief Secretary shared the Directive dated 6th March 2006 of the Hon'ble Governor of Maharashtra issued under clause 7 of The Development Boards for Vidarbha, Marathwada and the rest of Maharashtra Order, 1994 for the Annual Plan 2006-07. The Chief Secretary pointed out that for the first time AIBP, Central grants and all other loans brought under the purview of the Governor's directives. He also reported that recent supplementary budget proposed by the Government had also been subjected to the backlog formula by the Governor and, as such, it appears that the Governor's directives are now finding clear reflections in the Annual Financial Statement of the State. During discussions, it was accepted by the Chief Secretary and officers that surrenders, and diversion made annually under the backlog still remains a matter of concern. The Chief Secretary stated that, as of now, the supplementary demands will also be subjected to the backlog formula, a percentage of the surrender will continue to be apportioned for Vidarbha and other backward regions. However, this anomalous position with the surrenders will continue to prevail, in that, the weak implementation in Vidarbha will lead to cyclical surrender and re-allocation while actual regional disparities will continue to grow.

2.2 Regarding cotton, the officers stated that the cessation of monopoly procurement at rate higher than MSP is a good decision as the State was accumulating losses of over Rs.5000 crores.

The officers said that by opening up the market, there is a chance for achieving some investment in value addition. However, it would be necessary to provide special incentive of excise duty waiver and income tax waiver to the Vidarbha region to encourage establishment of industries on the lines of Uttranchal and Himachal Pradesh.

2.3 The Chief Secretary and his team of officers had tried to ensure that allocation for irrigation projects should be project specific. The projects to be chosen should be truly representative of the regional disparities. This attempt was not successful.

2.4 In the meeting with the Chief Minister where Finance Minister and Minister of State for Finance were also present, the Team expressed the sentiments of people from Vidarbha to the Chief Minister. The perspective of distress, poverty in resources, perception of neglect, and the grievances on irrigation were communicated.

2.5 Issues pertaining to cotton and quality of seeds were also discussed. The Chief Minister was also requested to give his views regarding the capacity of the Vidarbha Board to undertake perspective planning and to implement appropriate development programmes rather than ad-hoc programmes given by different MLAs. The Team also requested that the Chief Minister's views regarding present arrangements for removal of regional disparities and whether there were any alternatives that he would like to suggest.

2.6 The Chief Minister indicated that rural distress is a fact in Vidarbha area but that such distress is also being faced in Marathwada and in the drought prone areas of Western Maharashtra. He said that the package announced by them in December 2005 and the subsequent additional measures taken by them would help improve cotton economy. However, without attention to the obstacles in implementing irrigation projects

in Vidarbha due to juddupi jungle where environment clearance is not available, it will not be possible to complete the backlog under irrigation in Vidarbha. He also felt that rural credit is the large issue to be attended to under the organised sector. Assistance is needed from NABARD so that the loans can be channelised and recovered without adding to the credit burden. He felt that measures being taken to implement EGS will lead to availability of additional employment of 14,000 to 15,000 persons in Yavatmal and Amravati and will, therefore, alleviate distress further. He proposes to set up E-Chaupal so that farmers can be better informed regarding prices at the time of sale.

2.7 The Finance Minister stated that while funds being allocated for Vidarbha region were not being spent, the Government was sincerely following the correct formula in allocating the same. He felt that Government of India support, was necessary, to reduce the backlog as the same was calculated at 1994 prices and it would be difficult for the State Government to fulfill the commitment while at the same time having the overall burden of the rest of the State also. The Finance Minister explained the details of the schemes of watershed development of Vidarbha and other measures being taken to improve the human development index in the area. He repeated the Chief Minister's suggestion of involving NABARD to finance the district cooperative societies / banks and to play a supervisory role to strengthen the machinery in loan disbursement. He further stated that implementation of irrigation projects was also held up because of lack of approval from CWC for irrigation projects in Vidarbha. He felt that only by diluting the current formula adopted by the State for taking up last mile project (where 75% work has been completed) the projects in Vidarbha could be taken up. The implications are that with this relaxation projects in Western Maharashtra will be speeded up while Vidarbha is likely to continue to lag behind). The Chief

Minister further stated that 16 sugar factories had been established in Vidarbha but could not be successful and had to be closed down and without provision of incentives like in Himachal Pradesh and Uttranchal, private investment could not be secured. 2600 Hectare have been developed by MIDC in Amravati but there are no takers. At least 7-10 years exemption from excise and income tax is necessary for any private investment to be secured. It was further explained by him that due to the Krishna Water Award, the need to create absorption capacity of water in the rest of Maharashtra was very high and diversion of the attention of the State to Vidarbha under backlog for water was going to be difficult. With the present coalition Government, he said that every MLA was concerned with water in his constituency and at Taluka level and for the State to spend more money on Vidarbha was going to be difficult. He requested the Central Government to augment finances for Vidarbha. He stated that in Maharashtra "Water is on Fire" and there are no further solutions that can be found by the State itself.

2.8 As regards rural credit, apart from requesting involvement of NABARD with cooperative credit societies having net worth less than Rs.1,00,000, he stated that the credit requirement through formal system is around Rs. 6000 crores for the entire State, 20% of which would be in Vidarbha. He said that waiver or re-scheduling of earlier loans was one answer while increasing the source of supply of rural credit through competitive measures would be another answer. He felt that Central Government intervention was necessary for resolving the issue.

2.9 During the meeting with the Governor, the detailed backlog issue and the performance of the Development Boards were discussed. The Governor felt that while there were contradictory opinions regarding the continuance of the Board, the complexity of the relationships prohibited any

sudden action. While he generally felt that the Boards had outlived their utility and that only by their being wound up could a sense of responsibility devolve on the the State of Maharashtra for its own regional backward areas. He would personally recommend some actual implementation of the directives before taking up additional areas of direct responsibility of the State Government in implementation. He agreed that the Boards, as they are structured at present, are neither capable of implementation nor undertaking perspective planning in a true sense. Further, the need for monitoring of the allocated amount was appreciated. However, clarity of further action in this direction could not emerge. He accepted that a specially strong system was necessary to review and report regularly to the Governor on the allocation and their implementation. He accepted the need for public private partnership in increasing the availability of water and the development of watershed, etc. He accepted the need to involve, as Chancellor, the 4 Agricultural Universities in more intense agricultural expansion and to ensure their interface with the farmers to provide research and adequate delivery system in the situation of the present distress being faced by the farmers.

2.10 The general need to improve down stream investment for value addition and quality improvement was discussed.

Annexure- J **Current Scenario, Performance and future of desi cotton in Vidharbha (MS)**

There are two species of desi cotton Vis. *G. _otton_ed* and *G. herbaceum*. In Vidharbha *G. _otton_ed* is grown which covers approximately 15-20% of the cotton area. The precise area figures species wise are not available with the state department. *Arboreum* cotton cultivars have high degree of resistance to sucking pest and moisture stress conditions. For Vidharbha region of Maharashtra five varieties of *G. _otton_ed* Viz.

AKA-4, AKA-5, AKA-8401, AKA-7 and AKA-8 have been released for commercial cultivation besides one Intra *_otton_ed* hybrid (AKDH-7). All these varieties have medium or superior medium fibre length. It is clear from the area under *_otton_ed* cotton (15-20%) that farmers prefer to grow either intra *hirsutum* hybrids (Non Bt/Bt) or *hirsutum* varieties (in nearly 80% of the area). Generally *hirsutum* varieties/hybrids are more productive than desi cotton varieties/hybrids.

In spite of the relatively higher levels of biotic and abiotic stress tolerance in *G. _otton_ed* varieties in comparison to *G. hirsutum* varieties and hybrids, the area under *G. _otton_ed* is fairly low not only in Vidharbha but in the entire country as well due to low productivity, relatively inferior fiber quality coupled with low market price. However, concerted attempts are being made in the National Agricultural Research System (NARS) to improve the performance of *G. _otton_ed* cultivars in terms of yield, quality and boll

weight. Once these efforts fructify (already some promising material has come into being and are being tested) there is a possibility of enhancement of area under *G. _otton_ed* in Vidharbha region in the coming years.

Prices of cotton

The price of cotton as evident in the table during the last 3 years give a clear picture as to the relatively price fluctuations low price offered for desi cotton as compared to *hirsutum* varieties and hybrids. It is to be noted that from 2004- 05 season cotton procurement by private agencies was permitted along with monopoly procurement, while in 2005-06 season the monopoly procurement system Minimum Support Price (MSP) opted as fixed by Govt. of India for procurement of cotton.

Price in rupees

Sr. no.	Variety/Hybrids	Grade 2003				Grade 2004				2005
		Fine Quality	Very good	Good	Bad	Fine Quality	Very good	Good	Bad	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	DCH32 /Varlakshmi Bunny/Bramha	2500	2175	1740	1000	2500	2175	1740	1000	2010
2	LRA-5166/ H302/Ajit/RHR-29/DHY-286/ Ankur-651	2300	1975	1600	1000	2300	1975	1600	1000	1835
3	NHH-44	2250	1925	1575	1000	2250	1925	1575	1000	1700
4	Abadhita/CNH-36/LRK- 516/AKH-081/JKHy-1	2225	1900	1550	1000	2225	1900	1550	1000	1675
5	Desi cotton AKH-4/AKA- 8401/AKH-7/Deputy Chair-man183/Ro hit/E-knath	2225	1900	1550	1000	2225	1900	1550	1000	1675

(Source: Maharashtra State Cooperative Cotton Growers Marketing Federation)

Area under cotton in Vidharbha

The area under cotton in Vidharbha has declined over the last five years from 16.12 lakh ha in 2001 to 12.18 lakh ha in the year 2005-06 as per the available data. Since the area under

cotton (*desi*) cotton is between 15 to 20 %, an approximate area of 17.5% is being visualised at present. Accordingly the area under G. cotton cotton is tentatively estimated at 2.15 lakh ha during the year 2005-06.

(Lakh ha)Division	2001-02	2002-03	2003-04	2004-05	2005-06
Nagpur	2.65	2.16	1.91	1.92	1.57
Wani	1.73	1.47	1.31	1.26	1.29
Yeotmal	3.18	2.80	2.61	2.53	2.36
Akola	3.19	2.75	2.61	2.51	2.56
Amaravati	3.18	2.50	2.63	2.61	2.41
Khamgaon	2.19	1.78	2.16	2.28	2.09
	16.12	13.46	13.93	13.11	12.28

(Source: Agriculture Department, Govt. of Maharashtra)

Cost of cultivation

Even though precise information on cost of cultivation of *desi* cotton is not available, generalised figures are being furnished while the figures in respect of Bt cotton are the result of survey conducted on a few farmers in the region. The net return of *desi* cotton under rainfed condition was Rs. 4290, which was quite less as compared to rainfed Bt cotton hybrids, which worked out to Rs 12677. The lowered cost of *desi* cotton was mainly attributed to low cost of seed and reduced expenditure on inputs (fertilisers and pesticides). However, for the resource poor farmers of the region, *desi* cotton holds some promise in respect of relatively low cost of cultivation.

Cost of cultivation Details	(Rs/ha)	
	Bt hybrid	Desi cotton
Land Preparation	1382	1345
Seed and sowing	4400	900
Manures and Fertilisers	1524	1000
Gap filling	155	150
Wedding and hoeing	1900	1900
Plant protection	1134	800
Picking	2296	1340
Total Cost	12791	7435
Yield (q/ha)	12.0	7.0
Price	2127	1675
Gross return	25468	11725
Net return	12677	4290

Annexure-K

Performance of Bt-Cotton in Major Cotton Growing States

The performance of Bt. Cotton Deputy Chairman non Bt. Varieties as received from Cotton growing States is given below, which indicates both advantages and limitations of raising a Bt. Cotton crop.

Performance during Kharif, 2003

Tamil Nadu

During Kharif 2003, it was observed that there was less attack of Bollworms in Bt. Cotton as compared to non-Bt. Cotton in some districts. Pesticidal spray has been reduced significantly leading to savings in expenditure on spray of chemicals and pesticides. **Impact of drought on Bt. Cotton was recorded in some districts in Kharif, 2003.**

Karnataka

Bt. Cotton performance was evaluated/assessed in Kharif, 2003 in Karnataka. **It was observed that yield in irrigated plots was comparatively better compared to rainfed crop in Bt. Cotton hybrids.** Bt. Cotton hybrids sustained less bollworm damage in comparison to non Bt. Cotton and majority of farmers were convinced about Bt. Technology in overcoming the incidence of bollworms. The performance of MECH-162 and 184 Bt. Was better over MECH-12 Bt.

Andhra Pradesh

The performance of Bt. Cotton during Kharif, 2003 in Andhra Pradesh was satisfactory. The yield was better in Bt. Cotton hybrid plots than non Bt. Cotton. Also the pesticidal spray was reduced in comparison to non Bt.cotton. **However, the Bt. Cotton hybrids could not withstand the moisture-stress compared to non Bt. Cotton varieties thereby the yield is affected.**

Gujarat

As per report received from Government of Gujarat, the overall performance of Bt. Cotton hybrids i.e. Bt. Cotton MECH-12, MECH-162 and MECH-184 Bt. Was good in comparison to non Bt. Cotton during Kharif, 2003.

Madhya Pradesh

The preliminary reports received from Madhya Pradesh indicate that performance of Bt. Cotton hybrids was satisfactory in comparison to non Bt. Cotton in Kharif, 2003.

Maharashtra

India ranks third in global cotton production after USA and China. India accounts for approximately 25 per cent of world's total cotton area and 16 per cent of global cotton production. The per hectare yield of cotton in India is lowest with 300 kgs per hectare against world average of 580 kgs per hectare. Pest and disease attack is one of the most important factor affecting yield levels significantly. The loss due to it is to the tune of 13 to 15%. In cotton the three most damaging lepidopetran species affecting the crop in _otto are American bollworm (*Helicoverpa armigera*), Pink Bollworm (*Pectinophora gossypiella*), and Spotted Bollworm (*Earia vittella*). The number of insecticidal sprays undertaken by Indian cotton farmers for insect control range from 6 to 15 nos per growing season, at an average cost of Rs. 5500-6000 per hectare. At present cotton covers just 5 per cent of gross cropped area but consumers 55 per cent of the pesticides utilised in the country.

In Maharashtra cotton is cultivated in 27 districts out of which during Kharif 2003-04 Bt cotton seeds are distributed in 20 districts. 46404 packets (450 gms. - Bt.cotton & 120 gm-Non-Bt cotton) of Bt cotton varieties MECH-12 t., MECH- 162 Bt. And MECH-184 Bt. Are distributed. The area covered under BT. Cotton varieties is 12194 hectare.

The Bt. Cotton fields of Aurangabad and Jalna districts are also visited from Commissionerate level. It is observed that the retention of bolls of first flush is observed in Bt. Cotton fields. The attack of bollworm was reported in non Bt. Cotton (refuge) and also in other commercial cotton hybrids. But not in Bt cotton fields.

Performance during Kharif, 2004

Tamil Nadu

The State Government constituted State level monitoring team to inspect the performance of Bt. Cotton in the various districts of Tamil Nadu. During 2004-05, 10417 packets of three Bt. Cotton hybrids namely, MECH-12 Bt, MECH-162 Bt. And MECH-184 Bt. Of M/s Mahyco and 21262 packets of RCH-2 Bt of M/s Rasi Seeds were grown. Most of the farmers have not raised the refugia crop around the Bt. Cotton fields. MECH-184 Bt. Performed better than the other two Bt hybrids of Mahyco but RCH-2 Bt recorded significantly higher boll numbers per plant. There was less boll worm attack of Bt. Cotton hybrids as compared to non Bt. Counterparts. The quality of Bt. Cotton was good than non Bt and cost of cultivation was reduced due to reduction in expenditure under plant protection. In General, the performance of Bt. Cotton hybrids was good during 2004-05 in comparison to the last two years.

Gujarat

District level committees were constituted to monitor the performance of Bt. Cotton hybrids in

the State. Bt. Cotton has been cultivated in the State for the last three seasons and on the basis of observations it was found that **MECH-162 Bt and MECH-184 Bt. Have more incidence of sucking pest menace** as compared to MECH-12 Bt. MECH-12 hybrid is early type and having less incidence of heliothis as well as sucking pest menace. Therefore, the area under MECH-184 was reduced due to the fact that the plant becomes dry at boll stage. RCH-2 hybrid performed better than other hybrids in its first year of cultivation. This shows that RCH-2 Bt hybrid is superior as compared to MECH hybrids.

Annexure-L Technology Mission on Cotton

In view of lower yields & poorer lint quality of cotton as compared to many other countries, the Government of India is implementing Technology Mission on Cotton (TMC) since 2000-2001 in 13 States, viz., Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Tripura. The aim of the mission is to increase the production, productivity & quality of cotton.

MINI MISSIONS

TMC consists of following four Mini Missions:

	Objectives/ mandate	Nodal Agency
MM I	Research and Technology Generation	Indian Council of Agricultural Research (ICAR)
MM II	Extension and Developmental Activities	Department of Agriculture & Cooperation,
MM III	Improvement in Marketing Infrastructure	Ministry of Textiles
MM IV	Modernisation of Ginning & Pressing Factories	Ministry of Textiles

MINI MISSION - I

MM-I is being implemented by the ICAR in collaboration with State Agricultural Universities for the development of varieties and production technologies suited to various agro-climatic conditions of the country. MM-I is 100% funded by Government of India. The major activities of

MM-I are as below:

- * Genetic improvement for reducing cost of production and stabilising yields under wide ranging biotic and abiotic stresses, incorporating resistance and tolerance to major insect pests and diseases.

- * Seed technology to maintain genetic purity of varieties / hybrids for production of quality seeds which in turn improve the germination, better crop, higher yield and uniform quality lint.
- * Resource management for judicious application of inputs to minimise nutrient losses and maximise economic benefits.
- * Post harvest technologies for cotton by produces for value added products such as cotton stalks for fibre board.
- * Establishment of seed delinting plants and bio-agent production units.
- * IPM Technology demonstration
- * Surveillance of insects pest and diseases.
- * supply of sprayers / pheromones / bio-agents.
- * Supply of water saving devices like sprinkler & drip irrigation etc.

Sharing of Funds under MM-II

Sharing for funds under Mini Mission-II is on 75: 25 bases between Government of India and States. However components like frontline demonstrations, IRM , maintenance of nucleus / breeder seeds etc are funded on 100% basis by GOI. These components are implemented through ICAR , SAU's, CCI etc.

MINI MISSION II

MM-II is being implemented by Department of Agriculture & Cooperation. The main strategies under Mini Mission-II for the development of cotton including Bt-cotton, are as below:

- * Increasing the availability of quality seeds ..
- * Increase in area coverage under hybrids
- * Popularising area specific production technologies.
- * Popularisation of Integrated Pest Management / Insecticide Resistance Management to minimise the use of pesticides.
- * Promotion of efficient use of water through drip and sprinkler irrigation system to increase irrigated area under cotton.
- * Transfer of improved technologies to farmers through demonstration and training.

Major Components of MM-II

The major components of MM-II are as under:

- * Production & supply of certified seeds of varieties / hybrids.
- * Frontline demonstrations on production, IPM and implements
- * Farmers Field Schools and Training of Facilitators.
- * Insecticide Resistance management (IRM)

MINI MISSION-III

The Mini Mission-III is being implemented by the Ministry of Textiles for the development of market infrastructure by setting up of new market yards and improvement of existing market yards. The expenditure is shared by Government of India and Agriculture Produce Market Committee / States on 60:40 basis. The GOI assistance is limited to Rs 90 Lakhs for improving existing market yards and Rs 150 lakh for setting up of new yard.

MINI MISSION-IV

Mini Mission-IV is being implemented by the Ministry of Textiles for modernisation of ginning & pressing factories. A subsidy of 25% of the total cost of cotton with a ceiling of Rs.20 lakh per unit is provided under this scheme. Besides, Rs 7 lakh for bale press and Rs4.00 lakh for testing lab. is also provided by the Government to the entrepreneur.

10th PLAN ALLOCATION FOR TECHNOLOGY MISSION ON COTTON

The 10th Plan allocation under all Mini Mission of TMC is given below:-

SHARE	MM-I	MM-II	MM-III	MM-IV	TOTAL
GOI Share	20.00	300.00	68.10	84.50	472.60
State Share	0.00	23.14	40.40	0.00	63.54
Total	20.00	323.14	108.50	54.50	536.14

Statewise allocation

(Rs in Lakhs)

Sr. No.	STATE	2002-2003		2003-2004		2004-2005		2005-2006
		Allocation	Release	Allocation	Release	Allocation	Release	Allocation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Andhra Pradesh	174.00	30.00	385.00	238.33	623.62	571.16	440.00
2	Gujarat	244.00	122.00	425.00	419.28	435.12	773.04	750.00
3	Haryana	117.00	98.50	225.00	159.61	225.00	112.50	280.00
4	Karnataka	166.00	108.00	385.00	386.44	486.03	478.58	500.00
5	Madhya Pradesh	170.00	28.00	325.00	213.67	607.59	483.28	400.00
6	Maharashtra	410.00	235.89	645.00	779.03	784.79	771.44	786.00
7	Orissa	64.00	11.00	145.00	93.80	103.05	40.00	78.00
8	Punjab	10.00	0.00	5.00	0.00	1.00	0.00	1.00
9	Rajasthan	163.00	70.67	275.00	265.61	719.21	231.25	500.00
10	Tamil Nadu	138.00	89.00	225.00	288.98	227.69	342.94	350.00
11	Tripura	13.00	9.62	15.00	12.88	25.00	22.00	50.00
12	Uttar Pradesh	16.00	15.46	130.00	92.92	80.00	40.00	65.00
13	West Bengal	15.00	11.86	45.00	25.58	50.00	38.59	75.00
TOTAL		1700.00	830.00	3230.00	2976.13	4368.10	3904.78	4275.00

MONITORING OF THE PROGRAMME

To review & monitor the implementation of the Mission, an Empowered Committee under the Chairmanship of Cabinet Secretary to Government of India has been set up, which has reviewed the scheme twice till date. Besides, there is a Standing Committee for each Mini Mission chaired by the Secretary of the implementing Department. Based upon these reviews, necessary modifications, additions etc. are made to improve the performance of the scheme. The progress of the scheme is reviewed with the states during the season regularly through monthly progress report, zonal reviews and meeting by the Mission Director/Division.

ACHIEVEMENTS OF MISSION

Cotton Production Target and achievement

in lakh bales

Year	Target	Achievement as per Dte. Of Economics & Statistics	As per Cotton Advisory Board
2002-03	160.63	86.24	136.00
2003-04	172.70	138.66	177.00
2004-05	187.38	160.66	232.00
2005-06	198.41	-	-
2006-07	215.00	-	-

Market Yards and Ginning & Pressing factories

The number of market developed and ginning & pressing factories modernised are as under:

Activities	Target (10th Plan)	Achievement till 2004-05
Development of Market yards	60	36
Modernisation of ginning & pressing factories	350	150

Other Impacts of the Mission

- * Record cotton production and productivity
- * Reduction in pesticide consumption
- * Increase in area in non-traditional States like Orissa and West Bengal
- * Decline in cotton leaf curl virus disease in northern States
- * Improvement in cotton quality due to development of market yards and modernisation of ginning & pressing factories.

Annexure M

Economics of Bt. Cotton hybrids under rainfed situation at AICCIP, Akola 1.

Sr. No.	Year Cotton/Hybrid	Yield (Kg/ha)	Gross Monetary Return (Rs./ha)	Plant Protection cost (Rs./ha)	Seed cost (Rs. /ha)	Cost: Benefit Ratio
1. EXPERIMENT No. 1. 2004-05						
	MECH-12 Bt	911.75	22793.75	3569.78	12444.44	1:0.42
	MECH-162 Bt	1070.89	26772.25	2274.78	12444.44	1:0.82
	MECH184 Bt	1029.80	25745.00	2274.78	12444.44	1:0.75
	PKV Hy-2	862.56	21654.00	5303.77	1866.67	1:2.01
	NHH-44	897.57	22439.25	5303.77	1400.00	1:2.35
2. EXPERIMENT No. 2 2004-05						
	MECH-162 Bt	1052.48	26312.00	2446.00	12444.00	1:0.77
	NHH-44	859.82	21495.50	4776.00	1400.00	1:2.48
A. 2005-06 MECH-162 Bt						
	IPM	2705	54100	1931	11200	1:3.12
	Farmers practice	2232	44640	923	11200	1:2.68
B. MECH-162 N-Bt						
	IPM	1790	35800	4881	1344	1:4.75
	Farmers practice	1027	20540	2810	1344	1:3.94
C. NHH-44						
	IPM	19.25	38500	5693	1344	1:4.47
	Farmers practice	12.22	24440	3371	1344	1:4.18

Annexure N

Economics of Bt. Cotton hybrids under rainfed situation at AICCIP, Akola 2.
Cost of cultivation of arboreum cotton varieties (genotypes) under rainfed condition 2005-06

Sr.No.	Particulars	Unit	Cost (Rs. ha ⁻¹)
1.	Ploughing once in 3 years	2B.P.	400
2.	Stubble picking	7FL	329
3.	Preparatory tillage (2 harrowing)	2 B.P.	400
4.	Cost of FYM once 3 years 10 t ha ⁻¹ including spreading charges	-	2000
5.	Cost of seed 15 kg	-	750
6.	Cost of sowing (drilling)	1 B.P. + 3 FL + 1 ML	200+
			188
7.	Cost of fertiliser (30+15+0 NPK kg ha ⁻¹)	-	555
	a. Suphala 75 kg	-	172
	b. Urea 35 kg		
8.	Cost of fertiliser application	5 FL	235
9.	Thinning	3 FL	141
10.	Cost of 2 hand weeding	3- FL	1410
11.	Cost of 3 hoeings	3 B.P.	600
12.	Cost of insecticides	-	-
13.	Cost of carting to market	-	1600
14.	Cost of picking (Av. Yield 8 q ha ⁻¹)	-	400
15.	Cost of supervision and watching	-	1410
	Sub Total (COC)	-	10790
16.	Interest on capital @ 7 % on total cost of cultivation	-	755
	Total cost of cultivation (COC)	-	11545
17.	Yield of seed cotton 8 q ha ⁻¹	-	14000
18.	Stalk yield 35 q ha ⁻¹	-	875
	Gross monetary returns (GMR)	-	14875
	Net monetary returns (GMR - COC)		3330
	B:C ratio	-	1:1.29

* B.P.: Bullock pair

* FL : Female Labour

* ML : Male Labour

Rate of different inputs:

1. Labour male/female : @ Rs.47/ day

2. Transportation Rs.50/qtl.

3. Seed cotton Rs.1750/kg

4. Seed cost Rs.50/kg seed

5. BP Rs.200/day

6. Cost of fertiliser

a) Urea Rs.490/qtl.

b) Suhpala Rs. 740/qtl.

c) MOP Rs.452/qtl.

7.FYM Rs.50/qtl.

7. Cost of picking Rs.2/kg

8. Cost of insecticides

a. Dimethoate Rs.205/lit

b. Metasystoc Rs.295/lit

c. Endosulphon Rs.220/lit.

d. Qunolphos Rs.240/lit.

e. Cypermetrin 25 EC Rs.360/lit.

f. Carbaryl Rs.330/kg

g. Imedacloprid Rs.55/5 g

h. Spinosad Rs.800/75 ml

Annexure O
Economics of Bt. Cotton hybrids under rainfed situation at AICCIP, Akola 3.
Cost of cultivation of Hirsutum cotton varieties (genotypes) under rainfed condition 2005-06

Sr.No.	Particulars	Unit	Cost (Rs. ha ⁻¹)
1.	Ploughing once in 3 years	2 B.P.	400
2.	Stubble picking	7 FL	329
3.	Preparatory tillage (2 harrowing)	2 B.P.	400
4.	Cost of FYM once 3 years 10 t ha ⁻¹ including spreading charges	-	2000
5.	Marking for sowing	1 BP	200
6.	Cost of seed 12 kg	-	600
7.	Cost of sowing (dibbling)	10 FL	470
8.	Cost of fertiliser (50+25+0 NPK kg ha ⁻¹)		
	a. Suphala 125 kg	-	925
	b. Urea 55 kg	-	270
9.	Cost of fertiliser application	10 FL	470
10.	Cost of 2 hand weeding	30 FL	1410
11.	Cost of 3 hoeings	3 BP	600
12.	Cost of insecticides (5 spray)		
	a. 2 spray for sucking pest		
	1. Dimethoate 0.5 lit/ha		103
	2. Metasystoc 0.4 lit/ha		118
	b. 3 sprays for bollworms		
	1. Endo. 0.85 lit/ha		187
	2. Quinolpos 1 lit/ha		240
	3. Cypermethrin 25 EC 0.15lit/ha		54
13.	Cost spraying (5)	25 L	1175
14.	Cost of picking (Av. Yield 10 q ha ⁻¹)	-	2000
15.	Cost of carting to market	-	500
16.	Cost of supervision and watching	-	1410
	Sub Total (COC)	-	13861
17.	Interest on capital @ 7 % on total cost of cultivation	-	970
	Total cost of cultivation (COC)	-	14831
18.	Yield of seed cotton 10 q ha ⁻¹	-	19800
19.	Stalk yield 30 q ha ⁻¹	-	750
	Gross monetary returns (GMR)	-	20550
	Net monetary returns (GMR - COC)		5719
	B:C ratio	-	1:1.38

* B.P.: Bullock pair

* FL : Female Labour

* ML : Male Labour

Rate of different inputs:

1. Labour male/female : @ Rs.47/ day	8. Cost of picking Rs.2/kg
2. Transportation Rs.50/ql.	9. Cost of insecticides
3. Seed cotton Rs.1980/kg	a. Dimethoate Rs.205/lit
4. Seed cost Rs.50/kg seed	b. Metasystoc Rs.295/lit
5. BP Rs.200/day	c. Endosulphon Rs.220/lit.
6. Cost of fertiliser	d. Qunolphos Rs.240/lit.
d) Urea Rs.490/ql.	e. Cypermethrin 25 EC Rs.360/lit.
e) Suhpala Rs. 740/ql.	f. Carbaryl Rs.330/kg
f) MOP Rs.452/ql.	g. Imedacloprid Rs.55/5 g
7.FYM Rs.50/ql.	h. Spinosad Rs.800/75 ml
	10. Stalk Rs.25/ql.

Annexure P
Economics of Bt. Cotton hybrids under rainfed situation at AICCIP, Akola 4.
Cost of cultivation of Hirsutum cotton hybrids under rainfed condition 2005-06

Sr.No.	Particulars	Unit	Cost (Rs. ha ⁻¹)
1.	Ploughing once in 3 years	2 B.P.	400
2.	Stubble picking	7 FL	329
3.	Preparatory tillage (2 harrowing)	4 B.P.	800
4.	Cost of FYM once 3 years 10 t ha ⁻¹ including spreading charges	-	2000
5.	Marking for sowing	1 BP	200
6.	Cost of seed 4 kg	-	2135
7.	Cost of seed treatment of Imidacloprid 40 g	-	440
8.	Cost of sowing (dibbling)	10 FL	470
9.	Cost of fertiliser (50+25+25 NPK kg ha ⁻¹)		
	a. Suphala 125 kg	-	925
	b. Urea 55 kg	-	270
	c. MOP 45 kg	-	203
10.	Cost of fertiliser application	10 FL	470
11.	Cost of 2 hand weeding	30 FL	1410
12.	Cost of 3 hoeings	4 B.P.	800
13.	Cost of insecticides (5 spray)		
	a. 2 spray for sucking pest		
	1. Dimethoate 0.5 lit/ha		103
	2. Metasystoc 0.4 lit/ha		118
	b. 4 sprays for bollworms		
	1. Endo. 0.85 lit/ha		187
	2. Quinolphos 1 lit/ha		240
	3. Carbaryl 2 kg/ha		660
	4. Cypermethrin 25 EC 0.15lit/ha		54
14.	Cost spraying (6)	30 L	1410
15.	Cost of picking (Av. Yield 15 q ha ⁻¹)	-	3000
16.	Cost of carting to market	-	750
17.	Cost of supervision and watching	-	1410
	Sub Total (COC)	-	18784
18.	Interest on capital @ 7 % on total cost of cultivation	-	1315
	Total cost of cultivation (COC)	-	20099
19.	Yield of seed cotton 15 q ha ⁻¹	-	29700
20.	Stalk yield 30 q ha ⁻¹	-	750
	Gross monetary returns (GMR)	-	30450
	Net monetary returns (GMR - COC)	-	10351
	B:C ratio	-	1:1.52

* B.P.: Bullock pair

* FL : Female Labour

* ML : Male Labour

Rate of different inputs:

1. Labour male/female : @ Rs.47/ day
2. Transportation Rs.50/qtl.
3. Seed cotton Rs.1980/kg
4. Seed cost Rs.400/0.75 kg seed
5. BP Rs.200/day
6. Cost of fertiliser
 - g) Urea Rs.490/qtl.
 - h) Suhpala Rs. 740/qtl.
 - i) MOP Rs.452/qtl.
- 7.FYM Rs.50/qtl.

8. Cost of picking Rs.2/kg
9. Cost of insecticides
 - a. Dimethoate Rs.205/lit
 - b. Metasystoc Rs.295/lit
 - c. Endosulphon Rs.220/lit.
 - d. Qunolphos Rs.240/lit.
 - e. Cypermethrin 25 EC Rs.360/lit.
 - f. Carbaryl Rs.330/kg
 - g. Imidacloprid Rs.55/5 g
 - h. Spinosad Rs.800/75 ml
10. Stalk Rs.25/qtl.

Annexure Q
Cost of cultivation of Hirsutum cotton hybrids under irrigated condition 2005-06

Sr.No.	Particulars	Unit	Cost (Rs. ha ⁻¹)
1.	Ploughing once in 3 years	2 B.P.	400
2.	Stubble picking	7 FL	329
3.	Preparatory tillage (2 harrowing)	4 B.P.	800
4.	Cost of FYM once 3 years 10 t ha ⁻¹ including spreading charges	-	2000
5.	Marking for sowing	1 BP	200
6.	Cost of seed 3 kg	-	1600
7.	Cost of seed treatment of Imidacloprid 30 g	-	330
8.	Cost of sowing (dibbling)	8 FL	376
9.	Cost of fertiliser (100+50+50 NPK kg ha ⁻¹)		
	d. Suphala 250 kg	-	1850
	e. Urea 110 kg	-	540
	f. MOP 90 kg	-	406
10.	Cost of fertiliser application	15 FL	705
11.	Cost of 2 hand weeding	30 FL	1410
12.	Cost of 3 hoeings	4 B.P.	800
13.	Irrigation 5 (Rs.750/irrigation)		3750
14.	Cost of insecticides (5 spray)		
	a. 2 spray for sucking pest		
	1. Dimethoate 0.5 lit/ha		103
	2. Metasystoc 0.4 lit/ha		118
	b. 4 sprays for bollworms		
	3. Endo. 0.85 lit/ha		187
	4. Quinolphos 1 lit/ha		240
	5. Spinosad 111 ml/ha		1200
	6. Cypermethrin 25 EC 0.15lit/ha		54
15.	Cost spraying (6)	30 L	1410
16.	Cost of picking (Av. Yield 25 q ha ⁻¹)	-	5000
17.	Cost of carting to market	-	1250
18.	Cost of supervision and watching	-	1410
	Sub Total (COC)	-	26468
19.	Interest on capital @ 7 % on total cost of cultivation	-	1853
	Total cost of cultivation (COC)	-	28321
20.	Yield of seed cotton 25 q ha ⁻¹	-	49500
21.	Stalk yield 35 q ha ⁻¹	-	875
	Gross monetary returns (GMR)	-	50375
	Net monetary returns (GMR - COC)	-	22054
	B:C ratio	-	1:1.77

* B.P.: Bullock pair

* FL : Female Labour

* ML : Male Labour

Rate of different inputs:

1. Labour male/female : @ Rs.47/ day	8. Cost of picking Rs.2/kg
2. Transportation Rs.50/qtl.	9. Cost of insecticides
3. Seed cotton Rs.1980/kg	a. Dimethoate Rs.205/lit
4. Seed cost Rs.400/0.75 kg seed	b. Metasystoc Rs.295/lit
5. BP Rs.200/day	c. Endosulphon Rs.220/lit.
6. Cost of fertiliser	d. Qunolphos Rs.240/lit.
j) Urea Rs.490/qtl.	e. Cypermethrin 25 EC Rs.360/lit.
k) Suhpala Rs. 740/qtl.	f. Carbaryl Rs.330/kg
MOP Rs.452/qtl.	g. Imidacloprid Rs.55/5 g
	h. Spinosad Rs.800/75 ml
7.FYM Rs.50/qtl.	10. Stalk Rs.25/qtl.

Annexure V

Table 1. Area, production and productivity of Vidharbh region during 2004-05
Area in "00"ha, Production in "00"Tonnes,Productivity in Tonnes/ha.

Sr. No.	District	Kh.Jowar			Tur			Soyabeen			Cotton		
		Area	Prodn.	Prody	Area	Prodn.	Prody	Area	Prodn.	Prody	Area	Prodn.	Prody
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Buldhana	1019	1149	1128	616	379	616	1412	1321	936	1987	1493	128
2	Akola	822	1083	1318	522	275	528	503	310	616	2076	1378	113
3	Washim	525	533	1016	474	373	787	1851	1647	890	678	486	122
4	Amravati	928	887	956	909	700	770	1671	800	479	2682	2143	136
5	Yavatmal	1151	1130	982	1271	828	651	1763	946	537	3328	2863	146
6	Wardha	252	226	898	525	441	841	1955	2020	1033	998	1288	219

Production of cotton in "00" bales of 170 kg each.

Tentative Area, production and productivity of Vidharbh region during 2005-06
Area in "00"ha, Production in "004"Tonnes,Productivity in Tonnes/ha.

Sr. No.	District	Kh.Jowar			Tur			Soyabeen			Cotton		
		Area	Prodn.	Prody	Area	Prodn.	Prody	Area	Prodn.	Prody	Area	Prodn.	Prody
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Buldhana	916	824	900	595	238	400	2068	1965	950	2096	1541	125
2	Akola	869	1304	1500	585	293	500	612	551	900	1975	2091	180
3	Washim	459	551	1200	454	227	500	2072	2694	1300	586	655	190
4	Amravati	958	766	800	829	332	400	1879	1691	900	2411	1986	140
5	Yavatmal	1405	1967	1400	1502	751	500	2532	2785	1100	3205	3771	200
6	Wardha	162	162	1000	700	350	500	1997	2396	1200	966	1392	245

Production of cotton in "00" bales of 170 kg each.

Source: Government of Maharashtra.

Table 2. Area, Production and Yield of cotton in different countries

Country	Area (Lakh Ha)			Production (Lakh bales)			Yield (Kg/ ha)		
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
India	87	79	78	156	136	177	294	312	394
China	48	42	51	301	289	325	1066	1177	1083
USA	56	52	49	257	220	218	774	712	783
Pakistan	32	27	30	106	94	105	574	596	587
World	341	298	331	1230	1122	1197	614	640	615

Source: Technology Mission on Cotton

Table 3. Area, Production and Yield of cotton in major cotton growing States along with coverage under irrigation
Area in lakh hectare/Production in lakh bales/Yield kgs per hectare

States	2005-06			2004-05			% coverage under irrigation
	Area	Production	Yield	Area	Production	Yield	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Punjab	5.80	21.00	616	5.09	16.50	551	99.60
Haryana	5.97	14.00	399	6.21	15.50	424	98.70
Rajasthan	4.54	11.00	412	4.38	11.00	427	95.00
Gujarat	20.77	80.00	655	19.06	73.00	621	41.10
Maharashtra	28.89	46.00	271	29.80	52.00	297	04.10
Madhya Pradesh	6.35	15.00	402	5.76	16.00	472	31.20
Andhra Pradesh	9.72	30.00	525	11.74	32.50	471	20.10
Karnataka	3.63	7.00	328	5.12	8.00	266	14.70
Tamil Nadu	1.50	5.50	623	1.42	5.50	658	33.90
Others	1.00	1.00	170	0.62	1.00	274	
Grand Total	88.17	242.50	468	89.20	243.00	463	

Source: Technology Mission on Cotton.

Table 4. The year-wise details of area under irrigated and area under rain-fed (Area in ha.)

Year (1)	Area under irrigated cotton (2)	Area under rainfed cotton (3)	Total area under cotton (4)
2000-01	81300	2995600	3076900
2001-02	86000	3018700	3104700
2002-03	80000	2719900	2799900
2003-04	74100	2688300	2762400
2004-05	78100	2761400	2839500

Source: Technology Mission on Cotton

Table 7. Performance of Bt. Cotton hybrids against bollworms under rainfed situation at AICCIP, Akola

Sr. No.	Particulars	Year wise performance								
		2001-02			2004-05			2005-06		
		Bt	N Bt	Check	Bt	N Bt	Check	Bt	N Bt	Check
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	Green Boll damage (%)	6.17-14.33	16.54-20.54	20.87-24.58	2.32-5.56	-	47.78-50.00	-	-	-
2.	Gr. Fruiting body damage (%)	-	-	-	0-0.6	-	0.78-0.93	0.24	6.98	13.00
3.	Open ball damage at harvest (%)	15.55 to 22.57	67.77 to 79.72	60.00 to 67.12	1.35 to 8.04	-	55.83 to 60.65	3.04	31.30	10.30
4.	Loculi damage at harvest (%)	4.34 to 7.40	30.64 to 48.35	25.36 to 27.93	0.42 to 3.93	-	21.41 to 24.06	1.35	10.61	6.96
5.	H.a. larvae/ 5 plants	0.36 to 1.33	3.00 to 5.33	0.33 to 2.66	-	-	-	0.05	1.15	2.90
6.	E.V.larvae/ 5 plants	0.06 to 2.20	0.66	0.66 to 0.73	-	-	-	-	-	-
7.	PBW larvae/5 balls	1.00	8.30	5.00						
8.	No. of sprays-SP BWC	4.6 0	4.6 0	4.5 5	3-5 0	- -	3 3	2 0	3 3	2 5
9.	Yield of seed cotton qt/ha.	12.22 to 13.42	4.4.09 to 7.60	6.19 to 6.78	9.11 to 10.70	-	8.62 to 8.79	22.32	10.27	12.22

Detailed information on the damage of other insects (aphids, Jassids, thrips, etc.) in Bt. Cotton, and also on the susceptibility of Bt. Cotton to these insects *vis-à-vis* non-Bt. Cotton needs to be generated Source: AICCIP, Akola

Table 8 The year-wise details of supply of and demand for cotton in India

year	Opening stock	Supply			(lakh bales) Mills Consumption	Demand			Difference (Excess of supply over demand)
		production	Import	Total		Non-Mills Consumption	Export	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2001-02	29	158	25.26	212.26	158.70	13.06	0.5	172.26	40
2002-03	40	136	17.67	193.67	154.05	14.78	0.84	169.67	24
2003-04	24	179	7.21	210.21	150.39	26.71	12.11	189.21	21
2004-05	21	243	12	276	163	31	10	204	72
2005-06	72	242.5	6	320.50	180	33	25	238	82.5
2006-07	82.5								

Source: CACP

Table 11B. Cost of Production and Minimum Support Prices, 2004-05 (Rs./Qtl.)*

Indicators	Jowar	Tur	Soyabean	Cotton
Costs, C2 (Maharashtra)#	629.01	1026.59	885.66	2215.55
MSP (All India)@	515.00	1390.00	1000.00	1960.00

Note: * Rs. = Rupees and Qtl.= Quintal. # C2 costs data for 2004-05 are projections. It includes all actual expenses in cash and kind incurred in production by owner, rent paid for leased in land and imputed value of family labour, interest on value of owned capital assets (excluding land) and rental value of owned land (net of land revenue). @ MSP denotes Minimum Support Prices declared by the Ministry of Agriculture, Government of India. For Soyabean MSP is for yellow variety whereas Cotton MSP is for H-4 (long staple) variety. In Maharashtra, price paid under Monopoly Cotton Procurement Scheme was about Rs.500/- more than the MSP.

Table 14. Statement showing the outlay allocated for Irrigation and the expenditure incurred in the Annual Plans 2002-03 to 2004-05

(Rs crore)										
Sl.No.	Region	Annual Plan 2002-03			Annual Plan 2003-04			Annual Plan 2004-05		
		Outlay in Irrigation Sector in 2002-03	Actual expenditure	Shortfall/ excess	Allocation as per G's directives 2003-04 (Percentage)	Expenditure (till 31 March 2004) (Percentage)	Shortfall/ excess*	Outlay in Irrigation Sector in 2004- 05	Actual expenditure	Shortfall/ excess (Rs. in crore)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1.	Vidarbha	932.70 (37.67%)	353.63 (18.77%)	579.07	1151.82 (42.34%)	501.48 (23.36%)	650.34	1835.27 (54.88%)	536.47 (22.15%)	1298.80
2.	Marathwada	625.67 (25.27%)	319.91 (16.98%)	305.76	734.06 (27%)	350.18 (16.31%)	383.88	1081.10 (32.33%)	623.09 (25.72%)	458.01
3.	Rest of Maharashtra	894.58 (36.13%)	1193.64 (63.35%)	(-)299.06(*)	834.12 (30.66%)	1272.73 (59.29%)	438.61*	396.85 (11.87%)	1245.85 (51.43%)	848.00*
4.	Common schemes	23.05 (0.93%)	17.06 (0.9%)	5.99	31.00	22.35 (1.04%)	8.65	31.00 (0.92%)	17.01 (0.70%)	13.99
	Total	2476.00	1884.25	890.82 (shortfall)	2751.00 (100%)	2146.74 (100%)	1042.87 (shortfall)	3344.22 (100%)	2422.42 (100%)	1770.80

*indicates excess expenditure in Rest of Maharashtra

Table 15. Statement showing region-wise remaining financial backlog in the sectors other than Irrigation as on 1 April 2005 by taking into account the expenditure for backlog removal during the Annual Plans 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05

Sl.No	Region	Vidarbha			Marathwada			Rest of Maharashtra			Total		Sector-wise % to total	
		Backlog as on 1/4/2000	Exp. 2000-01 to 2004-05	Remainin g backlog as on 1/4/2005	Backlog as on 1/4/2000	Exp. 2000-01 to 2004-05	Remainin g backlog as on 1/4/2005	Backlog as on 1/4/2000	Exp. 2000-01 to 2004-05	Remainin g backlog as on 1/4/2005	Backlog as on 1/4/2000	Exp. 2000-01 to 2004-05		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1.	Roads	693.97	239.13	454.84 (44.48%)	437.57	310.95	126.62 (12.38%)	657.69	216.59	441.10 (43.14%)	1789.23	766.07	1022.56 (100%)	26.16%
2.	General Educa- tion	14.86	-	14.86 (19%)	13.33	-	13.33 (17.03%)	50.04	-	50.04 (63.97%)	78.23	-	78.23 (100%)	2.00%
3.	Technical Educa- tion	105.23	15.85	89.38 (24.33%)	73.23	12.64	60.59 (16.50%)	241.09	23.77	217.32 (59.17%)	419.55	52.26	367.29 (100%)	9.40%
4.	Public Health	187.34	28.26	159.08 (12.89%)	422.74	26.69	396.05 (32.08%)	743.59	64.14	679.45 (55.03%)	1353.67	119.09	1234.58 (100%)	31.58%
5.	Urban Water Supply	27.20	31.05	-3.85* (excess)	78.72	55.47	23.25 (100%)	-	18.04	-18.04* (excess)	105.92	104.56	23.25 (100%)	0.60%
6.	Soil Conservation	133.21	56.68	76.53 (30.28%)	50.98	20.25	30.73 (12.15%)	245.23	99.67	145.56 (57.57%)	429.42	176.60	252.82 (100%)	6.47%
7.	Veterinary Ser- vices	0.13	0.05	0.08 (2.16%)	0.87	0.05	0.82 (22.10%)	3.17	0.36	2.81 (75.74%)	4.17	0.46	3.71 (100%)	0.09%
8.	Energisation of pump sets	660.19	125.30	534.89 (57.73%)	295.66	92.92	202.74 (21.88%)	220.03	31.10	188.93 (20.39%)	1175.88	249.32	926.56 (100%)	23.70%
Total		1822.13	496.32	1329.66 (34.02%)	1373.10	518.97	854.13 (21.85%)	2160.84	453.67	1725.21 (44.13%)	5356.07	1468.96	3909.00 (100%)	100%

* Indicates excess expenditure in the sector of Urban Water Supply of Rs.3.85 crore in Vidarbha and Rs.18.04 crore in the rest of Maharashtra region has not been taken into account.
Source: Government of Maharashtra

Table 16. Irrigation Statistics in different districts of Vidarbha Region of Maharashtra

(Area in 000 ha.)

Sl. No.	District	Cultivable Area	Gross Sown Area	Net Sown Area	Irrigation Potential Developed by June 2005			Potential Created as % of Gross Area
					State Sec. Schm.	Local Sec. Schm.	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Akola	815.6	547.2	437.2	51	9	60	11
2	Amravati	815.6	1031.1	750.8	87	23	110	11
3	Bhandara	221.55	434.8	365.4	73	32	105	24
4	Buldhana	752.4	851.8	689.2	74	25	99	12
5	Chandrapur	532.5	531.1	450.2	63	60	123	23
6	Gadchiroli	252.5	181.5	169.9	36	31	67	37
7	Gondia	201.35	209.73	171.87	96	31	127	61
8	Nagpur	642.4	591.9	546.7	149	37	186	31
9	Wardha	474.2	384.1	365.3	83	11	94	24
10	Washim	410.4	574.5	379.8	38	17	55	10
11	Yavatmal	944.2	977.4	848.8	124	28	152	16
TOTAL		6062.70	6315.13	5175.17	874.00	304.00	1178.00	19

Note: For Gondia district Gross Sown Area and Net Sown Area has been calculated from other districts due to non availability of actual data.

Source: Government of Maharashtra

Table 17. Completed Projects with Water resources Department, Nagpur and V.I.D.C., Nagpur.

Sr. No	Region	Godawari Basin		Tapi Basin		Total	
		No.	Irrigation Potential (Ha)	No.	Irrigation Potential (Ha)	No.	Irrigation Potential (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	NAGPUR REGION						
	W.R.D., Nagpur	Major					
		1	Pench (Nagpur)				104476
		2	Itiyadoh (Gondia)				40080
		3	Bagh (Gondia)				38486
		4	Asolamendha (Chasndrapur)				9919
		5	Ghodazari (Chandrapur)				3846

(Contd.)

Table 17. Completed Projects with Water resources Department, Nagpur and V.I.D.C., Nagpur.

Sr. No	Region	Godawari Basin		Tapi Basin		Total	
		No.	Irrigation Potential (Ha)	No.	Irrigation Potential (Ha)	No.	Irrigation Potential (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		6 Sor (Wardha)	16194				16194
		7 Dina (Gadchiroli)	11356				11356
	V.I.D.C. Nagpur	Major		Nil			
	W.R.D. Nagpur	Medium					
		28	719080	0	0	28	719080
	V.I.D.C. Nagpur	4	17563	0	0	4	17563
		Minor					
	W.R.D. Nagpur	339	106719	0	0	339	106719
	V.I.D.C. Nagpur	4	3487	0	0	4	3487
	<i>Total Nagpur Region</i>	382	424034	0	0	382	424034
B	AMRAVATI REGION						
	W.R.D. Nagpur	Major					
		Pus (Yeotmal)	9183	Katepurna (Akola)	8325	2	17508
	V.I.D.C. Nagpur			Nalganga (Buldhana) Nil	8741	1	8741
		Medium					
	W.R.D. Nagpur	8	39119	7	35112	15	74231
	V.I.D.C. Nagpur	1	10067	1	1428	2	11495
		Minor					
	W.R.D. Nagpur	204	73162	86	22022	290	95184
	V.I.D.C. Nagpur	11	10808	6	6680	17	17488
	<i>Total Amravati Region</i>	225	142339	102	82308	327	224647
	TOTAL VIDARBHA						
	Major	8	233540	2	17066	10	250606
	Medium	41	138657	8	36540	49	175197
	Minor	558	194176	92	28702	650	222878
	Total	607	566373	102	82308	709	618681

Source: Government of Maharashtra & Adviser (WR) [Planning Commission]

Table 18. Ongoing Projects with Water Resources Department, Nagpur and V.I.D.C., Nagpur

Sr.No.	Region	Basin				Tapi Basin				Total		
		No.	Irrigation Potential (Ha)	IP Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP Created by June 05 (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(A)	Nagpur Region											
	W.R.D. Nagpur	Major				NIL						
	Total WRD (Major)	0	0	0	0	0	0	0	0	0	0	0
	V.I.D.C. Nagpur	Lower Wunna (Nagpur)	25545	23153	7.10.03					1	25545	23153
		Gosikhurd (Bhandara)								1	250800	8860
(B)		Bawanthadi (Bhandara)								1	27708	0
		Lower Wardha (Wardha)								1	51655	0
		Tultuli (Gadchiroli)								1	30590	0
		Human (Chandrapur)								1	46117	0
	Total VIDC (Major)	6	432415	32013	0	0	0	0	0	6	432415	32013
	TOTAL (MAJOR)	6	432415	32013	0	0	0	0	0	6	432415	32013
	W.R.D., Nagpur	Medium										
		1 Satrapur LIS	3930	0	10/15/2001	Nil				1	3930	0
		Nagpur										
		2 Zausinagar LIS	4225	0	10/18/1996					1	4225	0
		Gondia										
		3 Rajegavkati LIS	4712	0	9/30/1999					1	4712	0
		Gondia										

(Contd.)

Table 18. (Contd.)

Sr.No.	Region	Basin			Tapi Basin					Total		
		No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		4 Pothra Wardha	11632	5677	1/16/2003					1	11632	5677
		5 Haranghat LIS Chandrapur	4819	0	1/7/2002					1	4819	0
		6 Kiminidarur LIS Chandrapur	2440	0	1/4/2002					1	2440	0
		7 Bendara Chandrapur	4876	0	7/3/2001					1	4876	0
		Total WRD (Medium)	36634	5677		Nil				7	36634	5677
	V.I.D.C. Nagpur	Jam (Nagpur)	7184	2700	23.3.05					1	7184	2700
		Kar(Wardha)	6744	3500	16.7.01					1	6744	3500
		Katangi (Gondia)	2453	1000	23.1.06					1	2453	1000
		Dongargaon (Chandrapur)	3942	2300	2.4.04					1	3942	2300
		Sdhapewada (Gondia)	8050	1418	14.12.99					1	8050	1418
		Madan (Wardha)	3270	1030	3.8.01					1	3270	1030
		Lalnalla (Wardha)	7290	0	13.5.02					1	7290	0
		Karajkheda (Bhandara)	8050	0	29.3.05					1	8050	0

(Contd.)

Table 18. (Contd.)

Sr.No.	Region	Basin				Tapi Basin				Total		
		No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Sondyatola (Bhandara)	9025	0	21.12.01					1	9025	0
		Lower Chulband (Bhandara)	10437	0	29.4.95					1	10437	0
		Kalpathari (Gondia)	2051	0	22.6.00					1	2051	0
		Wagholibuti (Chandrapur)	4542	0	24.2.00					1	4542	0
		Sonapur	2440	0	8.1.02					1	2440	0
		Tomata (Chandrapur)										
		Karwaffa (Gadchiroli)	5252	0	30.11.77					1	5252	0
		Chenna (Gadchiroli)	2342	0	13.5.77					1	2342	0
		Pendhari (Nagpur)	1837	0	13.12.77					1	1837	0
		Total VIDC (Medium)	16	84909	11948	0	0	0		16	84909	11948
C		TOTAL (MEDIUM)	23	121543	17625	0	0	0	0	23	121543	17625
		Renovation										
		W.R.D., Nagpur	11	3490	0	0	0	0	0	11	3490	0
		V.I.D.C. Nagpur	0	0	0	0	0	0	0	0	0	0
		TOTAL RENO.	11	3490	0	0	0	0	0	11	3490	0

(Contd.)

Table 18. (Contd.)

Sr.No.	Region	Basin			Tapi Basin					Total		
		No.	IP. Created Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	IP. Created Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	IP. Created Potential (Ha)	IP. Created by June 05 (Ha)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Minor										
	W.R.D., Nagpur	50	24568	7325	0	nil	0	0	0	50	24568	7325
	V.I.D.C. Nagpur	24	33689	3500	0	nil	0	0	0	24	33689	3500
	TOTAL	74	58257	10825	0	0	0	0	0	74	58257	10825
	MINOR											
	Total Nagpur	114	615705	60463	0	0	0	0	0	114	615705	60463
(II)	Region											
A	AMRAVATI											
	REGION											
	W.R.D., Nagpur	Major NIL										
						Lower Pedhi	12230	0	8/12/2004	1	12230	0
						Amra- Vati						
	Total W.R.D. (Ma- jor)	0	0	0	0	1	12230	0		1	12230	0
		Upper Wardha (Amravati)				Wan(Akola)	19177			2	99427	90847
	V.I.D.C., Nagpur											
			80250	72024	31.7.99	222		18823	7.2.00			
		Arunavati (Yeotmal)	24003	23234	23.5.03	jigaon (Buldhana)	101088	0	20.10.05	2	125091	23234
		Pentakli (Buld- hana)	14332	7300	25.10.05					1	14332	7300
		Lower Pain- ganga (Yeot- mal)	227271	0	26.6.97					1	227271	0

(Contd.)

Table 18. (Contd.)

Sr.No.	Region	Basin				Tapi Basin				Total			
		No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
C		Bembla (Yeotmal)	47000	0	4.8.04					1	47000	0	
		Khadakpurna (Buldhana)	21443	0	15.1.02					1	21443	0	
	Total VIDC (Major)	6	414299	102558	0		120265	18823		8	534564	121381	
	TOTAL MAJOR	6	414299	102558	0		132495	18823	0	9	546794	121381	
	W.R.D. Nagpur	Medium Paudhari (Wardha Division)	8150	0	6/15/2005	Sapan Amravati	8894	0	1/13/2003	2	17044	0	
	TOTAL W.R.D. Nagpur	1	8150	0		1	8894	0		2	17044	0	
	V.I.D.C. Nagpur	Navargaon (Yeotmal)	2878	2470	30.1.06	Chandrabhaga (Amravati)	6732	2350	13.11.02	2	9610	4820	
		Mun (Buldhana)	9287	8714		6.12.05	Purna (Amravati)	7530	23	28.10.05	2	16817	8737
							Utavali (Buldhana)	5394	320	14.2.03	1	5394	320
	Total VIDC Nagpur	2	12165	11184		3	19656	2693			5	31821	13877
	TOTAL MEDIUM	3	20315	11184		4	28550	2693	0	0	7	48865	13877
	Renovation												
	W.R.D., Nagpur	NIL					1	1321	1321		1	1321	1321
V.I.D.C Nagpur	NIL										0	0	
												(Contd.)	

(Contd.)

Table 18. (Concl.)

Sr.No.	Region	Basin				Tapi Basin				Total		
		No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)	No.	Irrigation Potential (Ha)	IP. Created by June 05 (Ha)	Satte Govt. Approval (AA/RAA Dt.)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
D	TOTAL RENO.		0	0	0	1	1321	1321		1	1321	1321
	Minor											
	W.R.D.Nagpur	59	24942	12715		21	8706	3576		80	33648	16291
	V.I.D.C Nagpur	8	10543	6846		2	2551	1689		10	13094	8535
	TOTAL MINOR	67	35485	19561		23	11257	5265		90	46742	24826
	Total Amravati	76	470099	133303		31	173623	28102		107	643722	161405
	Region											
	TOTAL											
	VIDARBHA											
	Major	12	846714	134571		3	132495	18823		15	979209	153394
Medium	26	141858	28809		4	28550	2693		30	170408	31502	
Renovation	11	3490	0		1	1321	1321		12	4811	1321	
Minor	141	93742	30386		23	11257	5265		164	104999	35651	
TOTAL	190	1085804	193766		31	173623	28102		221	1259427	221868	

Table 19. District-Wise Ground Water Resources Availability, Utilization and Stage of Development in Vidarbha Region of Maharashtra (in ha.m./yr)

Sr.No.	District	Annual Replenishable Ground Water						Natural Discharge during No monsoon season	Net Ground Water Availability	Annual Ground Water Draft			Projected Demand for Domestic and Industrial uses upto 2025	Ground Water Availability for Future Irrigation	Stage of Ground Water Development (%)
		Monsoon Season		Non-monsoon Season		Total	Irrigation			Domestic and Industrial uses	Total				
		Recharge from Rainfall	Recharge from other sources	Recharge from Rainfall	Recharge from other sources										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	Akola	62905	1832	3493	8767	76997	3863	73135	25330	2566	27896	5094	40159	38	
2	Amravati	63239	2632	8487	25063	99421	4971	94450	70759	2510	73270	3863	25913	78	
3	Bhandara	70089	11622	7178	23426	112314	6339	105975	19751	5052	24803	9926	72313	23	
4	Buldhana	61530	3396	4684	3648	73257	3663	69595	38758	2886	41644	4970	24855	60	
5	Chandrapur	84440	4831	0	3311	92582	4629	87953	9762	4568	14331	9106	64516	16	
6	Gadchiroli	81488	19530	0	30495	131513	8971	122542	9302	1372	10674	2719	109149	9	
7	Nagpur	70427	11557	11334	16909	110228	6039	104189	39431	5865	45295	10603	49979	43	
8	Wardha	54232	547	8676	36225	99680	5295	94385	24767	1681	26448	3342	64669	28	
9	Yeatmal	94687	3400	19403	17072	134562	6728	127834	25863	5572	31435	11143	85256	25	
Total		643037	59347	63255	164916	930554	50498	880058	263723	32072	295796	60766	536809	34	

CATEGORISATION OF TALUKAS IN VIDARBHA REGION OF MAHARASHTRA

Sl. No.	District	Total no. of talukas	Semi-critical	Critical	Over-exploited	Remarks
1	Amaravati	14	-	1	3	
2	Buldhana	-	1	-	1	
3	Nagpur	13	2	-	-	
TOTAL			3	1	4	

VIDARBHA STATUTORY DEVELOPMENT BOARD

Fifteenth Annual Report 2008-09

CONTENTS

Sr. No.	Name of the Chapter	Page No.
(1)	(2)	(3)
Chaptear- 1	<ul style="list-style-type: none"> * Letter from the Chairman, V.S.D.B to Hon'ble Governor * Acknowledgement 	
Chapter - 2	<ul style="list-style-type: none"> * Establishment of Statutory Development Board * Functions of the Development Board * The Governor's responsibilities 	
Chapter - 3	<ul style="list-style-type: none"> * Report of the Member Secretary of the Board * Meetings of the Board * Important decisions and resolutions passed in Board Meeting * Other Meeting of the Board * The Status of Roads in Vidarbha * Energisation of Agricultural pumpsets * Electricity Consumption for Agricultural pumps * Ex Malgajari Tanks * Need of equitable distrivbution of Energy * Problems of irrigation in Vidarbha * Outlay distribution for irrigation sector * Special fund at the disposal of Hon'ble Governor 	

Respected Sir,

1. I am very much pleased to submit the report of work done by Vidarbha Statutory Development Board in the financial year 2008-09 for placing it before the State Legislature. The report includes the active role played by the board and the efforts made for reducing backlog of Vidarbha and persuasion for funds distribution for irrigation sector as per your directives. The report also includes important issues of energisation of agricultural pumpsets, ex-malgajari tank, deficiency of the roads of Vidarbha, necessity of equitable region wise distribution of energy etc. also intend to draw your kind attention towards the activities of the Board and the role it played in accelerating the process of development of Vidarbha.

2. Sir, the Board is thankful to you for your kind visit along with your Secretary and Joint Secretary on 18th July 2008 and apprising of the role of the Board on various issues. You have assured the Board that the entire State would enjoy the fruits of development. The Board is grateful to you for your positive response to the various developmental issues.

3. The work of International Mihan project has started in Nagpur in Vidarbha. Construction work of National and International projects has also been started here. There would be employment opportunities on a very large scale in this project. Therefore, a booklet and C.D. entitled "MIHAN Vidarbhasathi Vardan" is prepared by Dr. Sanjay Khadakkar, expert Member V.S.D.B containing information of employment potential, job

requirements and training etc, which is useful to the people of Vidarbha to avail opportunities of employment. This booklet and C.D was released by your Honour at the time of visit to the Board on 18th July 2008. Efforts were made to reach this information to the people. As a result, the Board expects that, the large number of young and other unemployed people of Vidarbha would be benefited due to the Mihan project .

4. Sir, you have sought the views of all Development Boards on calculation of backlog after 2010 and changing role of Development Boards by letter dated 15.7.2008. The views of V.S.D.B were submitted vide our letter dated 24.11.2008. The Board expects that the views submitted by the Board would be considered positively.

5. Vidarbha Statutory Development Board has been asking continuously to exclude the irrigation potential of ex malgujari tanks while calculating the district wise backlog of irrigation sector, since ex-Malgujari tanks do not presently hold their original irrigation capacity. Adv. M.G.Kimmatkar, Expert Member of the Board has prepared a detailed report on ex-malgujari tanks, which was submitted vide our letter dated 19.9.2008. The Board expects that the issues taken up in this report would be resolved.

6. The Board has taken the district wise review of the outlay for items other than irrigation sector which was sanctioned for the year 2007-08 and 2008-09 by the Government. It was noted that, almost in all the districts, the budgeted outlay was very less as compared to the sanctioned outlay. This resulted in lesser utilisation of backlog funds. It is suggested that to ensure complete utilization of backlog funds, the fund should be released to the concerned Collector, entrusting him with responsibility for timely expenditure, alike the funds of district plan of the budget. This will increase the expenditure percentage and would help in removing the backlog by 2010.

7. The Board constituted committees to prepare study reports on the various subjects. Adv. M.G.Kimmatkar, Expert Member of V.S.D.B, has submitted the study report on "**need of equitable distribution of energy**" to the Board. The Board has unanimously approved it and submitted to you vide our letter dated 26th November 2008. The report could be discussed further if the meeting of the officers of the concerned departments and representatives of the Board is arranged. It is requested that opportunity be given to the Board to put up the views on this subject.

8. On 12th March 2009, a joint meeting of all three Boards was organized in Rajbhavan at Mumbai. In this meeting, discussions were held mainly on calculation of backlog after 2010, changing role of Development Boards and Special fund programme. It was proposed by V.S.D.B to increase the limit of State level schemes of Special fund from 15% to 30%. The proposal was submitted vide our letter dated 11th June, 2008 which may be considered positively.

9. Since 1995-96, under the special fund programme, the outlay of Rs. 100 crore is being made for developmental work by three development Boards. In view of continuous rise in the cost of raw materials, wages and transport required for the development works, and considering increase in the annual plan of the State from the year 1995-96, a proposal to increase the special fund from Rs.100 crores to Rs. 500 crores per year was submitted vide our letter dated 11th June 2008. It is requested that due consideration may be given to this proposal.

10 The Government had deducted Rs. 7.25 crore from special fund of V.S.D.B at source for Integrated Road Development Programme, Amravati in 2007-08. However the Board received this fund back due to your kind intervention and the Board is thankful to you, for the gesture

11. In December, 2008, during the winter session, a booklet on achievement of Development Boards was published by your office. There were detailed discussions on issues covered in the booklet in the Board meeting held on 13.1.2009. Adv. M.G. Kimmatkar, Expert Member, prepared remarks which were endorsed by the Board and submitted to your office on 4.2.2009. I hope that the remarks of the Board would be certainly considered by you.

12. Under your valuable guidance sir, the Board will always be striving hard to accelerate the process of developmental activities of Vidarbha. The Board is grateful to you Sir, for your valuable guidance received from time to time in resolving various issues of this area.

With regards

Yours faithfully
(Tukaram Birkad)

To
Hon. Shri S.C. Jamir,
Governor of Maharashtra,
Raj Bhavan, Malbar Hill,
Mumbai.

Acknowledgement

The Board humbly expresses its sincere gratitude to His Excellency, the Governor of Maharashtra for his guidance to the Board in its endeavour towards accelerating the development of Vidarbha and removal of regional imbalance of development and also for giving a sympathetic consideration to the Board's efforts.

The Board is obliged to the Hon'ble Chief Minister of Maharashtra and his colleague ministers of the State Cabinet for taking keen interest in the development of Vidarbha and also for taking necessary action on the Board's requests/suggestions/complaints etc.

The Board is thankful to the representatives of the people of Vidarbha, viz., respected Members of Parliament, respected Members of State Legislature, Presidents and office bearers of Zilla Parishads, Presidents and Members of Nagar Parishads for their cooperation.

We have been in constant touch with various departments, and they have extended full co-operation to the Board. For this, the Board is very much thankful to the Chief Secretary, Additional Chief Secretary, Principal Secretaries and all the Secretaries and their staff.

The Board received full co-operation from the officers and staff of the office of the Hon'ble Governor and Planning Department. The Board is obliged to the Principal Secretary, Planning Department and Secretary and Deputy Secretary to the Hon'ble. Governor and their staff.

Establishment of Statutory Development Boards:

Under article 371 (2) of the Constitution of India, the Hon'ble President of India directed to establish the three statutory development Boards of Vidarbha, Marathwada & Rest of Maharashtra vide orders dated 9th March, 1994. The Hon'ble Governor in accordance with the powers entrusted to him, established the three Statutory Development Boards on 30-4-1994. Subsequently the Chairman and Board members were appointed on 25th June, 1994.

As per the above mentioned order, the term of the Development Board was to expire on 30.4.1999. However, since important works undertaken by the Boards were incomplete and the regional imbalance could not be removed, the Hon'ble President of India extended the term of the Board up to 30 April 2010.

At present besides the Chairman and the Member Secretary, four expert members, one member each from the Legislative Assembly and Local Body (Z.P) within the jurisdiction are in

the Board. Executive Chairman, State Planning Commission and two Divisional Commissioners of Amravati and Nagpur are ex-officio Members of the Board.

Members of the Development Board

The List of members of Vidarbha Statutory Development Board during the period 1-4-2008 to 31-3-2009 is as under-

Sr. No	Name	Post
1.	Hon. Shri Tukaram Birkad	Chairman
2.	Hon. Shri Ratnakar Mahajan	Executive Chairman, State Planning Board & ex-officio member
3.	Hon. Shri Nanabhau Patole	Member (1.4.2008 to 18.3.2009)
4.	Hon. Shri Sanjay Deotale	Member
5.	Hon. Shri Ramrao Karemore	Member 25.7.2008 onwards
6.	Hon. Adv. M.G.Kimmatkar	Expert Member
7.	Hon. Dr. Rani Bang	Expert Member
8.	Hon. Dr.G.M. Bharad	Expert Member
9.	Hon. Dr. Sanjay Khadakkar	Expert Member
10.	Divisional Commissioner, Nagpur	Ex-officio Member
11.	Divisional Commissioner, Amaravati	Ex-officio Member
12.	Shri V.R. Banginwar	Member Secretary

Functions of the Development Boards

The Governor's Order dated 30th April, 1994 described the functions of the Development Boards as follows:-

- 1) Ascertain relative level of development in different sectors in relation to its area on the basis of appropriate indicators, having regard to the level of development in the State as a whole.
- 2) Assess the impact of various developmental efforts in removing backlog and in achieving overall development within its areas.
- 3) Suggest the levels of developmental expenditure over the area of the Development Board for the annual and five year plan.
- 4) Prepare an annual report on the working of the Board and send it as far as practicable within

three months after the end of every financial year to the Governor for placing before the Maharashtra State Legislature.

The Governor's responsibilities

The Governor's order, dated 30th April, 1994 describes the Governor's responsibilities under Article 371(2) as follows.

- 1) The Governor shall ensure equitable allocation of funds for developmental expenditure over the areas of Development Boards, subject to the requirement of the State as a whole.
- 2) While ensuring equitable allocation of funds, the Governor may -

- a) Take into consideration the recommendations, if any, made by the Development Boards, and
 - b) Where he considers it necessary and appropriate, seek advice from any person or body of persons in the matter of allocation of funds.
- 3) The allocation of funds and outlays made by the Governor shall be reflected in the Annual Financial Statement to be placed before the State Legislature and the development activities with regard to the outlays as aforesaid, shall be carried out or caused to be carried out by the State Government and the funds so allocated shall be nondivertible from the area of one Board to that of another Board
- 4) The Governor shall ensure equitable arrangement providing adequate facilities for technical education and vocational training and for adequate opportunities for employment in services under the control of the State Government in respect of the area of each Development Board, subject to the requirements of the State as a whole and for the purpose the Governor shall give suitable directions to the State Government from time to time and while doing so, the Governor may, where he considers it necessary and appropriate, seek advice from any person or body of persons.
- Working period of Chairman and Member Secretary since the establishment of the Board.

Hon.Chairman's period -

- | | |
|------------------------------------|-------------------------|
| 1) Hon. Prof. Ram Meghe | 1.7.1994 to 14.5.1995 |
| 2) Hon. Shri Arunbhai Adsad | 15.5.1995 to 15.12.1999 |
| 3) Hon. Shri Harshvardhan Deshmukh | 16.12.1999 to 6.10.2004 |
| 4) Hon. Dr. S.K.Sharma I.A.S. | 7.10.2004 to 19.5.2005 |
| 5) Hon. Shri Anand Limaye, I.A.S. | 20.5.2005 to 22.9.2006 |
| 6) Hon. Shri Tukaram Birkad | 23.9.2006 onwards |

Member Secretary's period -

- | | |
|---------------------------------------|-------------------------|
| 1) Shri Subhashchandra Bhakre, I.A.S. | 27.6.1994 to 21.10.1994 |
| 2) Shri Kishor Gajbhiye, I.A.S. | 22.10.1994 to 21.2.1996 |
| 3) Shri Surendra Jahagirdar I.A.S. | 22.2.1996 to 11.3.1996 |
| 4) Shri Arvind Singh, I.A.S. | 12.3.1996 to 28.8.1997 |
| 5) Shri Vimlendra Sharam, I.A.S. | 29.8.1997 to 20.4.1998 |
| 6) Dr. S.G.Kinkar I.A.S. | 21.4.1998 to 10.4.2003 |
| 7) Shri U.N.Jichkar | 10.4.2003 to 4.6.2003 |
| 8) Shri M.S.Deonikar I.A.S. | 5.6.2003 to 14.7.2004 |
| 9) Shri V.S.Bute I.A.S. | 15.7.2004 to 11.9.2005 |
| 10) Shri V.R.Banginwar, I.A.S. | 12.9.2005 onward |

CHAPTER-3

Report of the Member Secretary of the Board.

For the day-to-day functioning of the Board,

the Government has sanctioned 23 posts of which 1 post was vacant as on 31-3-2009. The details of the sanctioned posts filled in posts and vacant posts are as under.

Category of Post	Number of Posts		
	Sanctioned	Filled in	Vacant
For Hon'ble Chairman's			
Office	1	1	0
Grade A	3	3	0
Grade B	3	2	1
Grade C	3	3	0
Grade D			
For Member Secretary's			
Office	2	2	0
Grade A	5	5	0
Grade B	4	4	0
Grade C	2	2	0
Grade D			
Total	23	22	1

Meetings of the Board

Total eight meetings of the Board were held during the period from 1st April 2008 to 31st March 2009. Various issues such as review of the works under the jurisdiction of Statutory Board, developmental policies and measures on plan formulation were discussed. The subjects discussed in the meeting during 2008-09 are listed below.

Board Meetings

Sr.no	Date	Subject:
1	2	3
1.	9.5.2008	1. Special Fund - 2007-08 2. Discussion on draft Annual report 2007-08 of the Board 3. Special Fund -Unspent balance
2.	27.6.2008	1. Road development programme - 1981-2001 2. Backlog schemes - 2007-08 3. Special Fund - Unspent balance 4. Ex-Malgujari Tank 5. Annual Report - 2007-08 6. Review of Special Subject Committee 7. Proposed Visit of Hon. Governor to the Board on 18.7.2008
3.	5.9.2008	1. Less Achievement in Vidarbha in Road development programme - 1981-2001 2. Review of Special Subject Committee 3. Evaluation report to establish separate Statutory Development Board for North Maharashtra. 4. Special Fund - 2007-08 5. Web-site of V.S.D.B
4.	26.9.2008	1. Discussion on the Indicators for removal of Backlog after 2010 2. Transfer of the open land of V.S.D.B office for Construction of Dr. Ambedkar Samaj Bhavan 3. Recommendations for special fund 2008-09
5.	20.11.2008	1. Discussion on the views on removal of Backlog after 2010 and changing role of the Development Boards. 2. Need of Equitable distribution of Energy - report approval. 3. Proposed Seminar on Non-Conventional Energy
6.	13.1.2009	1. Proposed Seminar on Non-Conventional Energy 2. Special Fund - 2008-09. Discussion on proposed change of work. 3. Discussion on Tribal sub plan Fund to be excluded from Directives of Hon'ble Governor 4. Discussion on the booklet published by Raj Bhavan - achievement of Development Boards. 5. Discussion on proposed resolution to include a technical high school, Murtizapur Dist. Akola in backlog list.
7.	30.1.2009	1. Special Fund Programme 2008-09 recommendation of the proposal of Rs. 7.25 crore. 2. Backlog in Public Health. 3. Report of the special subject committee. 4. Development of Tourism
8.	28.3.2009	1. Review of Special fund 2008-09 - Sanctioned by Govt. 2. Transfer the open land of V.S.D.B office for Construction of Dr. Ambedkar Samaj Bhavan 3. Discussion on Meeting held at Rajbhavan on 12.3.2009

Important decisions and resolutions passed in Board's meetings

Resolution No.261, dated 9.5.2008

The people of Western Maharashtra challenged, in the Hon'ble High court Mumbai, the power of the Hon'ble Governor to issue the directives and it's binding on Government. The verdict declared by the Hon'ble High Court was in favour of Vidarbha. Adv. M.G.Kimmatkar, Expert Member of the Board and other persons has made efforts in this regard and hence the following resolution was passed.

"The verdict of the Hon'ble High Court regarding the powers of the Hon'ble Governor to issue the directives and its binding on the Government is in favour of Vidarbha and since Adv. M.G.Kimmatkar Expert Member of the Board has taken special efforts to win this judicial battle, the Board congratulates him. Similarly Board is also thankful to Shri B.T.Deshmukh, Adv. Shrihari Ane, Advocate General of Maharashtra and others who have directly or indirectly made efforts in this regard and congratulates them for this success."

Resolution No.262, dated 9.5.2008

Dr. G.M. Bharad, Expert Member of the Board put the proposal before the meeting for resolution of congratulating Dr. Rani Bang Expert Member of the Board, as the Science and Technology Department declared her Best Ladies Scientist award and Woman and Child Welfare Department declared her "Woman Empowerment" award, which has been unanimously passed as follows.

"The Board congratulates Dr. Rani Bang, Expert Member of the Board as she received "Best Ladies Scientist" award from Science and

Technology Department and "Woman Empowerment" award from Woman and Child Welfare Department"

Resolution No.263, dated 9.5.2008

The outlay made for the special fund is Rs. 100 crores for all three Development Boards from the year 1995-96. Taking in to consideration continuous rise in the cost of material, wages, and transport, keeping only Rs. 100 crores outlay from the year 1995-96 for all three Development Boards is improper. This opinion was endorsed by all the members and following resolution was passed.

"From the year 1995-96, Special fund under the discretion of the Hon. Governor of Rs.100 crores is being kept for all three Statutory Development Boards. In comparison with the annual plan of 1995-96, the annual plan of 2008-09 is increased in large proportion; however special fund for all three Development Boards is kept yearly Rs.100 crores only. Taking into consideration continuous increase in the cost of material, wages, and transport, special fund for all three Development Boards is to be elevated from Rs.100 crores to Rs 500 crores and its distribution is to be made in proportion with the percentage of the balance backlog of the region."

Resolution No.264, dated 9.5.2008

The distribution of the Special fund of the board is to be made district wise in proportion to the sector wise backlog. It is observed that Board does not receive proposals for some development sectors. The issue of diverting funds of such sectors to the other sectors came for discussion in meeting of Board.

The resolution is passed in consensus with the Government guidelines to distribute the special fund for the year 2008-09 such that 80% funds

are to be distributed district wise and backlog sector wise (40% population and 40% backlog) which is as under.

1. If Board does not receive proposals for some development sectors, then Board should be allowed to divert funds of these sectors to other development sectors.
2. The distribution of the 40% fund pro-rata to the population of the district should not be related to sectoral backlog. However, the binding of the financial limit of district will be followed.

Resolution No.265, dated 27.6.2008

The following resolution has been passed in connection with the backlog fund of annual plan which is to be released to Collector, after the sanction of budget.

Though the Hon. Governor has given directives to eliminate the backlog of other than irrigation sector till 2010, the outlay of the backlog is not budgeted by the Government. Hence there could be difficulty in removal of the backlog till 2010. Therefore, the quantum of funds according to the provisions which remained unspent during 2006-07 and 2007-08 should be made available to all Collectors as an additional fund for the year 2008-09 irrespective of the provision for 2008-09.

Resolution No.266, dated 27.6.2008

To pass the Board's fourteenth Annual report 2007-08.

Taking into consideration, the changes suggested by the Board Members, the annual report of 2007-08 is approved and permission has been granted to print the 1000 copies of report (Marathi and English).

Resolution No.267, dated 27.6.2008

The following issues were decided for the discussion during the visit of Hon'ble Governor to Board's office.

1. To release backlog fund to Collector.
2. To make available the additional fund to those districts having less achievement in Road development programme as compared to State average.
3. To increase in Special Fund of the Development Boards from Rs. 100 crores to 500 crores.
4. To Increase Special Fund of State level schemes of the Development Boards from 15% to 30%.

Resolution No.268, dated 5.9.2008

Water Regularity Authority stated that there is 52.384 TMC water in the Krishna valley out of which 7.898 TMC water storage has been built up, as informed by the office of the Hon'ble Governor vide letter dated 20th August 2008. Authority has submitted proposal to the Hon'ble Governor's office to make funds available for the next 3 years to build storage and canals for the balance water Hon'ble Governor's Office sought views of the Board on this proposal. In this connection following decision was taken.

Adv. M.G. Kimmatkar, Expert Member of the Board, who had earlier given written statement on the concerned topics to the Authority should prepare proposal on behalf of the Board.

Resolution No.269, dated 5.9.2008

Adv. M.G. Kimmatkar, Expert Member of the Board placed detailed report on "Malgujari Tank" before the Board. Following decision was taken on this report.

This report should be submitted to office of the Hon'ble Governor. It should be informed to irrigation department to call a joint meeting between Secretary and officers of Water Resources Department and members of the Board to prepare action plan on this report.

Resolution No.270, dated 5.9.2008

It has been resolved unanimously to prepare a website of Vidarbha Statutory Development Board which will contain comprehensive information, and the same will be accessible to the people.

Resolution No.271, dated 5.9.2008

Newly appointed member of the Board Shri Ramrao Tulshiram Karemore who attended the meeting of the Board for the first time. was welcomed.

It was resolved to propose the name of Shri Karemore to the office of the Hon'ble Governor and to the Government for the districts of Bhandara and Gondia, in place of the earlier order of being a representative of the District Planning Committee.

Resolution No.272, dated 26.9.2008

The proposal of Divisional Social Welfare Officer, Nagpur and Special Social Welfare Officer, Nagpur to get open land of Vidarbha Statutory Development Board to build "Dr. Babasaheb Ambedkar Samajik Nyay Bhavan" was discussed and following decision was taken.

Vidarbha Statutory Development Board is under the control of the Hon'ble Governor. In view of the frequent meetings of the Board and meetings by Hon'ble Governor, Board office and "Dr. Babasaheb Ambedkar Samajik Nyay Bhavan" should be independent of each other. However, there is no objection to give L shaped

open land located to the West and South of the Board's office for the said Bhavan. It is resolved to seek permission from Hon'ble Governor's Office and after obtaining the permission, the concerned departments will be informed accordingly.

Resolution No.273, dated 26.9.2008

Following decision was taken in connection with the District wise and Backlog wise recommendations of special fund 2008.

It is resolved that if the proposals from concerned backlog sectors are not received in the required proportion or if the proposals are received wherein there are abundant funds already available with the concerned departments from State/ District level backlog schemes, then it would not be proper to recommend such proposals. Only proper proposals should be recommended, backlog sector wise, to Government and after these recommendations, if the backlog funds of the concerned sector still remains in balance, then this balance fund should be diverted to the other needy developmental sectors with more demand and to those necessary works having public utility.

Resolution No.274, dated 20.11.2008

The following decision was taken on Board's draft proposal regarding calculation of backlog after 2010 and on changing role of Development Board.

The draft proposal which was prepared after considering the opinions of the concerned experts was approved. It was decided to send the same to the office of the Hon'ble Governor.

Resolution No.275, dated 20.11.2008

The Board has formed committees to study various subjects. Adv. M.G. Kimmatkar the head

of the study group & Expert Member of the Board submitted the draft report on the subject "Need of equitable distribution of energy". After discussion, the report was unanimously approved and it was decided to send to the Hon'ble Governor.

Resolution No.276, dated 13.1.2009

The proposals were received from all concerned regarding making changes in original recommendations of special fund for the year 2008-09. Some of these changes were already informed to the Government. Some proposals with new changes were again received. All old and new proposals were placed in the meeting. The same was approved by the Board and it was decided to send it to Government.

Resolution No.277, dated 13.1.2009

A letter from Hon'ble Governor's Office dated 20.12.2008 was received for excluding irrigation sector of tribal sub plan from Governor's directives. In accordance with this letter, the following resolution was passed.

While deciding irrigation backlog, under tribal sub plan it would not be proper to exclude it from Hon'ble Governor's Directives. While distributing district wise funds under tribal sub plan for irrigation sector, if this fund is utilized in tribal area itself, then the tribal population will be benefited. Hence the proposal of the Planning Department is considered proper. The comments prepared by Adv. M.G. Kimmatkar, Expert Member to the Board on this issue should be treated as the comments of the Board and it was decided to send the same to the Hon'ble Governor's Office.

Resolution No.278, dated 13.1.2009

Prior to the bifurcation of Akola District, each district has one Technical Institute under the backlog. The technical institute was allotted to

Washim which was earlier Taluka of Akola district. After the bifurcation of Akola District, new Washim District was created and at present the backlog of Technical Institute of Washim is almost removed since technical institute is near completion. A new technical institute has been taken up at Murtizapur in Akola District. But backlog scheme funds are not made available. Hence, a proposal to include the Technical Institute in Akola district backlog schemes may be obtained and the same may be sent to the Government with recommendations of the Board.

Resolution No.279, dated 28.3.2009

The Chairman of the meeting and Expert Member of the Board, Adv. M.G. Kimmatkar brought to the notice of meeting that recommendations of special fund by the Board are not getting administrative approval by the Department especially by Z.P., due to application of model code of conduct for upcoming Parliamentary elections from 2nd March 2009. In this regard, the following resolution was passed.

The Government should be requested to confirm whether there is difficulty in giving administrative approval to the work or not. If there is a difficulty, then the Board should obtain exemption to get approval to the work even after 31st March 2009. The Government should also be requested to make available such additional provision in 2009-10.

Meeting other than the Board Meeting

Meetings, other than the regular Board meetings, were held to bring to the notice to Hon. Governor and the various Govt. departments, the various important developmental issues. During these meetings, various important issues regarding Vidarbha's development, review of work done by the board, annual plan, backlog plan etc. were discussed.

Sr.no	Date	Subject:
1	2	3
1.	5.4.2008	1. Employment opportunity in Mihan project, Nagpur
2.	24.4.2008	2. Review of Backlog schemes
3.	30.4.2008	Special fund programme-Review of Pubic work department (Amravati Division)
4.	3.5.2008	Special fund programme -Review of Pubic work department (Nagpur Division)
5.	5.5.2008	Special fund programme -Review of Zilla Parishad
6.	13.5.2008	Review of Implementation of works recommended by the Board under special fund programme from the two most backward talukas
7.	27.5.2008	Review of surrender amount of special fund in 2006.07 & 2007.08
8.	4.7.2008	Discussion with Heads of the dept. for district wise and backlog sector wise recommendation of special fund
9.	8.7.2008	Proposed visit of Hon'ble Governor to the Board on 18.7.2008
10.	9.7.2008	Proposed visit of Hon'ble Governor to the Board on 18.7.2008
11.	10.7.2008	Proposed visit of Hon'ble Governor to the Board on 18.7.2008
12.	17.7.2008	Proposed visit of Hon'ble Governor to the Board on 18.7.2008
13.	1.8.2008	Discussion with the Secretary to the Hon'ble Governor
14.	12.8.2008	Discussion on Ex. Malgajari Tank
15.	1.11.2008	Calculate the backlog after 2010 & changing role of Development Boards.
16.	18.12.2008	Meeting for the discussion with Hon'ble Governor
17.	13.1.2009	Backlog schemes 2008-09
18.	29.1.2009	Pending utilization certificate of special fund
19.	30.1.2009	Less achievement in Vidarbha in Road development programme 1981-2001
20.	17.2.2009	Review of energisation of agricultural pumpsets under backlog scheme

Vidarbha Statutory Development Board has taken a persuasive and serious stand on various important developmental issues and has submitted its views to the Govt. as well as to the Hon'ble Governor. Some of the important issues are being reiterated here. Besides these, the status of points raised by the Board last year on (1) Delay of district wise allocation/ distribution of outlay (2) Difficulties faced in the implementation of Maharashtra Rural Employment Guarantee Schemes. (3) The views and the points of the Board regarding the committee formed to finalize the Drought Prone Areas and to assess the

Talukawise backlog, remained unchanged during the current year also.

1. The Status of Roads in Vidarbha

The public works Department of Govt. of Maharashtra publishes a booklet of basic statistics every year. The position as on 31.3.2008 for all the districts of the State is shown in the booklet for the year 2008. The division wise status of the total road length as on 31.3.2008 of targets and achievements under the road development program 1981-2001 is as follows.

(Length K.m)

Region	National		State Highway		Major District		Other District		Village Road	
	Target	Achiev	Target	Achiev	Target	Achiev	Target	Achiev	Target	Achiev
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Rest of Mah.	2184	2698	17198	15999	25269	24630	26259	24838	62470	56582
Marathwada	82	795	8368	8004	11886	13573	9235	8453	25865	21384
Total & % of achiev.	2266	3493	25566	24003	37155	38203	35494	33291	88335	77966
Excluding Vidarbha		(154.15%)		(93.89%)		(102.82%)		(93.79%)		(88.26%)
Vidarbha	846	874	10017	9797	11460	11190	15902	12595	42969	24183
		(103.31%)		(97.80%)		(97.64%)		(79.20%)		(56.28%)
Total Mah.	3112	4367	35583	33800	48615	49393	51396	45886	131304	102149
		(140.33%)		(94.99%)		(101.60%)		(89.28%)		(77.80%)

Type of Roads	The average achievement percentage of the State excluding Vidarbha	Achievement percentage of Vidarbha	Less achievement percentage of Vidarbha Compared to State	Target for Vidarbha	Achievement	Extra Road needed to be Built in Vidarbha for equaling the State average(km)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
National Highway	154.15	103.31	50.84	846	874	430.11
State Highway	93.89	97.80	(-)3.91	10017	9797	-
Major District Roads	102.82	97.64	5.18	11460	11190	593.63
Other District Roads	93.79	79.20	14.59	15902	12595	2320.10
Village Roads	88.26	56.28	31.98	42969	24183	13741.49
Total						17085.33

It can be observed from the above data, that except the State highways for all other types of roads, Vidarbha's percentage of achievement is less than the State average. Considering all type of roads, 17085 kms of roads have to be built in Vidarbha to equal its achievement to the State average. Approximately Rs. 20 lacs are required to construct one km. road including bridges and drainages. So approximately Rs. 3417.00 Crores

would have to be spent in Vidarbha to remove the backlog of roads under the 1981-2001 programme.

Considering district wise target & achievement upto 2000 under the 1981-2001 programme and there after roads built till the year 2008 for achieving the target, the region wise status is as follows.

Sr. No	Reigion	Target 1981-2001	Achievement & percentage with respect to the target		Increase in road length during 2000 and 2008
			2000	2008	
(1)	(2)	(3)	(4)	(5)	(6)
1.	Rest of Mah.	133380	113351 (84.98 %)	124747 (93.52 %)	11396 (52.65 %)
2.	Marathwada	55436	47858 (86.33 %)	52209 (94.17 %)	4351 (20.10 %)
3.	Vidarbha	81194	52742 (64.96 %)	58639 (72.22 %)	5897 (27.25 %)
Total		270010	213951 (79.24 %)	235595 (87.25 %)	21644 (100 %)

It can be seen that during the period 2000 to 2008, the achievement of Vidarbha and Marathwada is very less.

Region wise area and road length as on 31st March 2008

Sr. No	Region	Area in Sq.kms	Total Road (km)	Road length per sq km (in km)
(1)	(2)	(3)	(4)	(5)
1.	Rest of Maharashtra	145505	124747	0.85
2.	Marathwada	64806	52209	0.80
3.	Vidarbha	97409	58639	0.60
	Total Maharashtra Excluding Vidarbha	210311	176956	0.84

It can be seen that the road length per sq km of area is least in Vidarbha. Considering the total area of Vidarbha, additional 23378 kms of road

will have to be constructed to equal it to the state average. Approximately Rs. 20 lakhs are required for the construction of one km of road including bridges and drainages. So nearly 4675.60 crores will have to be spent in Vidarbha to equal it to the state average of road length per sq.km.

Village Connectivity Programme

Each district has villages of different population sizes. The information regarding how many villages are connected by all weather roads and tar roads, how many villages are not connected by any kind of roads is given in the booklet, which is as follows.

Status of the village connectivity programme, March 2008.

Sr. No	Region	Total No. of Villages	Villages connected by AWR and their percentage	Villages connected by eight month roads and their	Villages Not connected and their percentage	villages connected by tar roads and their percentage	Villages Not connected by tar roads and their percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Rest of Mah.	18627	18037 (96.83%)	461 (2.47 %)	129 (0.69 %)	15742 (84.51 %)	2885 (12.27 %)
2	Marathwada	8146	8009 (98.31%)	105 (1.29%)	32 (0.39%)	6386 (78.79%)	1760 (21.61%)
3	Vidarbha	13639	13060 (95.75%)	406 (2.98%)	173 (1.27%)	9210 (67.53%)	4429 (32.47%)
	Maharashtra	40412	39106	972	334	31338	9074

It is clear from the above statement that there are 334 villages in the State which are not connected by any type of road and out of those 173 (57.80 %) villages are in Vidarbha. Similarly out of 31338 total villages connected by tar road, 9210 (29.40 %) villages are in Vidarbha. Out of the total 40412 villages in the state 13639 (33.75

%) villages are in Vidarbha, out of which 1/3rd are not connected by tar road. It is clear from above that region wise percentage of villages has not been considered in the village connectivity programme Vidarbha is the most backward in this programme also.

Road Development Programme - 2001-2021

development programme for the year 2001-2021 is as under:

The region wise target of draft of Road

Sr. No	Regions	Target (km)	Percentage Target	Total Area sq. k.m	Percentage Area
(1)	(2)	(3)	(4)	(5)	(6)
1.	Rest of Mah.	170592	51.63	152736	49.62
2.	Marathwada	65989	19.97	57656	18.73
3.	Amravati	44092	13.75	46027	14.96
4.	Nagpur	49727	15.05	51377	16.69
5.	Vidarbha	93819	28.40	97408	31.65
6.	Maharashtra	330400	100	307796	100

For the road development programme 2001-2021, the region wise target has been determined after considering the balance target of previous programme and excluding forest area. The road target should be based on the total area of the region because there are villages with

human population in forest area also; and roads are necessary for their development.

After subtracting the balance target of the previous programme, the region wise target for 2001-2021 should have been as follows.

Sr. No	Regions	Target 2001-2021 (km)	Unachieved Target in previous programme 1981-2001	New Target after subtracting unachieved Target	Percentage Target	Percentage Area
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Rest of Mah.	170592	10133	160459	54.21	49.62
2.	Marathwada	65989	4329	61660	20.83	18.73
3.	Amravati	44092	13677	30415	10.28	14.96
4.	Nagpur	49727	6276	43451	14.68	16.69
5.	Vidarbha	93819	19953	73866	24.96	31.65
6.	Maharashtra	330400	34415	295985	100	100

If target of roads is to be determined by considering the sq.km area of the region and the geographical area in Vidarbha is 31.65% of Maharashtra State, then the new road target for 2001-2021 would also have been 31.65% but the target of the new road construction is only 24.96%. Hence, it is necessary that this point should be considered at the State level before finalizing the region wise target of roads for

2001-2021 programme.

As the position of the roads in the rural area of Vidarbha is very bad, there is a need of increased funds for this purpose. There is need to appoint a committee to determine the new backlog, before implementing the region wise road development programme 2001-2021.

2.Energisation of Agricultural pumpsets

As per the procedures adopted for calculating the backlog of agricultural pumps by Dr. Dandekar Committee in its report submitted in 1984 and by the Indicators and Backlog Committee, appointed by the Hon'ble Governor, in its report submitted in 1998, the average number of energised pumpsets per thousand hect. of cropped area was calculated after considering the total number of energised pumpsets in each district as on 1.4.1983 and 1.4.1996 and the districtwise cropped area. The district wise average energised pumpsets per thousand hect. of cropped area was calculated by the comparing it with the total cropped area of state and the average number of energised pumpsets per thousand hect. of cropped area. It was decided that the districts having better average of energised agricultural pumpsets compared to the state average has no backlog and those having lesser average than the state average has a backlog. The physical backlog was decided as the number of pumpsets required to reach to the state average. The financial backlog was calculated by taking into consideration the then cost of energisation of one pumpset.

Both the committees suggested methods of fixing annual target for energisation of pumpsets. According to this, the district having backlog should have target corresponding to its backlog. Among those districts having no backlog, the district with less number of average pumpsets should have the priority while fixing target. However, due to non-compliance of this suggestion, districts having more no. of average pumpsets than the state average were given fresh targets each year, thereby creating new backlog. Usually, the expenditure for energisation of pumpsets is mainly for building HT and LT lines, connecting electric wires, building transformers, building sub station etc. These infrastructure facilities are far less in backlog districts. The outlay made available annually for backlog removal by the Hon'ble Governor should be spent on building these infrastructure facilities. This would result in increased demand for pumpsets. At present, due to non availability of infrastructure facilities, farmers of Vidarbha do not apply for power supply or their applications are not accepted at all. The district wise target, at present, is based on the number of paid pending applications instead of the backlog, which is a wrong method.

The physical backlog at different periods based on the information as on 1.4.2008 provided by M.S.E.Distribution.Co.Ltd. is as follows:

Physical Backlog

Region	Cropped area(hect) compared to the state average. (percentage)	Backlog of agri.pump- sets as on 1-41983 compared to the state average. (percentage)	Backlog of agri.pump- sets as on 1-41996 compared to State average (percentage)	Backlog of agri.pump- sets as on 1-42008 compared to the State average (percentage)
(1)	(2)	(3)	(4)	(5)
Konkan	878400 (4.87%)	15545 (10.88%)	54640 (18.32%)	74422 (17.67 %)
Western Maharashtra	7320900 (40.53%)	16857 (11.80%)	0 (0%)	0 (0%)
Marathwada	4755900 (26.33%)	52502 (36.74%)	72113 (24.18%)	107035 (25.41 %)
Vidarbha	5106800 (28.27%)	57981 (40.58%)	171472 (57.50%)	239751 (56.92 %)
Maharashtra	1806200 (100%)	142885 (100%)	298225 (100%)	421207 (100%)

Some districts may have backlog (the average number of pumpsets being less than State average) but other districts of the same division may have more pumpsets than the State average. The division wise information of less or more pumpsets is given below.

Region	Less or more pumpsets compared to the state average as on 1-4-1996	Less or more pumpsets compared to the State average as on 1-4-2008
(1)	(2)	(3)
Konkan	(-) 54640 (+) 0	(-) 74422 (+) 0
Western Maharashtra	(-) 0(+) 258307	(-) 0 (+) 385515
Marathwada	(-) 72113 (+) 36723	(-) 107035 (+) 35692
Vidarbha	(-) 171472 (+) 3215	(-) 239751 (+) 0

NOTE - (-) Backlog number (+) more pumpsets compared to the state average.

It is expected that the procedure is to be followed for fixing district wise yearly target to energize pump sets so that backlog is removed and no further backlog is created. Although the report has been accepted by the Government, there is no implementation of the directives with the result that backlog of pump sets in some districts of the State and all the districts of Vidarbha is increasing every year.

Electricity Consumption for Agricultural pumps

The irrigation through lift irrigation and agricultural pumps is a supplementary to irrigation. Energy distribution for agricultural pumps of different district or the regions should be in accordance with the percentage of cropped area of each district and region. The load shedding should also be done on the basis of cropped area. The load shedding should be determined without considering the number of pumps in each district. But at present, energy consumption for agricultural pumps is not related to the cropped area. Hence energy consumption in different regions of the state is erratic and surprising. Maharashtra State Electricity Distribution Co. Ltd. has made available information of district wise and region wise energy consumption for agriculture for the year 2006-07. It is observed that energy consumption for agricultural pumps in Vidarbha is only 10.44 % (28.27% of cropped area). For Pune division energy consumption is 35.21% (compared to total energy consumption of the state), against the cropped area 21.28%. As compared to the cropped area, district wise electricity consumption and its percentage in the year 2006-07 is as under.

Comparative Statement of District wise Electricity Consumption for Agricultural Pumps in 2006-07

Sr.No.	District	Cropped area (000'hect)	Total Consumption (million units)	Per Hect. Electricity Consumption in unit	Percentage of District Consumption as compared to State	Percentage of Division wise Cropped area
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Brihan Mumbai	-	-	-	-	
2.	Thane	289.80	39.40	135.96	0.42	
3.	Raigad	188.60	17.02	90.24	0.18	
4.	Ratnagiri	247.00	7.44	28.52	0.08	
5.	Sindhudurg	153.00	6.58	43.01	0.07	
	Total Kokan Division	878.40	70.44	80.19	0.75	4.87
6.	Nasik	896.80	801.91	894.19	8.50	
7.	Dhule/Nandurbar	732.90	396.17	540.50	4.20	
8.	Jalgaon	852.30	713.77	837.46	7.56	
9.	Ahamadnagar	1175.90	832.51	707.98	8.82	
	Total Nasik Division	3657.90	2744.36	750.30	29.08	20.25
10.	Pune	981.50	1089.23	1109.98	11.54	
11.	Satara	584.60	383.43	655.88	4.06	
12.	Sangli	592.80	549.96	927.73	5.83	
13.	Solapur	1085.80	877.70	808.34	9.30	
14	Kolhapur	418.30	422.87	1010.93	4.48	
	Total Pune Division	3663.00	3323.19	907.23	35.21	20.28
	Total Western Maha-rashtra	7320.90	6067.55	828.80	64.29	40.53
	Total Rest of Maha-rashtra	8199.30	6137.99	748.60	65.03	45.40
15	Aurangabad	702.00	437.34	622.99	4.63	
16	Jalna	609.20	236.65	388.46	2.51	
17	Parabhani/Hingoli	849.90	325.42	382.89	3.45	
18	Beed	828.60	358.19	432.28	3.80	
19	Nanded	728.30	338.60	464.92	3.59	
20	Usmanabad	536.10	304.50	567.99	3.23	
21	Latur	501.80	314.31	626.36	3.33	
	Total Marathwada	4755.90	2315.01	486.77	24.53	26.23
22	Buldhana	701.50	186.19	265.41	1.97	
23	Akola/Washim	827.10	164.18	198.50	1.74	
24	Amravati	751.10	183.27	244.00	1.94	
25	Yavatmal	857.90	113.97	132.85	1.21	
	Total Amravati Division	3137.60	647.61	206.40	6.86	17.37
26	Wardha	381.00	85.96	255.62	0.91	
27	Nagpur	554.00	104.02	187.76	1.10	
28	Bhandara/Gondia	371.30	87.98	236.95	0.93	
29	Chandrapur	474.40	34.64	73.02	0.37	
30	Gadchiroli	185.50	25.23	136.01	0.27	
	Total Nagpur Division	1969.20	337.83	171.56	3.58	10.90
	Total Vidarbha	5106.80	985.44	192.96	10.44	28.27
	Total Maharashtra	18062.00	9438.44	522.55	100	100

It is noted from the above information that the consumption of energy for agriculture of Pune district alone is more than consumption of 11 districts of Vidarbha. Similarly due to the subsidized rate of supply of energy for agriculture, subsidy enjoyed is much more in Western Maharashtra and it is the least in Vidarbha. As a matter of fact subsidy should also be distributed equitably based on the percentage of cropped area of each region of the state.

3. Ex Malgujari Tanks

1. There are 6869 ex-malgujari tanks in five districts of Vidarbha namely, Chandrapur, Gadchiroli, Bhandara, Gondia and Nagpur. These tanks have been built 200 to 300 years back. Government land or funds were not utilized for these tanks. These Malgujari Tanks were constructed for protected irrigation with the help of the farmers. After the end of Malgujari, the ownership of these tanks is vested with the Government. Among total 6869 ex-malgujari tanks, 134 tanks were handed over to the irrigation department (with irrigation capacity of more than 100 hectares.) and remaining tanks were handed over to Zilla Parishad. As there is no maintenance and repairs of these tanks for the last many years, there is accumulation of sediments at the bottom of tanks, no repairing of supporting boundary wall, tank gate and distributeries. Consequently, irrigation capacity of these tanks has been reduced, as compared to their original capacity.

2. Indicator and Backlog Committee took in to account original irrigation capacity of these tanks while determining backlog of irrigation sector. It was brought to notice of the committee that, in practice, actual irrigation through these tanks is very less, and hence irrigation capacity of these tanks should be excluded while computing backlog. But the Committee instead of excluding irrigation capacity of these tanks has decided to allocate separate fund for the repairs of these tanks and for restoring their original irrigation capacity

even though there was no backlog in the districts having Ex Malgujari tanks. A separate fund of Rs. 117 crores was proposed for the repairs of these tanks at the rate of Rs. 10000/-per hectare expenditure for their repairs. However this, separate fund of Rs. 117 crores meant for repairs of these tanks was not distributed and used. The present committee considered that Rs.10000/-per hect. repair cost for these tanks, should now be increased to a minimum Rs. 1, 00,000/-per hect.

3. It has been a matter of debate whether irrigation capacity of exmalgujari tanks should be taken in to account or not for calculating backlog of irrigation sector.

The second water and irrigation commission opined that irrigation capacity is generated only when it is capable to irrigate minimum two crops in a year. Since irrigation of ex-malgujari tanks is utilized as a protected irrigation for rice crop only and no water is available in these tanks for the next crop in that year, it should be excluded from generated irrigation capacity and should not be taken in to account for calculating the backlog.

4. It is necessary to maximize the present irrigation facility of ex- Malgujari tanks after undertaking their repairs, considering storage of water in these tanks and benefits accrued from this water. Many schemes of water conservation are being taken with the Government expenditure. The financial aid is also provided for water conservation works and storage tanks under private ownership. It is required to take up water conservation work of these Government owned ex-malgujari tanks through Government fund so that facility for irrigation, fishery and drinking water for cattle. etc can be made available. Ground water level in the vicinity of the tank will also rise due to such water conservation work. Government appointed committees from time to time and invited their recommendations. Based on the recommendations of the various committees formed from time to time, the Irrigation

Department issued a Resolution on 17th July 2008, approving norm of expenditure of Rs. 21000/-per hectare for repairing of ex-malgujari tanks. However this rate is not enough for repairing ex-malgujari tanks and it should be increased to a minimum of Rs.1,00,000 per hectare.

5. The following actions is proposed to increase the financial status of farmer through ex-malgujari tanks

- A) At present, an auction for fisheries is conducted through the Block Development Officer. But income from this auction can not be utilized for repairing of these tanks. A co-operative society of all farmers using water from such a tank should be formed which will undertake water management work. Besides the society could take up fishery development itself or auction the tank for this purpose. The responsibility of maintenance and repairing of the tank can be given to the society when its start getting regular income.
- B) There are many private tanks which are not acquired by the Government. It is also required to inspect and repair these tanks by the Government. This will help to increase ground water level and will be beneficial for agriculture.
- C) The utilization of water from ex-malgujari tanks is done only for a protected irrigation for paddy crops. In October, the submergence area of the tank is almost devoid of water and remains available. If auction is conducted of this area to take Rabbi Crops, the society can earn some income and farmers would be benefited by taking crops from graded land.
- D) The catchment of some tanks is more than their storage capacity. In such cases it is required to increase the depth of the tank or the height of its wall to increase the storage capacity. There would be increased storage of water due to deepening and thus water

will be available even after irrigation and fishery programme would continue throughout the year.

- E) If water management of the tank is handed over to the society, it would collect more water tax by making available water to more farmers. Thus, while water is available for irrigation, the society would also be benefited financially and it could take up responsibility of maintenance and repairs of the tanks in future.

Considering all the above mentioned points, the Government should make available funds on priority to restore irrigation capacity of ex-malgujari tanks and increase their utility.

4. Need of equitable distribution of Energy

1. The demand for energy in Maharashtra is much more than its supply and hence load shedding has to be imposed. The total installed capacity as in June, 2008 from various sources is as under-

Type of Generation Plant	Generation Capacity (MW)	Percentage
(1)	(2)	(3)
Thermal	10176	59
Hydro	3545	20
Gas	2916	17
Nuclear	692	4
Total	17329	100

The above table shows that 59% of the total energy generation is from thermal plants.

2. The energy generated during the year 2007-08 from Thermal plants in the State was 43,174 MU, out of which 29,127.25 MU, (67.46 % of Mahagenco's total energy generation) was from Vidarbha.

The main natural resources required for Thermal Power Plants are 1) Land 2) Water & 3) Coal.

1) Land: -The land used for existing thermal generation plants of Mahagenco in Vidarbha is 6,140 hectares. The proposed Thermal plants in Vidarbha have additional capacity of 28620 MW. For this additional capacity, the total requirement of land in Vidarbha is about 12000 hectares, which is in addition to the existing land of 6140 hectares. The total land of 18,140 hectares is required for power plants. The additional land required will be acquired from farmers of Vidarbha.

2) Water: -The total water requirement for existing and new generation plants in Vidarbha, shall be about 993 Mm³ thereby depriving irrigation over 1,50,000 to 1,75,000 hectares land.

3) Coal: -The daily requirement of coal for new power plants will be about 5,50,000 metric tones, which is in addition to the present consumption of 85,000 metric tones per day for existing thermal plants.

3. Besides generating 30 % to 40 % of coal ash, there is emission of Carbon di-Oxide and Carbon Mono Oxide gases which causes pollution of the environment, affects health of people and renders nearby land infertile due to deposition of ash etc. There are about 43 proposed new plants in Vidarbha by Mahagenco, Central Govt. and also in Private sector. Though Vidarbha is the main producer of thermal energy, it is supplied to the entire State. Hence the share of supply to Vidarbha region is very less and there is constant load shedding in Vidarbha. Installation of power plants does not generate new employment directly but it encourages, and attracts industries to come up in the region, which in turn generates employment.

4. The energy generated in Vidarbha is transmitted to other parts of the State through EHV lines. About 21,550 hectares of land of Vidarbha will be utilized only for EHV lines for transmission of about 4,900 MW power to other parts

of the State. If all the proposed plants come up in Vidarbha, the total requirement of land for EHV lines erection shall be about 52,000 to 60,000 hectares the land, directly under the EHV lines, becomes wasteful.

5. Transmission & Distribution losses

Transmission of energy from one place to another result in 7 to 8 % transmission loss of energy. In rural areas distribution loss is about 24 to 25%. Improper load on transformers, lengthy H.T./L.T. lines, incorrect metering of conductor lines, theft of energy and inexperienced manpower for handling energy audit system cause energy loss.. The total energy supplied during 2007-08 is 72939.45 MU. Out of this, the distribution loss is 17683.93 MU which is 24.31%. Distribution loss is 14.69 in Vidarbha, 27.55 % in Marathwada, 16.27 % in Konkan and 41.79 % in Western Maharashtra. Transmission loss, is negligible in Vidarbha The transmission loss is mainly incurred in other parts of the State due to power from Vidarbha distribution to sub stations of extra high voltage line. The transmission losses are charged to all the consumers irrespective of the fact whether they are located near power generation plant or not. In Rest of Maharashtra (Konkan, Pune and Nashik Division) during 2007-08 for transmission of 50715 MUs, the transmission loss was 4057 MUs (8%) and the distribution loss was 10266. MUs totalling to 14323 MUs. During this period, consumption of electricity in Vidarbha was 11365. MUs, which is lesser than the total loss of electricity in Rest of Maharashtra.

6. Energy for agricultural use is to supplement irrigation through lift irrigation schemes and agriculture pumpsets, and it is supplied at subsidized rate. The backlog of pumpsets in Vidarbha is continuously increasing. As on 1-4-2008, the backlog of Vidarbha is 239751 pumps whereas in Western Maharashtra there are 3,85,515 pumps in excess of the State average. The consumption of energy for agricultural pumpsets is only 10.44

% in Vidarbha against the cropped area 28.27%. The energy consumed for agricultural pumps alone in Pune district during 2006-07 is more than the energy consumed in all the 11 districts of Vidarbha.

7. Installed capacity of Hydel power plants in the State is 2825.83 MW of which only 53.75 M.W. is from Vidarbha. However hydel power potential of Vidarbha is to the tune of 5000 MW which needs to be realised.

8. The consumption of energy is made for domestic, commercial, industrial, street light, public water supply, agriculture & railway. Per capita consumption of energy during 2006-07, excluding agriculture and railway, is 307.71 units in Vidarbha, 197.40 units in Marathwada and 566.59 units in Rest of Maharashtra. It is unfortunate that although Vidarbha region produces substantial energy, the total consumption of energy in Vidarbha including agriculture is 39.1 % against the generation of 29,127.25 MUS from Vidarbha thermal plants.

It is demanded that per capita consumption of energy for all types of use except agriculture and railway, should be equal in all districts of the State. Similarly, agricultural consumption of energy should be in proportion to the cropped area of each district. Demand of equitable distribution of electricity should be kept in new while imposing load shading.

9. It is proposed that only after fulfilling the energy requirement of Vidarbha, the balance power may be transmitted to other parts of the State. Taking into consideration the disadvantage of Thermal Power Projects, new power plants should be decentralized and established at load centers in the State, which will also reduce transmission losses. Decentralization of the new thermal power plants should be done, keeping their ill effects in view and also the possible load centers so that transmission loss is reduced. New generation plants should be compelled to reserve 10% assured power for local area as compensation for the loss of agriculture land, water and causing environmental problems. This 10% power should be supplied to local area at reasonable rate, so that new industries may also come up.

5. Problems of irrigation in Vidarbha

The share of backlog of Vidarbha in irrigation was 38.05% and 55.04% respectively compared to the State average, assessed by Dr. Dandekar Committee in June, 1982 and the Indicators and backlog Committee in June, 1994. Since less funds were made available to Vidarbha for removal of backlog, the share of Vidarbha in the balance backlog of 1994 increased to 83.21% in 2008-09. The Board wise information of backlog is given below.

Irrigation Backlog

(Rs. in crores)

Sr. No	Region	Backlog as per Dandekar Committee 1982	Backlog as per Indicators & Backlog Committee 1994	Backlog as decided by Hon'ble Governor 2002	Backlog as on 1.4.2009 decided by Hon'ble Governor
(1)	(2)	(3)	(4)	(5)	(6)
1.	Vidarbha	527.31 (38.05 %)	4083.00 (55.04 %)	3422.11 (62.20 %)	788.76 (83.21 %)
2.	Marathwada	316.71 (22.85 %)	2401.00 (32.37 %)	1821.06 (33.10 %)	159.20 (16.79 %)
3	Rest of Mah.	541.90 (39.10 %)	934.00 (12.59 %)	258.50 (4.70 %)	0 (0 %)
	Total	1385.92 (100 %)	7418.00 (100 %)	5501.67 (100 %)	947.96 (100 %)

Vidarbha region comprises total 11 districts, which have been divided in two revenue divisions of Nagpur & Amravati. As on 1st April 2009, the irrigation backlog of Amravati division was Rs.775.33 crores which is 81.79% of the State backlog and 98.30 % of the Vidarbha irrigation backlog.

Following table shows the outlay and expenditure of irrigation sector in Amravati division from 2002-03 to 2008-09.

(Rs. In crores)				
Sr.No	Year	Outlay	Expenditure	Percentage of Expenditure
1	2	3	4	5
1	2002-03	703.55	212.56	30.21
2	2003-04	925.84	232.56	25.11
3	2004-05	1505.29	283.23	18.81
4	2005-06	1938.15	448.12	23.12
5	2006-07	1013.75	569.92	56.21
6	2007-08	1833.41	1051.30	57.34
7	2008-09	2126.34	1851.60	87.07

There appears to be little improvement in the percentage expenditure from the year 2006-07 to 2008-09. But the ongoing projects in Amravati division, specially in Akola & Washim districts are not sufficient to remove the backlog, Many projects in these areas, being under forest, are held up for want of permission from the environment and forest departments.

The district wise balance backlog in Amravati division as on 31st March 2009 is as follows.

(Rs. in crores)		
Sr. No.	Districts	Balance backlog
1	Buldhana	197.52
2	Akola & Washim	577.81
	Total	775.33

The Present situation of irrigation in Amravati Division is as follows.

(Rs. in Crores) (irrigation potential in hect.)

Sr. No	Description of Project	No. Of projects	Latest Estimated cost	Expenditure Till March 2007	Balance Expenditure as on 1.4.2007	Irrigation Potential	Created Irrigation potential	Remaining Irrigation potential
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	On going Projects							
	A. Major							
	B. Medium	10	8312.25	1927.25	6385.00	484465	138175	346290
	C. Minor (State)	91	1796.74	756.34	1040.40	79356	37034	42322
	D. Minor (Local)	395	1448.62	693.41	755.21	66468	31911	34557
			281.38	121.56	159.82	21029	9391	11638
	Total	507	11838.99	3498.56	8,340.43	651318	216511	434,807
2.	Administratively approved projects							
	A. Major							
	B. Medium	0	0	0	0	0	0	0
	C. Minor (State)	2	148.69	0	148.69	9647	0	9647
	D. Minor (Local)	4	32.52	0	32.52	1782	0	1782
		0	0	0	0	0	0	0
	Total	6	181.21	0	181.21	11429	0	11429

(Contd.)

The Present situation of irrigation in Amravati Division is as follows. (Concl'd.)

(Rs. in Crores) (irrigation potential in hect.)

Sr. No	Description of Project	No. Of projects	Latest Estimated cost	Expenditure Till March 2007	Balance Expenditure as on 1.4.2007	Irrigation Potential	Created Irrigation potential	Remaining Irrigation potential
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3.	Project under administrative approval							
	A. Major	0	0	0	0	0	0	0
	B. Medium	3	290.91	0	290.91	13241	0	13241
	C. Minor (State)	4	97.28	0	97.28	4813	0	4813
	D. Minor (Local)	0	0	0	0	0	0	0
	Total	7	388.19	0	388.19	18,054	0	18,054
4.	Project under examination/future projects as per Tapi greater plan							
	A. Major	1	257.86	0	257.86	12893	0	12893
	B. Medium	2	226.01	0	226.01	13066	0	13066
	C. Minor (State)	227	3346.56	0	3346.56	140222	0	140222
	D. Minor (Local)	258	688.38	0	688.38	32997	0	32997
	Total	488	4,518.81	0	4,518.81	199178	0	199178

6. Outlay distribution for irrigation sector:

As per the directives of Hon'ble Governor dated 15.12.2001, a formula has been derived to allocate division wise funds for irrigation sector, independent of special funds for backlog or non backlog. Also a time frame and policy was formulated for outlay allocation so as to remove the irrigation backlog from 2002-03 to 2005-06. As per Rule 7, the directives of the Hon'ble Governor are binding on the Govt, but still the outlay allocation was not done as per the directives.

In the year 2004-05, Vidarbha and Marathwada received Rs. 795.89 crores and Rs. 161.79 crores less outlay respectively while Rest of Maharashtra got Rs. 957.68 crores excess outlay than what was admissible. Similarly in the year 2005-06, Vidarbha and Marathwada got Rs. 520.57 crores and Rs. 139.00 crores less outlay respectively while Rest of Maharashtra got Rs. 659.57 crores excess outlay than the admissible amount.

The Hon. Governor has issued directives to make good the deficiencies of those two years, in the next three years vide his directive dated 6.3.2008 for Vidarbha and Marathwada.

7. Special Fund at the disposal of the Hon'ble Governor

Every year, the Hon'ble Governor gives special fund to all the three Development Boards. The fund is distributed as per the percentage of the balance backlog.

The share of Vidarbha Statutory Development Board in the Special Fund of Rs. 100 crores made available by the Hon'ble Governor in the annual plan for 2008-09 was Rs. 56.66 crores. This fund was budgeted and was made available by the planning department on recommendations from the Board to various departments. Proposals were received from district level/division level authorities for schemes to be undertaken from this fund. Proposals received from people's representative were also considered in the Board meetings. Out of these recommendations for proposals worth Rs. 61.66 crores, as approved by the Board, were

sent to Government. Efforts at various levels were made by the Board for distribution of the budgeted fund. Out of the total fund of Rs. 56.66 crores allocated to the Board, up to 31st March 2009, schemes worth Rs. 25.45 crores have been sanctioned and the fund has been distributed to various departments by the Government.

Due to the application of the model code of conduct, the Government has granted sanction to open "Personal Ledger Account" for balance amount of funds which has been credited in above said account vide G.R dated 28th March 2009. The proposals of the works would be sanctioned from such balance funds as per the recommendations of the Board.

The list of schemes / works as approved by the Planning department up to 31st March 2009, as per the GR's issued is as follows.

Public Works Department Dist. Buldhana

Sr. No	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Repairing of road from Bhalegaon to Kubefal	10.00	10.00
2	Construction of protection wall at Matargaon Khurd Tah. Shegaon	3.00	3.00
3	Construction of Community hall in public place area at Pahurzara Tah. Shegaon	3.00	3.00
4	Construction of Gym in public place under Nagar Parishad Khamgaon	13.00	13.00
5	Construction of minor bridge at Takli Viro Tah. Shegaon	7.00	7.00
6	Construction of rural approach road from Wadoda to Harsoda	8.00	8.00
7	Construction of rural approach road from Wadoda to Shirsodi	8.00	8.00
8	Construction of rural approach road of Rangaon Tigra Tah. Malkapur	8.00	8.00
9	Construction of rural approach road of Vivra Deodhaba Tah. Malkapur	8.00	8.00
10	Concreting of internal road at Shirpur Tah. Buldhana	5.00	5.00
11	Concreting of internal road at Kesapur Tah. Buldhana	5.00	5.00
12	Concreting of internal road at Matla Tah. Buldhana	5.00	5.00
13	Concreting of internal road at Mangrul Navghare Tah. Chikhali	5.00	5.00
14	Concreting of internal road at Palaskhed Daulat Tah. Chikhali	5.00	5.00
15	Concreting of internal road at Pimpalgaon Mahadeo Tah. Malkapur	5.00	5.00
16	Construction of community hall in public place at Avgha Tah. Nandura	7.00	7.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. BULDHANA		105.00	105.00

RURAL DEVELOPMENT DEPARTMENT DIST. BULDHANA

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of farms road at Shara Tah. Lonar	8.00	8.00
2	Construction of community hall in Naygaon Deshmukh Tah. Mehkar	4.00	4.00
3	Construction of farms road at Wadgaon Tejan Tah. Lonar	8.00	8.00
4	Construction of community hall in Pangarkheda Tah. Mehkar	10.00	10.00
5	Concreting of internal road at Gohgaon Dadade Tah. Mehkar	7.00	7.00
6	Construction of cement road at Morkhed Tah. Malkapur	5.00	5.00
7	Construction of Pandhan road at Nagapur Tah. Mehkar	8.00	8.00
8	Construction of road from Pimpalgaon Devi to Lonwadi Tah. Motala	5.00	5.00
9	Construction of internal road at Pophali to Kolhi Gawli	10.00	10.00
10	Construction of Community hall in public place at Chikhali Tah. Khamgaon	7.00	7.00
11	Construction of concrete road at Kambarkhed Tah. Mehkar	5.00	5.00
12	Construction of concrete road and roadside drains at Pimprimali Tah. Mehkar	5.00	5.00
13	Construction of concrete road and roadside drains at Deulgaon mali Tah. Mehkar	5.00	5.00
14	Concreting of road of Morgaon Kurd	8.00	8.00
15	Construction of community hall in public place at Hirwad Tah. Lonar	5.00	5.00
16	Construction of community hall in public place at Kingaon raja Tah. Sindkhedraja	5.00	5.00
17	Construction of community hall in public place at Dhandarwadi Tah. Sindkhedraja	5.00	5.00
18	Construction of cement road at Shendala Tah. Mehkar	5.00	5.00
19	Construction of road near temple at Sav Tah. Buldhana	8.00	8.00
20	Construction of cement road at Aregaon Tah. Mehkar	10.00	10.00
21	Construction of internal cement road at Nimkhed Tah. Sindkhedraja	9.00	9.00
22	Construction of cement road at Ratnapur Tah. Mehkar	5.00	5.00
23	Construction of internal cement road at Garkheda Tah. Sindkhedraja	5.00	5.00
24	Construction of community hall in public place at Sawargaon Mal' Tah. Sindkhedraja	3.00	3.00
TOTAL RURAL DEVELOPMENT DEPARTMENT DIST. BULDHANA		155.00	155.00

URBAN DEVELOPMENT DEPARTMENT DIST. BULDHANA

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of road from Shri. Chopde's house to Jalil Hamal's house in ward no. 4 under Nagar Parishad Nadura	5.00	5.00
2	Concreting of road from Kisan footwear to Dasa Ramchandani's house in ward no. 4 under Nagar Parishad Nadura	10.00	10.00
3	Construction of roadside drain from Rohidas garden upto Kulwant in ward no. 1 under Nagar Parishad Chikhali	5.50	5.50
4	Construction of minor bridge of old turning road in ward no. 1 under Nagar Parishad Chikhali	1.50	1.50
5	Construction of roadside drain from Fulzade to Kharat's house in ward no. 1 under Nagar Parishad Chikhali	1.00	1.00
6	Construction of road from Shri. Raut's house to Shri. Barad's house in ward no. 1 of Nagar Parishad Chikhali	5.50	5.50
7	Construction of road from Shri. Raju Barad's house to Salimsar's house in ward no. 1 of Nagar Parishad Chikhali	5.00	5.00
8	Concreting of road in ward no. 24 of Nagar Parishad Chikhali	5.00	5.00
9	Rainwater harvesting of Government gowdown in ward no. 1 of Nagar Parishad Nadura	3.00	3.00
10	Construction of roadside drainage on bothside of the road from Shri. Pandurang welding works to Shri. Bharat Jagtap's house in Prabhad No. 4 of Nagar Parishad Malakapur	10.00	10.00
11	Funds for roving the street light on the road of Ramdeo Baba temple's area in Nagar Parishad Malakapur	15.00	15.00
12	Different works under Nagar Parishad Nandura in ward no. 7 (1) Concreting of road from Shri. Nana Mahalle's house to Shri. Suralkar's house (2) W.B.M. and Black topping of road from Shri. Ganesh Bhopale's to Shri. Sanjay Tayade's house (3) W.B.M. and Black topping of road from Katele Servicing Centre's to Shri. Radheshyam Khandelwal's house (4) W.B.M. and Black topping of road from Shri. Gawhad to Shri. Palaskar's house to Kolte madam's house (5) Concreting of road from Shri. Ramesh Bawiskar's house upto I.T.I. College (6) Digging of Borewell handpump on different place. (7) Construction roadside drainage from backside of Shri. Ghule's house to National Highwa	22.65	22.65
13	Concreting of road from Jalgaon road to Shri. Rajesh Ingale's house in ward no. 1 under Nagar Parishad Nandura	12.69	12.69
14	Construction of road side drains from Jalgaon road to Shri. Rajesh Ingale's house in ward no. 1 under Nagar Parishad Nandura	5.15	5.15
15	Concreting of road from Gajanan Maharaj temple to Ingle Operator's house in ward no. 1 under Nagar Parishad Nandura	1.21	1.21
	TOTAL URBAN DEVELOPMENT DEPARTMENT DIST. BULDHANA	108.20	108.20

PUBLIC HEALTH DEPARTMENT DISRICT BULDHANA

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Lonar Dist. Buldhana	5.25	5.25
2	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Shiwanipisa Dist. Buldhana	5.25	5.25
3	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Sindkhedraja Dist. Buldhana	5.25	5.25
4	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Undri Dist. Buldhana	5.25	5.25
5	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Deulgaonmali Dist. Buldhana	5.25	5.25
6	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Hatedi Dist. Buldhana	5.25	5.25
7	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Chandole Dist. Buldhana	5.25	5.25
8	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Dhamangaon Badhe Dist. Buldhana	5.25	5.25
9	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Dongaon Dist. Buldhana	5.25	5.25
10	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Atali Dist. Buldhana	5.25	5.25
11	Funds for of purchase of one Mahendra max ambulance for Primary health Centre Shemba Dist. Buldhana	5.25	5.25
12	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Shelgaonatol Dist. Buldhana	5.25	5.25
13	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kalambeshwar Dist. Buldhana	5.25	5.25
14	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Janefal Dist. Buldhana	5.25	5.25
15	Funds for of purchase of one Mahendra max ambulance for Primary health Centre Deulgaon Sakarsha Dist. Buldhana	5.25	5.25
16	Funds for of purchase of one Mahendra max ambulance for Primary health Centre Rohana Dist. Buldhana	5.25	5.25
17	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Ganeshpur Dist. Buldhana	5.25	5.25
18	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Sonala Dist. Buldhana	5.25	5.25
19	Funds for of purchase of one Mahendra max ambulance for General Hospital Buldhana Dist. Buldhana	5.25	5.25
20	Funds for of purchase of one Mahendra max ambulance for T.B. health Dham, Buldhana Dist. Buldhana	5.25	5.25
21	Funds for of purchase of one Mahendra max ambulance for Sub-District Hospital, Malkapur Dist. Buldhana	5.25	5.25
22	Funds for of purchase of one Mahendra max ambulance for Sub-District Hospital, Shegaon Dist. Buldhana	5.25	5.25
23	Construction of protection wall and road for Primary health Centre, Aadvihir Tah. Motala Dist. Buldhana	10.00	10.00
24	Construction of protection wall and road for Primary health Centre, Borkhedi Tah. Motala Dist. Buldhana	10.00	10.00
25	Construction of waiting room with common bathroom for Primary health Centre, Pimpalgaon Tah. Motala Dist. Buldhana	10.00	10.00
TOTAL PUBLIC HEALTH DEPARTMENT DISRICT BULDHANA		145.50	145.50

PUBLIC WORKS DEPARTMENT DIST. AMRAVATI

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Black topping on the internal road of Ghorad (rehabite) Tah. Warud	4.00	4.00
2	Black topping on the internal road of Surali (rehabite) Tah. Warud	8.00	8.00
3	Black topping on the internal road of Shahapur (rehabite) Tah. Warud	8.00	8.00
4	Black topping on the internal road of Pusla (rehabite) Tah. Warud	8.00	8.00
5	Black topping on the internal road of Dongaryavli Tah. Morshi	8.00	8.00
6	Construction of concrete road in front of Jain temple at Pusla village Tah. Warud	8.00	8.00
7	Black topping on the internal road of Dapori Tah. Morshi	8.00	8.00
8	Construction of road upto Water Tank at Goregaon Tah. Warud	8.00	8.00
9	Construction of road of Amner Babulkhed road	8.00	8.00
10	Black Topping of internal road at Jarud Tah. Warud	8.00	8.00
11	Black Topping of road at Chandas Fattepur	8.00	8.00
12	W.B.M of the road of Loni Peth Mangruli	8.00	8.00
13	Construction of road from Old Linga to New Linga rehabilitation	8.00	8.00
14	Black topping of internal road at Hiwarkhed Tah. Morshi	8.00	8.00
15	Construction of Community hall in public place at Linga Tah. Warud	5.00	5.00
16	Construction of Community hall in public place at Pawani Tah. Warud	5.00	5.00
17	Construction of Community hall in public place at Dongaryawali Tah. Warud	5.00	5.00
18	Construction of road from Jarud Isambari upto Joganmay	9.00	9.00
19	Construction of road & roadside drainage in ward no. 54 at Shirbhate layout Mankarna nagar, Mangaldham Colony, Radhikanagar, New Colony, Kaloti nagar, under Amravati Municipal Corporation	5.00	5.00
20	Construction of road in ward no. 72 at Gopalnagar, Maratha colony, Narsingh Sarswati, Krushideo nagar, Bhatwadi, Adarshnagar, Maya nagar, Malunagar, Kailash nagar, Rajendra nagar under Amravati Municipal Corporation	5.00	5.00
21	Construction of minor bridge in ward no. 69 at Eknath vihar under Amravati Municipal Corporation	5.00	5.00
22	Construction of road & roadside drainage in ward no. 69 at Mahavir nagar area under Amravati Municipal Corporation	5.00	5.00
23	Construction of road & roadside drainage in ward no. 74 at Jyoti colony, Anantpadi, & Sainagar area under Amravati Municipal Corporation	5.00	5.00

(Contd.)

PUBLIC WORKS DEPARTMENT DIST. AMRAVATI (Contd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
24	Repairing of garden of Sainagar area in Vrindawan township in ward no. 68 under Amravati Municipal Corporation	5.00	5.00
25	Construction of road from Shri. Pawar to Shri. Kharwadkar's hospital at Dande Colony in ward no.68 under Amravati Municipal Corporation	2.50	2.50
26	Construction of road from Shri. Bajal to Shri. Choudhari's house in ward no.38 under Amravati Municipal Corporation	1.50	1.50
27	Construction of road from Pracharya Band to Shri. Bagde's house in ward no.38 under Amravati Municipal Corporation	1.50	1.50
28	Construction of road from Shri. Bhawarekar to Shri. Changole's house at Kalyan nagar lane no. 6 in ward no. 51 under Amravati Municipal Corporation	2.50	2.50
29	Construction of road from Shri. Gupta to Shri. Kale's house at Kalyan nagar lane no. 7 in ward no. 51 under Amravati Municipal Corporation	2.50	2.50
30	Construction of road from Nagina Masjid to Ibrahimbhai's house in ward no. 45 under Amravati Municipal Corporation	5.00	5.00
31	Construction of road & roadside drainage in ward no. 71 at Jewad nagar, Samra nagar no. 2, Vidhapith colony, Jankidevi Rathi nagar, Usha colony, Ganpati nagar, Shivgadh colony, Maya nagar, Postman colony, Sainik colony, Dhudhaganga colony under Amravati Municipal Corporation	5.00	5.00
32	Construction of road & roadside drainage in ward no. 36 at Uttam nagar, Sanjay Gandhi nagar no. 2, Panchashil nagar, Wadarpura under Amravati Municipal Corporation	5.00	5.00
33	Construction of road & roadside drainage in ward no.35 at Saraswati colony, Triveni colony, Bhumiputra colony, Laghuvetan colony, Frezarpura under Amravati Municipal Corporation	8.00	8.00
34	Repairing of internal road from Kavar nagar to Shankar nagar under Amravati Municipal Corporation	8.00	8.00
35	Repairing of internal road at Santaji nagar under Amravati Municipal Corporation	2.50	2.50
36	Construction of internal road & roadside drainage at Gopi colony under Amravati Municipal Corporation	1.50	1.50
37	Repairing of internal road & roadside drainage at New area of Badnera under Amravati Municipal Corporation	5.00	5.00
38	Construction of internal road at Kawarnagar in ward no. 57 under Amravati Municipal Corporation	6.00	6.00
39	Construction of internal road from Chawali Square to Shri. Dehankar's house in ward no. 78 under Amravati Municipal Corporation	1.50	1.50

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PUBLIC WORKS DEPARTMENT DIST. AMRAVATI (Contd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
40	Construction of internal road from Chawali Square to Bhagat Singh Square upto Baripura road in ward no. 78 under Amravati Municipal Corporation	1.50	1.50
41	Construction of internal road from Kampaspura to Shri. Shirbhate's house in ward no. 78 under Amravati Municipal Corporation	1.50	1.50
42	Construction of internal road from Shri. Vinod Ambadkar to Shri. Bagde's house in ward no. 78 under Amravati Municipal Corporation	1.50	1.50
43	Construction of internal road from Shri. Ramesh Wath to Shri. Dahake's house in ward no. 78 under Amravati Municipal Corporation	1.50	1.50
44	Repairing of road near Gate of Mosque in ward no. 75 under Amravati Municipal Corporation	1.50	1.50
45	Black topping of road from Shri. Pramod Pimpale's house to Shri. Kakade's house at Mangalmurti layout, Mahesh nagar under Amravati Municipal Corporation	2.00	2.00
46	Construction of compound wall of Crematorium land of Kondeshwar Badnera under Amravati Municipal Corporation	5.00	5.00
47	Construction of Protection wall at New Krishnarpan colony in ward no. 68 under Amravati Municipal Corporation	5.00	5.00
48	Construction of road & road side drainage at Pohara Tah. Amravati	2.50	2.50
49	Construction of road & road side drainage at Pimpalkhuta Tah. Amravati	2.50	2.50
50	Construction of road & road side drainage at Lonatek Tah. Amravati	2.50	2.50
51	Construction of road & road side drainage at Chandori Tah. Amravati	2.50	2.50
52	Construction of road & road side drainage at Pardi Tah. Amravati	2.50	2.50
53	Construction of road & road side drainage at Nimba Tah. Bhatkuli	2.50	2.50
54	Construction of road & road side drainage at Ganojadevi Tah. Bhatkuli	2.50	2.50
55	Construction of road & road side drainage at Ganori Tah. Bhatkuli	2.50	2.50
56	Construction of road & road side drainage at Nimbhora Buj. Tah. Bhatkuli	2.50	2.50
57	Construction of community hall infront of Vishveshwar temple at Grampanchyat's land at Amla Vishveshwar Tah. Chandur Railway	4.00	4.00
58	Construction of community hall infront of Hanuman temple at Grampanchyat's land at Wathona Tah. Dhamangaon Railway	4.00	4.00
59	Construction of road & road side drainage at Bhiltek Tah. Chandur Railway	4.00	4.00
60	Construction of bridge of Triveni Sangam road at Sawangi Sangam Tah. Chandur Railway	4.00	4.00
61	Construction of community hall infront of Baghaji Maharaj temple at Grampanchyat's land at Naigaon Tah. Dhamangaon Railway	4.00	4.00

(Contd.)

PUBLIC WORKS DEPARTMENT DIST. AMRAVATI (Contd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
62	Construction of community hall infront of Hanuman Maharaj temple at Grampanchyat's land at Dhanora Mogar Tah.Nandgaon Khandeshwar	4.00	4.00
63	Construction of internal road with roadside drains at Gunji Tah. Dhamangaon Railway	4.00	4.00
64	Construction of joint road at Aajangaon Tah. Dhamangaon Railway	4.00	4.00
65	Construction of Pandhan road from Dhanora Mhali to Nawadi Tah. Chandur Railway	8.00	8.00
66	Construction of Pandhan road from Jawara to Shendurjana Tah. Chandur Railway	8.00	8.00
67	Concreting of internal road at Dahigaon Purna Tah. Chandur Railway	4.00	4.00
68	Concreting of internal road at Hedatpur Wadala Tah. Chandur Railway	4.00	4.00
69	Concreting of internal road at Pimpalkhuta Tah. Chandur Railway	4.00	4.00
70	Concreting of internal road at Nimbhora Tah. Chandur Railway	4.00	4.00
71	Concreting of internal road at Saykheda Tah. Chandur Railway	4.00	4.00
72	Concreting of internal road at Bodad Wadala Tah. Chandur Railway	4.00	4.00
73	Concreting of internal road at Virul Purna Tah. Chandur Railway	4.00	4.00
74	Concreting of internal road at Rajana Purna Tah. Chandur Railway	4.00	4.00
75	Beautification of Amravati Square at Nawathe nagar under Amravati Municipal Corporation	3.00	3.00
76	Channel fencing to the public ground at devrankar nagar under Amravati Municipal Corporation	2.00	2.00
77	Construction of road from Nanda Motars to Kasat's house at Swastik nagar under Amravati Municipal Corporation	1.00	1.00
78	Construction of road from Kani Mirzapur to Mangrul Chawhala	10.00	10.00
79	Construction of road from Vitthal temple to Mata Khidaki in ward no 63 under Amravati Municipal Corporation	9.00	9.00
80	Broadness & black topping of road from Jaju's house to Bhardhwaj's house at Mahesh nagar in ward no 68 under Amravati Municipal Corporation	9.00	9.00
81	Construction of community hall in public place area at Panjabrao Deshmukh Colony under Amravati Municipal Corporation	10.00	10.00
82	Construction of road from Loni Takali Pandhan to Belora Tah. Nandgaon	10.00	10.00
83	Construction of concrete road from Aathawadi Bazar to Dadaji Dhuniwale temple upto Gulhane Kirana Store to Bhandare building at Shirala Tah. Amravati	10.00	10.00

(Contd.)

PUBLIC WORKS DEPARTMENT DIST. AMRAVATI (Concl.d.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
84	Construction of concrete road from Shri Tayade's house to Shri Arun Wankhede upto Hanuman temple to Palan's house in ward no. 5 at Jawahar nagar Tah. Amravati	7.00	7.00
85	Construction of roadside drains from Patekar, S.L. Tayade to Shri. Nachane's house in ward no. 5 under Amravati Municipal Corporation	5.00	5.00
86	Beautification of main road of Shri. Barwe & S.L. Tayade's house in ward no. 5 under Amravati Municipal Corporation	8.00	8.00
87	Construction of road from Uttamsara to Nimbhora Tah. Bhatkuli	10.00	10.00
88	Construction of road from Isambari to Warud	9.00	9.00
89	Construction of road from Warud to Dawargaon	4.00	4.00
90	Concreting of road & roadside drains from Shri. Vinayakrao Deshmukha's house to Shri. Marotrao kale's house at Bramhanwada Thadi Tah. Chandurbazar	3.00	3.00
91	Construction of road at Dhamak Tah. Nandgaon Khandeshwar	4.00	4.00
92	Construction of road with drainage at Taroda Tah. Dhamangaon	3.00	3.00
93	Construction of road & waiting room for Crematorium at Chandur Railway Stationfail Tah. Chandur Railway	3.00	3.00
94	Construction of road from Garodi area to mainroad at Chandur Railway Stationfail Tah. Chandur Railway	3.00	3.00
95	Construction of roadside drainage from Mrs. Parvatabai Sukhadeve's house to Shri. Gautam Motghare's house at Chandur Railway Stationfail Tah. Chandur Railway	2.00	2.00
96	Construction of community hall infront of temple on Grampanchayat's own land at Lalkhed Tah. Chandur Railway	5.00	5.00
97	Construction of community hall infront of temple on Grampanchayat's own land at Sawangi Magrapur Tah. Chandur Railway	5.00	5.00
98	Construction of community hall infront of temple on Grampanchayat's own land at Jalgaon Mangrul Tah. Dhamangaon Railway	5.00	5.00
99	Construction of community hall in public place at Bahadarpur Tah. Bhatkuli	4.00	4.00
100	Blacktopping of Chandas Fattepur Road	8.00	8.00
101	Construction of approach road of Isapur	8.00	8.00
102	W.B.M of Loni Peth to Mangruli Road	8.00	8.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. AMRAVATI		510.00	510.00

PUBLIC HEALTH DEPARTMENT DISRICT AMRAVATI

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of purchase of one Mahendra max ambulance for Rural Hospital Chikhaldara Dist. Amravati	5.25	5.25
2	Funds for of purchase of one Mahendra max ambulance for Rural Hospital Dharni Dist. Amravati	5.25	5.25
3	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Ramtirth Dist. Amravati	5.25	5.25
4	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kakarda Dist. Amravati	5.25	5.25
5	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Dhamak Dist. Amravati	5.25	5.25
6	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Palaskhed Dist. Amravati	5.25	5.25
7	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Amalavishweshwar Dist. Amravati	5.25	5.25
8	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Khed Dist. Amravati	5.25	5.25
9	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Vichori Dist. Amravati	5.25	5.25
10	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Nerpingalai Dist. Amravati	5.25	5.25
11	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Hiwarkhed Dist. Amravati	5.25	5.25
12	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Shendurjanaghat Dist. Amravati	5.25	5.25
13	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Rajurabazar Dist. Amravati	5.25	5.25
14	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Loni Dist. Amravati	5.25	5.25
15	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Amaner Dist. Amravati	5.25	5.25
16	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Pusala Dist. Amravati	5.25	5.25
17	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kalamkhar Dist. Amravati	5.25	5.25
18	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Sadrawadi Dist. Amravati	5.25	5.25

(Contd.)

PUBLIC HEALTH DEPARTMENT DISRICT AMRAVATI (Concl.d.)

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
19	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Anajasingi Dist. Amravati	5.25	5.25
20	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Anjangaonbari Dist. Amravati	5.25	5.25
21	Funds for of purchase of one Mahendra max ambulance for Regional Sandarbha Service Hospital ,Amravati Dist. Amravati	5.25	5.25
22	Funds for of purchase of one Mahendra max ambulance for District T.B. Hospital, Amravati Dist. Amravati	5.25	5.25
23	Funds for of purchase of one Mahendra max ambulance for Sub-District hospital, Achalpur Dist. Amravati	5.25	5.25
24	Funds for of purchase of one Mahendra max ambulance for Sub-District hospital, Morshi Dist. Amravati	5.25	5.25
25	Funds for of purchase of one Mahendra max ambulance for Sub-District hospital, Dharni Dist. Amravati	5.25	5.25
TOTAL PUBLIC HEALTH DEPARTMENT DISRICT AMRA-VATI		131.25	131.25

HIGHER AND TECHNICAL EDUCATION DEPPT.

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for the home system & Solar street lighting to Government Engineering College, Amravati Dist. Amravati	12.22	12.22
TOTAL HIGHER AND TECHNICAL EDUCATION DEPPT.		12.22	12.22

PUBLIC WORKS DEPARTMENT DIST. YAVTMAL

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Cementing of internal road at Belkhed Tah. Umarchhed	10.00	10.00
2	Cementing of internal road at Kupati Tah. Umarchhed	10.00	10.00
3	Cementing of internal road at Malegaon Tah. Umarchhed	10.00	10.00
4	Cementing of internal road at Taroda (New) Tah. Umarchhed	10.00	10.00
5	Cementing of internal road at Chicholi (Sangam) Tah. Umarchhed	9.00	9.00
6	Cementing of internal road at Takli Tah. Umarchhed	9.00	9.00
7	Construction of Community hall in public place at Kakaddati Tah. Pusad	25.00	25.00
8	Construction of Community hall in public place at Kali Do. Tah. Pusad	10.00	10.00
9	Construction of Community hall in public place at ShembalPimpri Tah. Pusad	15.00	15.00
10	Construction of Community hall in public place at Hegadi Tah. Pusad	5.00	5.00
11	Reparing of road from Kodhai to Dahiwad	20.00	20.00
12	Construction of Community hall in public place at Chichaghat Tah. Pusad	5.00	5.00
13	Construction of Community hall in public place at Shivajinagar Pangarwadi Tah. Pusad	5.00	5.00
14	Construction of Community hall in public place at Belgawhan Tah. Pusad	5.00	5.00
15	Construction of road at Weni Tah. Pusad	10.00	10.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. YAVTMAL		158.00	158.00

RURAL DEVELOPMENT DEPARTMENT DIST. YAVATMAL

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of community hall in public place at Ramgaon Rameshwar Tah. Darwaha	5.00	5.00
2	Construction of internal cement road at Bhandegaon Tah. Darwaha	5.00	5.00
3	Construction of internal cement road at Mangkinhi Tah. Darwaha	5.00	5.00
4	Construction of cement road at Bori Khurd	10.00	10.00
TOTAL RURAL DEVELOPMENT DEPARTMENT DIST. YAVATMAL		25.00	25.00

URBAN DEVELOPMENT DEPARTMENT DIST. YAVATMAL

Sr. No.	Name of Work	Board's recommndation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of Urdu school under Nagar Parishad Umarkhed	10.00	10.00
2.	Construction of road, roadside drains in different Prabhag under Nagar Parishad Umarkhed	50.00	50.00
	Concreting of road & construction of roadside drains in ward no. 1,18, & 19		
	Concreting of road & construction of roadside drains in ward no. 2, 9, & 11		
	Concreting of road & construction of roadside drains in ward no. 04, & 05		
	Concreting of road & construction of roadside drains in ward no. 9,10, & 11		
	Concreting of road & construction of roadside drains in ward no. 15,16, & 21		
	Concreting of road & construction of roadside drains in ward no. 21		
	TOTAL URBAN DEVELOPMENT DEPARTMENT DIST. YAVATMAL	60.00	60.00

PUBLIC HEALTH DEPARTMENT DISRICT YAVATMAL

Sr. No.	Name of Work	Board's recommndation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Karanji Dist. Yavatmal	5.25	5.25
2	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Khaigawade Dist. Yavatmal	5.25	5.25
3	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Karanji Dist. Yavatmal	5.25	5.25
4	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Dharefal Dist. Yavatmal	5.25	5.25
5	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Umarkhed Dist. Yavatmal	5.25	5.25
6	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Ner Dist. Yavatmal	5.25	5.25
7	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Pandharkawada Dist. Yavatmal	5.25	5.25
8	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Pusad Dist. Yavatmal	5.25	5.25
9	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Darwha Dist. Yavatmal	5.25	5.25

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PUBLIC HEALTH DEPARTMENT DISRICT YAVATMAL (Concl.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
10	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Ghatanji Dist. Yavatmal	5.25	5.25
11	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Kalamb Dist. Yavatmal	5.25	5.25
12	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Sawargadh Dist. Yavatmal	5.25	5.25
13	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Akola Bazar Dist. Yavatmal	5.25	5.25
14	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kali Doulat Dist. Yavatmal	5.25	5.25
15	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Korta Dist. Yavatmal	5.25	5.25
16	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Mardi Dist. Yavatmal	5.25	5.25
17	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kolegaon Dist. Yavatmal	5.25	5.25
TOTAL PUBLIC HEALTH DEPARTMENT DISRICT YAVAT-MAL		89.25	89.25

PUBLIC WORKS DEPARTMENT DIST. AKOLA

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of internal concrete road at Malegaon (Bazar) Tah. Telhara	5.00	5.00
2	Construction of peving blocks of the road from Belsare market to Shri. Nandurkar's house at Mothi Umari	2.00	2.00
3	Construction of peving blocks of road from Lade's shop to Kae's house at Mothi Umari	3.00	3.00
4	Construction of peving blocks of the road from Prakash Gorave's house to Ravindra Dhattrak's house in ward no. 2 at Mothi Umari	2.50	2.50
5	S.T.B.T of road at Borgaon Manju Renukanagar	5.00	5.00
6	Construction of peving blocks of internal road of Khatikpura at Borgaon Manju	3.00	3.00
7	W.B.M. of road from Gopnarayan's house to Buddha vihar at Kharb Buj.	2.00	2.00
8	W.B.M. of road from Water tank to Cremetorium at Bhourad Grampan-chayat.	1.50	1.50

(Contd.)

PUBLIC WORKS DEPARTMENT DIST. AKOLA (Concl'd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
9	W.B.M. of road from Rohidas community hall to Gunwant Maharaj temple at Bhourad Grampanchayat.	1.50	1.50
10	Construction of cement concrete road from Maruti Gode's house upto Gram-panchayat at Gudadhi	4.00	4.00
11	Construction of peving blocks of the road of slum area in Chandur	2.00	2.00
12	Concreting of road which behind Shri. Keshavrao Lhale's house at Anvimirzapur	4.00	4.00
13	S.T.B.T of road from Primary school to Shir. Govind Ingle's house at Chandur	5.00	5.00
14	S.T.B.T of road from Wankhede Guruji to Shri. Prabhakar Chitole's house at Khadki	3.00	3.00
15	Construction of peving blocks of the road from Asha Khobragade to Anil Ingle's house at Malkapur	2.00	2.00
16	Construction of peving blocks of the road from Nagoji Khandalkar to Sheikh Kalu's house at Malkapur	2.00	2.00
17	Construction of peving blocks of the road from Sant Sena Mandir to Dr. Mali's house at Mothi Umari	5.00	5.00
18	Construction of peving blocks of the road upto Hinglaj Mata Mandir at Hingna road	3.00	3.00
19	Concreting of road at Shelu Najik Tah. Murtizapur	5.00	5.00
20	Construction of internal road Palodi Tah. Akola	4.00	4.00
21	Construction of cement road at Khetri Tah. Patur	4.00	4.00
22	Construction of concrete road from Shri. Wasudeorao Nemade to Vyaghamre's house at Dongargaon Tah. Balapur	4.00	4.00
23	Construction of road at Vivara Tah. Patur	4.00	4.00
24	Construction of internal road at Khanapur Tah. Patur	5.00	5.00
25	Construction of internal road at Charangaon Tah. Patur	3.00	3.00
26	Construction of internal road (peving blocks) at Nandkhed Tah. Patur	6.00	6.00
27	Construction of road at Gotra Tah. Akola	3.00	3.00
28	Construction of road at Kanshivani Tah. Akola	4.00	4.00
29	Construction of internal road at Kanheri Tah. Barshitakli	2.00	2.00
30	Construction of internal road at Borgaon Vairale Tah. Balapur	4.00	4.00
31	Construction of internal road at Ural Tah. Balapur	4.00	4.00
32	Concreting of road at Kumbhari Tah. Akola	7.00	7.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. AKOLA		114.50	114.50

PUBLIC HEALTH DEPARTMENT DISRICT AKOLA

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Telhara Dist. Akola	5.25	5.25
2	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Aapatapa Dist. Akola	5.25	5.25
3	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Pinjar Dist. Akola	5.25	5.25
4	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kawasa Dist. Akola	5.25	5.25
5	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Sawara Dist. Akola	5.25	5.25
6	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Alegaon Dist. Akola	5.25	5.25
7	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Ural Dist. Akola	5.25	5.25
8	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Barshitakali Dist. Akola	5.25	5.25
9	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Kurum Dist. Akola	5.25	5.25
10	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Patur Dist. Akola	5.25	5.25
11	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Parad Dist. Akola	5.25	5.25
12	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Paras Dist. Akola	5.25	5.25
TOTAL PUBLIC HEALTH DEPARTMENT DISRICT AKOLA		63.00	63.00

URBAN DEVELOPMENT DEPARTMENT DIST.AKOLA

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of Community hall at Ward No.63 under Akola Municipal Corporation	10.00	10.00
2	Construction of Community hall at Jatharpeth, Ward No.9 under Akola Municipal Corporation	5.00	5.00
3	Construction of Gym at Ward No.70 under Akola Municipal Corporation	5.00	5.00
4	Construction of Gym at Ward No.50 under Akola Municipal Corporation	4.50	4.50
5	Construction of Community hall at Ward No.27, Ranpise Nagar under Akola Municipal Corporation	5.00	5.00
6	Construction of Road at Ward No 64, Khetan Nagar from Ramesh Meng's house to Gourav Boob's house and Sandip Wanode's house to Sandip Sonat's house under Akola Municipal Corporation	7.00	7.00
7	Construction of Road with Solar street at Ward No 9, from Arthawed apparatment to Marotkar's house and Trimbak Khadakkar's house to Gawai's house under Akola Municipal Corporation	8.00	8.00
Total URBAN DEVELOPMENT DEPARTMENT DIST.AKOLA		44.50	44.50

URBAN DEVELOPMENT DEPARTMENT DIST. WASHIM

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of protection hall of Poha wesha Mosque (muslim crematorium) under Nagar Parishad Karanja	41.67	41.67
2	Construction of community hall in Hanuman temple Maratha Devsthan at Shivaji nagar Karanja under Nagar Parishad Karanja	10.00	10.00
TOTAL URBAN DEVELOPMENT DEPARTMENT DIST. WASHIM		51.67	51.67

PUBLIC HEALTH DEPARTMENT DISTRICT WASHIM

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Risod Dist. Washim	5.25	5.25
2	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Mangrulpir Dist. Washim	5.25	5.25
3	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Kamargaon Dist. Washim	5.25	5.25
4	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Malegaon Dist. Washim	5.25	5.25
5	Funds for of purchase of one Mahendra max ambulance for Rural Hospital, Ansingh Dist. Washim	5.25	5.25
6	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Pardi Takmor Dist. Washim	5.25	5.25
7	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Selu Bazar Dist. Washim	5.25	5.25
8	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Shendurjana Dist. Washim	5.25	5.25
9	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Mangul Zanak Dist. Washim	5.25	5.25
10	Funds for of purchase of one Mahendra max ambulance for Primary health Centre, Shirpur Dist. Washim	5.25	5.25
TOTAL PUBLIC HEALTH DEPARTMENT DISTRICT WASHIM		52.50	52.50

PUBLIC HEALTH DEPARTMENT DISRICT NAGPUR

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of protection wall of Primary health Centre, Koradi Tah. Kampthee Dist.Nagpur	10.00	10.00
2	Construction of protection wall of Primary health Centre, Suradevi Tah. Kampthee Dist.Nagpur	5.00	5.00
TOTAL PUBLIC HEALTH DEPARTMENT DISRICT NAGPUR		15.00	15.00

PUBLIC WORKS DEPARTMENT DIST. CHANDRAPUR

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of cement road at Nagala) Tah. Chandrapur	5.00	5.00
2	Construction of Nadighat road of Crematorium at Aamadi Tah. Ballarpur	5.00	5.00
3	Construction of cement road at Kawadjai Tah. Ballarpur	5.00	5.00
4	Funds for different works in muslim Crematorium under Nagar Parishad Warora	5.00	5.00
5	Construction of Community hall in public place at Dongargaon Kadi Tah. Bhadravati	5.00	5.00
6	Construction of Community hall in public place at Muradgaon Tah. Warora	3.00	3.00
7	Construction of Washing ghat at Shegaon Buj. Tah. Warora	1.50	1.50
8	Construction of Washing ghat at Khemjai Tah. Warora	1.50	1.50
9	Construction of protection wall at Khapari Tah. Warora	5.00	5.00
10	Creation of Children's park at Palasgaon Tah. Bhadravati	1.50	1.50
11	Construction of protection wall at Jamani Tah. Warora	5.00	5.00
12	Construction of Washing ghat at Arjuni Tu. Tah. Warora	1.50	1.50
13	Construction of road from Dindoda to Jamgaon Buj. Tah. Warora	5.00	5.00
14	Construction of internal road at Mahalgaon Khu. Tah. Warora	3.00	3.00
15	Construction of district border road from Bodakha (Mo) to Wardha	10.00	10.00
16	Construction of road towards Crematorium land at Girsawali Tah. Warora	2.00	2.00
17	Construction of approach road for Pardhi Tola at Yewati Tah. Warora	10.00	10.00
18	Construction of internal road at Waghnaakha Tah. Warora	10.00	10.00

(Contd.)

PUBLIC WORKS DEPARTMENT DIST. CHANDRAPUR

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
19	Construction of road towards Crematorium land at Aashi Tah.Warora	2.00	2.00
20	Construction of road towards Crematorium land at Jamgaon khu. Tah.Warora	2.00	2.00
21	Construction of internal road at Barwha Tah.Warora	3.00	3.00
22	Construction of road towards canal at Chakakwadapur Tah.Warora	2.00	2.00
23	Construction of road from Shrihari Bhogekar's house upto outer road at Lonara Tah.Warora	3.00	3.00
24	Construction of internal road at Sakhara (Rajapur) Tah.Warora	5.00	5.00
25	Construction of roads in new wasti area at Wadadha Tah.Warora	3.00	3.00
26	Construction of roads from Mahalgaon Buj to Khekadi Ritha forest	7.00	7.00
27	Construction of internal road at Tembhurda Tah.Warora	5.00	5.00
28	Murum Blanketing of road from Umari to old Borgaon road Tah. Warora	5.00	5.00
29	Remaining work of murum blanketing of road from Kondhala to Nimsada	9.00	9.00
30	Contruction of road from Mandavghorad upto tank level of Shindola road	8.00	8.00
31	Remaining work of murum blanketing upto road level at Ashi Dongargaon	8.00	8.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. CHANDRAPUR		146.00	146.00

HIGHER AND TECHNICAL EDUCATION DEPPT.

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Funds for of fitting the home, street lighting, water heating solar system for Government Engineering College, Chandrapur	14.16	14.16
Total HIGHER AND TECHNICAL EDUCATION DEPPT.		14.16	14.16

DISTRICT CHANDRAPUR

PUBLIC WORKS DEPARTMENT DIST. WARDHA

Sr. No.	Name of Work	Board's recommndation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Cementing of internal road & roadside drains from Santoshi Mata to Ram Mandir in ward no. 7 under Nagar Parishad Wardha	6.00	6.00
2	Cementing of road from Shri. Choudhari's house to Shri. Haware's house in ward no. 3 under Nagar Parishad Wardha	6.00	6.00
3	Cementing of road from Shri. Barde's house to Shri. Joshi's house in ward no. 4 under Nagar Parishad Wardha	6.00	6.00
4	Cementing of road from Shri. Moon's house to Shri. Pokale's house in ward no. 4 under Nagar Parishad Wardha	6.00	6.00
5	Cementing of road from Shri. Mahammad Amin's house to Shri. Sheikh Afsar's house in ward no. 29 under Nagar Parishad Wardha	2.00	2.00
6	Progressing work of the road from Shri. Bhagawan Borkar to D.P. road in Yashwant nagar ward in Nagar Parishad Hinganghat	6.20	6.20
7	Progressing work of the road from Shri. Labhade's house to Hanuman temple in Yashwant nagar ward in Nagar Parishad Hinganghat	5.60	5.60
8	Progressing work of the road from Shri. Ghughule Patil to Habbu Baba to Baba Grocery shop to Sheikh Mubarak's house in Nishanpura ward in Nagar Parishad Hinganghat	6.20	6.20
9	Progressing work of the road from Dr. Marothi to V. G. Sharma's house in Shastri ward in Nagar Parishad Hinganghat	4.00	4.00
10	Progressing work of the road from Hotel Highway to Chandankhede's house in Indira Gandhi ward in Nagar Parishad Hinganghat	6.00	6.00
11	Progressing work of the road from National Highway to Shri. Ambulkar's house in Yashwant nagar in Nagar Parishad Hinganghat	3.00	3.00
12	Progressing work of the road from Shri. Nikhade Complex to Daf & Shri. Pusadkar to Raikwar's house in Sant Tukdoji ward in Nagar Parishad Hinganghat	4.00	4.00
13	Progressing work of the road from Tilak Square to Gadagebaba square To Raghatate square's house in Nagar Parishad Hinganghat	6.00	6.00
14	Construction of internal cement road at Rohana Tah. Arvi	5.00	5.00
15	Construction of internal cement road at Dighi Tah. Arvi	5.00	5.00
TOTAL PUBLIC WORKS DEPARTMENT DIST. WARDHA		77.00	77.00

RURAL DEVELOPMENT DEPARTMENT DIST. WARDHA

Sr. No.	Name of Work	Board's recommndation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
1	Construction of road from Pipari (Meghe)ring road to Junapani upto Pipri Meghe 5.00 5.00	5.00	5.00
2	Construction of road from Talegaon (T) to Ashta 4.00 4.00	4.00	4.00
3	3 Construction of road from Talegaon (T) to Sonegaon 4.00 4.00	4.00	4.00
4	Construction of road towards M.I.D.C. at Padegaon Tah. Wardha 4.00 4.00	4.00	4.00
5	Construction of road from Shri Sathone's farms towards river at Salod Tah. Wardha 4.00 4.00	4.00	4.00
6	Funds for storage band in Ashta Tah. Wardha 12.00 12.00	12.00	12.00
7	Funds for storage band in Sonegaon Station Tah. Wardha 12.00 12.00	12.00	12.00
	TOTAL RURAL DEVELOPMENT DEPARTMENT DIST. WARDHA 45.00 45.00	45.00	45.00

STATE LEVEL SCHEME SPECIAL FUNDS 2008-09

Sr. No.	Name of Work	Board's recommndation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
MEDICAL EDUCATION & DRUGS DEPTT			
1	Funds for the purchase of following Machinery for the T.B. Department of Government Medical College & Hospital, Akola 1. Cardio respiratory System - Rs. 35.00 lacs 2. Respiration Simulator - Rs. 18.00 lacs 3. Breath CO Analyzer - Rs. 2.90 lacs 4. Raw Measurement - Rs. 9.50 lacs 5. Breath Gases Analyzer - Rs. 9.00 lacs	74.40	74.40
2	Funds for the purchase of following Machinery for the Nurilogist Depart- ment of Super Speciality Hospital, Nagpur. 1. Electrocoutry Machine - Rs 2.50 lacs 2. Ventilators Rs. 6.00 lacs 3. Bedside Monitors - Rs. 4.00 lacs 4. Operating Table - Rs. 4.00 lacs 5. Over head lamp (Head light) Rs. 0.50 lacs	17.00	17.00
3	Funds for the purchase of Fully Automatic motorised patients care assist with Online weighing with Self Contained Air Cushion and Water Bed facility, 1 piece for Super Speciality Hospital, Nagpur.	10.00	10.00

(Contd.)

STATE LEVEL SCHEME SPECIAL FUNDS 2008-09 (Contd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
4	Funds for the purchase of Dynamic Lung Physiology Ventilater With real time Monitoring Machinery, 1 piece for Super Speciality Hospital, Nagpur.	20.00	20.00
5	Funds for the purchase of Monitor high performance Modular Integrated, Multiparameter Cardiac Patient Monitoring with Wireless Networking with gas Analyser and Central Monitoring, 1 piece for Super Speciality Hospital, Nagpur.	20.00	20.00
6	Funds for the purchase of Automatic Blood cell Counter, 19 parameter, 1 piece of Super Speciality Hospital, Nagpur.	6.00	6.00
7	Funds for the purchase of following Machinery for the Government Medical College & Hospital, Nagpur 1. E.N.T Operating Microscope, 1 piece, Rs. 20.00 lacs 2. Functional Indoscopic sinus surgery set, 1 piece Rs.10.00 lacs 3. Rigid Oesophagoscopy set with all accessories, Rs.2.00 lacs 4. Head light with Halogen bulbs with light source, 1 pce. Rs.0.50 lac 5. Operative microscope spine /microsurgery, 1 pcs. Rs. 15.00 lac 6. Dead body cabinet, 6 piece, Rs. 6.00 lacs 7. Atopsy work Table, 1 piece, Rs. 4.50 lacs	58.00	58.00
8	Funds for the purchase of following Machinery for the Dermatology -cum-Laprosy Department of Government Medical College & Hospital, Nagpur 1. Wound Healing light-1 nos. Rs.2.75 2. The skin Atmosphere System 1 nos. Rs.2.85 lacs 3. Oxytherapy 1 nos. Rs.2.91 lacs 4. Dermococ 1 nos. Rs.2.95 lacs 5. Photodynamic therapy system 1 nos. Rs.2.98 lacs 6. Colour meter 1 nos. Rs.2.65 lacs 7. Vascular Age analyser 1 nos. Rs.2.99 lacs 8. Aesthetic System 1 nos. Rs.2.81 lacs 9. Fr EM (Frequency Rhythmic Electrical Modulation system)1 nos. Rs.2.99 lacs 10. Skin examination table 1 nos. Rs.2.95 lacs	28.83	28.83
TOTAL MEDICAL EDUCATION & DRUGS DEPTT		234.23	234.23
HIGHER & TECHNICAL EDUCATION			

(Contd.)

STATE LEVEL SCHEME SPECIAL FUNDS 2008-09 (Contd.)

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
9	Funds for the purchase of PC based nutrition measurement system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	14.70	14.70
10	Funds for the purchase of PC based Respiratory disease analysis system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.90	4.90
11	Funds for the purchase of PC based stress measurement and analyzer system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.75	4.75
12	Funds for the purchase of PC based basic Human parameters measuring system with simulator and with software which should able to produce and transmit reports & raw data in various formats and built in networking capability (Parameter monitoring preferably using blue tooth) of Government Engineering College, Amravati	4.91	4.91
13	Funds for the purchase of PC based radiology system with software which should able to produce and transit reports and raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.99	4.99
14	Funds for the purchase of PC based emotions & nuro analyzer system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.22	4.22
15	Funds for the purchase of PC based muscle disorder study system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	3.99	3.99
16	Funds for the purchase of PC based skin analyzers with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	9.99	9.99

(Contd.)

STATE LEVEL SCHEME SPECIAL FUNDS 2008-09 (Concl.)

Sr. No.	Name of Work	Board's recommendation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
17	Funds for the purchase of PC based ENT analyzer with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.97	4.97
18	Funds for the purchase of PC based Malaria and other infectious diseases analyzer system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.10	4.10
19	Funds for the purchase of PC based Urinary system analysis system with software which should able to produce and transmit reports & raw data in various formats and built in networking capability of Government Engineering College, Amravati	4.78	4.78
	TOTAL HIGHER & TECHNICAL EDUCATION DEPT.	66.30	66.30
	RURAL DEVELOPMENT DEPTT.		
20	Funds for the Construction of Community Hall at Koradi, Tah. Kamthi	15.00	15.00
	TOTAL RURAL DEVELOPMENT DEPTT	15.00	15.00
	PUBLIC WORKS DEPARTMENT		
21	Construction of protection wall for Modi Hospital, Badnera, Distt. Amravati	25.00	25.00
22	Construction of Building for Modi Hospital, Badnera, Distt. Amravati	10.00	10.00
	TOTAL PUBLIC WORKS DEPARTMENT	35.00	35.00
	TOTAL STATE LEVEL SCHEMES	350.53	350.53

Backward taluka Motala District Buldhana

Sr. No.	Name of Work	Board's recommandation Rs.in lacs	Government Sanction
(1)	(2)	(3)	(4)
PUBLIC WORKS DEPTT. DISRICT BULDHANA			
1	Concreting of road from Sarola Maroti-Vasant Vyavahare to Rameshwar Vyavahare's house in ward no. 3	2.00	2.00
2	Construction of Sabha Madap in public place near Hanuman temple at Mouza Fardapur	3.00	3.00
3	Construction of Sabha Madap in public place near Hanuman temple at Mouza Sindakhed	3.00	3.00
4	Construction of Sabha Madap in public place near Hanuman temple at Mouza Pophali	3.00	3.00
5	Concreting of road of Mouza Rohinkhed Tah. Motala	6.00	6.00
6	Concreting of road from Maroti Ingale's house to Baburao Waghode' Grocery shop at Kothali Tah. Motala	2.00	2.00
7	Concreting of road of Dalit Crematorium land at Kothali	2.00	2.00
8	Construction of shade for Dalit Crematorium with rain water harvesting at Kothali Tah. Motala	2.00	2.00
9	Construction of internal road at Kolhi Golhar Tah. Motala	8.00	8.00
10	Construction of Community hall in public place at Chichapur Tah. Motala	5.00	5.00
11	Concreting of internal road at Chichakhed Tah. Motala	2.00	2.00
12	Concreting of internal road at Malegaon Tah. Motala	3.00	3.00
13	Construction of Sabha Madap near Rohinkhed Devi temple in Tah. Motala	3.00	3.00
14	Construction of Sabha Madap near Pachamadhi Devi temple in Tah. Motala	3.00	3.00
15	Construction of Gym in public place at Jahangirpur Tah. Motala	2.00	2.00
16	Construction of protection wall at Didola Tah. Motala	2.00	2.00
17	Construction of Sabha Madap in public place near Mahadev temple at Lapali Tah. Motala	3.00	3.00
18	Construction of Sabha Madap in public place at Mahalungi Tah. Motala	3.00	3.00
19	Construction of Sabha Madap in public place at Dhamangaon Badhe Patel Birahari Tah. Motala	3.00	3.00
20	Construction of Sabha Madap in public place at Chawida Tah. Motala	3.00	3.00
21	Construction of Sabha Madap in public place at Sarola Maroti Tah. Motala	3.00	3.00
22.	Concreting of internal road at Kharbadi Tah. Motala	3.00	3.00
23	Concreting of internal road at Pophali Tah. Motala	3.00	3.00
TOTAL BACKWARD TAH. MOTALA		72.00	72.00

MARATHWADA STATUTORY DEVELOPMENT BOARD

No.MSDB/A.R.09-10/2010/
Central Administrative Building,
Ground Floor (W) Wing,
Collectorate Campus,
Aurangabad - 431 001
Dated : / /2010.

To,
H.E. The Governor of Maharashtra,
Raj Bhavan, Malabar Hill,
Mumbai - 400 035.

Subject : Submission of Annual Report of the Marathwada Statutory Development Board for the year 2009-2010.

Respected Sir,

It is an honour for me to submit the Annual Report of the Marathwada Statutory Development Board for the year 2009-2010.

It is imperative to increase the irrigation potential, as farming in Marathwada is largely monsoon dependent. The Board has proposed diversion of water from west flowing rivers of the Konkan region to the Godaveri valley. It will definitely benefit and aid the progress of Marathwada region.

During the year 2009-10, the Board has utilised its special fund to provide educational aids to enhance the intelligence level of students in 29 Primary. Schools of each of the 8 districts of Marathwada region. Also, construction of 62 Anganwadis in Aurangabad District was recommended by the Board.

The Board has greatly benefited by the guidance it received from His Excellency The Hon. Governor of Maharashtra. The Board, therefore, expresses its deep sense of gratitude towards His Excellency and hope that the valuable guidance would be available to the Board in future as well.

Yours sincerely,
(Dr. R. P. Kurulkar)
Acting Chairman

ACKNOWLEDGMENT

The Marathwada Statutory Development Board, gratefully acknowledges the guidance it received from His Excellency, the Hon'ble Governor of Maharashtra.

The Hon'ble Governor took personal interest in the development of the region and had interaction with the Board on development issues on several occasions, which made it possible for the Board to discharge its functions effectively.

The Board is also grateful to the Hon'ble Chief Minister and his cabinet colleagues for their co-operation in the development process of the region and implementation of the time-bound programme for development of the region. The Board is also obliged to all the Hon'ble Ministers for their co-operation in sanctioning of the proposals of development works which the Board had recommended to the Government.

The Board acknowledges its gratitude towards all the Hon'ble Members of Parliament, Hon'ble Members of State Legislative Assembly and State Legislative Council, Presidents of Zilla Parishads, Presidents of Municipal Councils, Freedom Fighters, Social workers of the Marathwada region, for rendering co-operation to the Board.

The Board received valuable cooperation from experts from various fields of development. The Board is therefore thankful to them for the services rendered by them.

The Board is also grateful to the Chief Secretary, Govt. of Maharashtra, Additional Chief Secretaries, Principal Secretaries and Secretaries of various departments in Mantralaya, for rendering co-operation to the Board in implementing various development schemes.

The Board is also grateful to Shri Sunil Soni, Principal Secretary Planning, Shri Shrikant Deshpande, Secretary to Hon. Governor, Shri Vikas Chandra Rastogi, Joint Secretary (Development Boards), Smt. Karkhanis, Dy. Secretary Planning, Shri Bankapure, Under Secretary and their staff for their help and guidance provided to the Board. The Board is thankful to all those who have directly or indirectly associated themselves with the activities of the Board.

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ESTABLISHMENT AND FUNCTIONS OF STATUTORY DEVELOPMENT BOARD

1.1 The State of Maharashtra Order, 1994:

The President of India, in exercise of his powers conferred by Article 371 (2) has promulgated an order titled "**The State of Maharashtra (Special responsibility of the Governor for Vidarbha, Marathwada and Rest of Maharashtra) Order, 1994**". According to this order, the Governor of Maharashtra is entrusted with the special responsibility for the establishment of separate Development Boards for Vidarbha, Marathwada and the Rest of Maharashtra region and for the matters specified in sub-clauses (b) and (c) of Article 371(2) of the Constitution in respect of the area of each Development Board.

1.2 Establishment of separate Development Boards in Maharashtra State:

In exercise of the powers conferred by the President of India under the State of Maharashtra Order, 1994, the Governor of Maharashtra vide order No.GS/G/94/DB/432, dated 30th April, 1994 established three separate Development Boards for Vidarbha, Marathwada and the Rest of Maharashtra region and specified the areas of respective Development Boards. This order is hereafter referred to as the Development Board Order.

1.3 Composition of the Development Boards:

The Development Boards were constituted by the Governor of Maharashtra on 25th June, 1994. Each Development Board initially comprised of *seven members* out of whom one member was from the Maharashtra State Legislature from the area of the respective Development Board, one was from a local authority and *three expert members* having special knowledge or experience in the field of planning, finance, administration,

irrigation, agriculture, education, public health etc. The Commissioner of a Revenue Division from the area of respective Development Board was also appointed on the Board as ex-officio member. An officer of the State Government of the rank of Additional Commissioner of a revenue division from respective Development Board was appointed as Member Secretary of the Development Board. The strength of the Development Boards was subsequently increased vide Order No.GS/SS/DB/98/60, dated 29th January, 1998.

The new structure of the Board is as follows:

- a) Two members of the Maharashtra State legislature from the area of the respective Development Board;
- b) One member of local authority from the area of the respective Development Board;
- c) Five expert members having; -
 - i) special knowledge of planning process, finances and accounts of Government; or
 - ii) wide experience in financial matters and administration; or
 - iii) special knowledge in different fields like irrigation, public health, public works, industries, agriculture, education or employment etc.
- d) All Commissioners of Revenue Divisions from the area of respective Development Board as ex-officio members of the Board.
- e) An officer of the State Government not below the rank of an Additional Commissioner of the Revenue Division from the respective Development Board shall be Member-Secretary of the Board.
- f) Executive Chairman, State Planning Board will be ex-officio member.

1.4 Organisation of the Board (2009-2010):

The Development Boards completed their term of 5 years on April 30, 1999. The President

of India vide order dated April 29, 1999 titled as "The State of Maharashtra (special responsibility of the Governor for Vidarbha, Marathwada and the Rest of Maharashtra region) Amendment Order, 1999" extended the term of the three Development Boards by another 5 years upto 30th April, 2004. Later on, the Hon'ble Governor extended the term of Development Boards for one

year, i.e., upto 30th April, 2005 and further the Hon'ble Governor extended the term of Marathwada Statutory Development **Board up to 30th April 2010**, by the letter dated 10th January 2006. The particulars of the Chairman and members of the Marathwada Statutory Development Board for the year 2009-10 are as given under:

1.	Shri. Madhukarrao Devrao Chavan, MLA	Chairman	up to 15.12.09
2.	Dr. R.P. Kurulkar	Acting Chairman	From 16.12.09
3.	Dr. Ratnakar Mahajan, Executive Chairman, State Planning Board	Ex-Officio Member	up to 15.12.09
4.	Shri Babasaheb Kupekar, Executive Chairman, State Planning Board	Ex-Officio Member	From 16.12.09
5.	Shri. Bhaurao Baburao Patil (MLA)	Member	
6.	Shri Chandrakant Danwe (MLA)	Member	
7.	Shri Rajkishor Modi (Member of MC)	Member	
8.	Dr. Shri S.B. Nakade	Expert Member	
9.	Dr. Shri. G.G. Nandapurkar	Expert Member	
10.	Shri S.L. Warudkar	Expert Member	
11.	Shri Bhaskar Mundhe (IAS), Divisional Commissioner, Aurangabad Division.	Ex-Officio Member	
12.	Smt. Richa Bagala (IAS)	Member Secretary	Upto 07.07.09
13.	Shri. K. G. Pachange	Acting Member Secretary	08.07.2010 to 17.07.09
14.	Shri Pankaj Kumar, (LAS)	Member Secretary	From 18.07.09

1.5 Functions of Board:

Vide para 6 of the Development Board Order dated 30th April, 1994; the functions of the Development Board have been specified as given below:

- to ascertain relative levels of development in different sectors in relation to its area on the basis of appropriate indicators, having regard to the levels of development in the state as a whole,
- to assess the impact of various development efforts in removing backlog and achieving overall development within its area,

- to suggest the levels of development expenditure over the area of Development Board during a plan period including the annual plan, and
- to prepare an annual report on its working and send it, as far as possible within three months after the end of every financial year, to the Governor for placing it before the Maharashtra State Legislative Assembly.

1.6 Allocation of Funds:

Clauses of 7 & 8 of the Development Board Order, under the caption "**allocation of funds for development expenditure**" and "**allocation of funds to be reflected in annual financial**

statement" state that-

- (1) the Governor of Maharashtra shall ensure equitable allocation of funds for development expenditure over the areas of Development Boards, subject to the requirements of the State as a whole.
- (2) In ensuring equitable allocation of funds, the Governor may -
 - a) take into consideration the recommendations, if any, made by the Development Board, and
 - b) where he considers it necessary and appropriate, seek advice from any person or body of persons in the matter of the allocation of funds.
- (3) The allocation of funds or outlays made by the Governor shall be reflected in the annual financial statement, to be placed before the State Legislature and the developmental activities with regard to the outlays as aforesaid, shall be carried out or caused to be carried out by the State Government and the funds so allocated shall not be diverted from the area of the one Board to that of another Board with the following exceptions:
 - a) Reappropriation may be made in conformity with the budgetary rules and Procedure on the development activities undertaken as aforesaid within the area of a Board.
 - b) In the implementation of the development activities, the prevailing norms shall be adhered to, and
 - c) The respective administrative departments shall continue to implement and exercise administrative and technical supervision and control over the developmental activities.

1.7 Directions by the Hon'ble Governor:

The Governor may, by order, from time to time give directions to the Development Boards in the matter of its functioning as per clause 9 of the said order.

1.8 Suitable arrangements for Education, Training & Employment:

Clause 10 of the Development Board Order ensures suitable arrangements for education, training and employment. For this purpose, it is prescribed that:

The Governor shall ensure equitable arrangement for providing adequate facilities for technical education and vocational training and for adequate opportunities for employment in service under the control of the State Government in respect of the area of each Development Board, subject to the requirement of the State as a whole, and for that purpose the Governor shall give suitable directions to the State Government from time to time; and while doing so, the Governor may, where he considers it necessary and appropriate, seek advice from any person or body of persons.

CHAPTER-II REPORT OF THE MEMBER-SECRETARY

2.1 Territorial jurisdiction and headquarter of the Board:

The territorial jurisdiction of the Board is extended to entire revenue division of Marathwada, which includes districts of Aurangabad, Jalna, Parbhani, Hingoli, Nanded, Beed, Latur and Osmanabad. The headquarter of the Board is at Aurangabad located in Central Administrative Building in the Collectorate campus.

2.2 Office Establishment:

Two independent office establishments have been sanctioned for Marathwada Statutory Development Board, one for the Chairman and other for Member-Secretary of the Board. The posts were created separately for the establishment of the Chairman and Member-Secretary. The Planning Department has sanctioned total

number of 23 posts from various cadres on the establishment of the Board for the year 2009-2010.

During the period of reporting year 2009-2010, the position of sanctioned and filled-in posts is given below.

a) For the Office of the Chairman

Sr.No.	Designation of the Post	Sanctioned Posts	Filled-in Posts	Remarks
(1)	(2)	(3)	(4)	(5)
1	Private Secretary	1	1	
2	Personal Assistant	2	0	2 Vacant
3	Stenographer (H.G.)	1	1	
4	Clerk cum-typist	1	1	
5	Driver	1	1	
6	Chopdar	1	0	1 Vacant
7	Peon / Messenger	3	3	
	Total	10	7	

The post of private secretary to the Chairman is filled-in from the staff of the Maharashtra State Co-operative Housing Finance Corporation Ltd. The posts of Stenographer (HG) and Clerk-typist are taken from Irrigation department. One post

each of driver and peon have been filled-in from outside and the remaining 2 peons are taken from Irrigation department.

b) For the Office of the Member-Secretary:

Sr.No.	Designation of the Post	Sanctioned Posts	Filled-in Posts	Remarks
(1)	(2)	(3)	(4)	(5)
1	Add. Commissioner & Member Secretary	1	1	
2	Joint Director	1	1	
3	Administrative officer-cum-Research Officer	1	1	
4	Research Assistant	2	2	
5	Assistant Accounts officer	1	1	
6	Stenographer (H.G.)	1	1	
7	Senior Clerk	1	1	
8	Clerk-Typist	1	1	
9	Driver	2	1	1 Vacant
10	Peon	2	2	
	Total	13	12	

The post of Additional Commissioner and Member Secretary is from I.A.S. cadre, which is filled and other posts such as Joint Director, Administrative Officer-cum-Research Officer, Research Assistants are filled-in from the Directorate of Economics and Statistics. The incumbent on the post of Assistant Accounts Officer is taken on deputation from Directorate of Accounts and Treasury. The post of Stenographer is filled from the office of M.C.E.D. and the posts of Senior Clerk, Clerk-typist and Peon are drawn from Irrigation Department. The post of Driver is filled-in from Revenue Department.

2.3 General meetings of the Board:

The Board organised one general meeting during the reference period, i.e., from 1st April, 2009 to 31st March, 2010. Elaborate discussions were made in the meeting on the progress of development of the region and issues of regional imbalance especially in the sectors of Irrigation, Road-Development, Health Services, General and Technical Education, Medical Education, Agriculture, Water Supply and other social sectors of development were dealt with and important resolutions were passed. The resolutions passed by the Board were submitted to the Governor's office and also the respective departments in Mantralaya for suitable necessary action.

The General Meeting of the Board was organized on 23rd of June, 2009 for the recommendation of works to be undertaken under the special funds.

In 2009-2010 due to the operation of model code of conduct for Parliament Election, Legislative Assembly Election & Aurangabad Municipal Corporation Election only Subject Committee meetings have been organized.

2.4 Subject Committees:

Under the provision of clause 4 (3) of the Development Board Order issued by the Governor, dated 5th August, 1994, the Statutory Development Boards are allowed to create special subject committees for seeking guidance and advice to the Board. Accordingly, Marathwada Statutory Development Board has constituted special subject committees on the following subjects:

1. Agriculture, Crop Husbandry, Horticulture
2. Co-operative, Animal Husbandry, Dairy Development, Agriculture-Marketing, agriculture Credit.
3. Rural Development
4. Irrigation and CADA
5. Industry and Energy
6. Transport and Communication, Housing
7. General Education and Technical Education
8. Health Services, Water Supply, Urban Development
9. Social Welfare, backward class welfare, women and child welfare.
10. Information Technology.
11. Science and Technology.

2.5 Meetings of Special Subject Committees:

The Board has organised special committee meetings and other related meetings on the following dates:

1.	Agriculture, Crop Husbandry, Horticulture	27.07.2009
2.	Irrigation and CADA	28.07.2009
3.	Health Services, Water Supply, Urban Development	29.07.2009
4.	Social Welfare	29.07.2009
5.	Industry and Energy	30.07.2009
6.	General Education	30.07.2009
7.	Transport, Communication and Road Development	30.07.2009
8.	Information Technology & Science and Technology	31.07.2009
9.	Meeting Regarding the U.C. & C.C. from Agencies	25 .08.2009

2.6 Participation of the Board in Planning Process:

The Governor has emphasized on the involvement of Development Boards in the planning process in their respective regions. This Board accordingly participated in such meetings organised at State and district level.

The Chairman of the Board has been appointed as ex-officio member of the State Planning Board. As such, the Chairman participated in the meetings organised by State Planning Board and took part in discussions. Also the members of the Board are associated with District Planning Councils, as ex-officio members. The members

of the Board also took part in the meetings organised by District Planning Councils held in the districts. The members also represented the Board in "Core Group" of their respective District Planning Committees while formulation of the district plans.

2.7 Participation of in Seminars Organised by various Organisations, Conferences etc.:

Dr. R.P. Kurulkar [Acting Chairman] and also Expert Member of the Board was invited by various Institutions and Organization to participate in their Seminars/Conference during the year 2009-10 as follows.

Sr. No.	Name of Institute	Subject
(1)	(2)	(3)
1	Deogiri College, Aurangabad	Chairman of the Session on Phule? Shahu-Ambedkar Series on 23 Jan. 2010
2	Women's Arts and Commerce College, Jalgaon	UGC Sponsored One-day State level Seminar on 13th Feb. 2010
3	Shri Asaramji Bhandwadar Arts, Commerce and Science College, Kannad, Dist. Aurangabad.	Chief Guest of the National Seminar held on 26th Feb. 2010.
4	27th Annual Conference of the Marathwada Economic Association held at Umerga Dist. Osmanabad	Chief Guest at Valectory function on 6th, 7th March, 2010.
5	Water and Land Management Institute (WALMI), Aurangabad.	Delivered a lecture on "Privatization in Water Sector" on 18th March 2010.

2.8 Tours Undertaken by the Chairman and Members:

The Chairman of the Board undertook extensive tours in the region for holding dialogue with people's representatives and programme implementing agencies, related to development in Marathwada region. In order to solve the problems in the process of development of the

region, the Chairman had discussion with concerned ministers and departmental heads in Mantralaya. The Chairman and members of the Board also visited Mumbai to attend various meetings. The members of the Board also attended various meetings organised by District Planning Councils at respective district headquarters.

2.9 Office Library:

The Board has maintained a library, which contains reference books, periodicals etc. related to planning and development. Publications such as annual plan, annual budget, economic survey, census handbooks, district social and economic abstracts, statistical publication of various departments etc. are stocked in the library. The library has proved to be very useful for the Board members for reference while preparing various study reports.

CHAPTER-III

Board's Recommendation on Contemporary Issues

3.1 Special Budget of Rs. 2000 Crores to bring about Development in HDI in 19 Backward Districts of Maharashtra

The concept of Human Development Index was developed by Prof. Amartya Sen, the Nobel Prize Winner in Economics. This concept is much more comprehensive, than the concept of per capita income, as it includes health & education as additional variables.

The Govt. of Maharashtra has recently published "Maharashtra Human Development Report 2002" indicating districtwise Human Development Indices. The highlights of this report are as follows:

- (1) The average HDI value of the state is 0.58
- (2) Mumbai city has the highest HDI value of 1.00, while Gadchiroli district is at the bottom with the HDI value of 0.21, indicating disparity of development 1:5.
- (3) There are 10 districts with high HDI values (or highly developed districts) of which 9 districts are located in rest of Maharashtra Region, but not a single district from Marathwada Region.
- (4) There are 6 districts with medium HDI values of which, only one is located in Marathwada, (i.e., Aurangabad).
- (5) There are 19 districts in the state, which have very low HDI values as indicated in the following table. Out of 8 districts in Marathwada 7 districts fall in this category.

Table No. 1

Sr. No.	Name of District	HDI [Indicators 2000]	Allocation of Rs. 2000 Crores	Per Capita Income 1998-99	Literacy Rate 2001	IMR
1	2	3	4	5	6	8
1	Ratnagiri	0.46	96.20	10926	75.35	75
2	Dhule	0.36	109.80	8195	72.08	73
3	Nandurbar	0.20	123.70	8195	56.06	73
4	Solapur	0.46	89.30	12558	71.50	68
5	Jalna	0.26	125.40	8049	64.52	76
6	Parbhani	0.42	97.80	9272	67.04	50
7	Hingoli	0.42	97.80	9272	66.86	50
8	Beed	0.44	90.90	9570	68.48	52
9	Nanded	0.36	108.10	8788	68.52	68
10	Osmanabad	0.38	106.50	8963	70.24	70
11	Latur	0.46	90.00	9229	72.34	57
12	Buldhana	0.39	101.30	8849	76.14	82
13	Akola	0.42	96.20	10402	81.77	101
14	Washim	0.34	109.80	10402	74.03	101
15	Yavatmal	0.21	133.90	8990	74.06	124
16	Bhandara	0.46	92.70	9989	78.68	81
17	Gondia	0.46	92.70	9989	78.65	81
18	Chandrapur	0.41	101.30	13003	73.07	96
19	Gadchiroli	0.20	135.70	11635	60.29	176
	State Average	0.58	2000	15804	77.27	74

Table No. 2
Allocation of Funds on the Basis of HDI Values for Districts

Sr. No.	District	HDI Values		Difference form - 1.0	Suggested Alloca- tion Rs in Crores
(1)	(2)	(3)	(4)	(5)	(6)
1	Ratnagiri	0.44	L	0.56	24.03
2	Dhule	0.36	L	0.64	27.47
3	Nandurbar	0.28	L	0.72	30.90
4	Solapur	0.48	L	0.52	22.32
5	Jalana	0.27	L	0.73	31.33
6	Parbhani	0.43	L	0.57	24.46
7	Hingoli	0.43	L	0.57	24.46
8	Beed	0.47	L	0.53	22.75
9	Nanded	0.37	L	0.63	27.05
10	Osmanabad	0.38	L	0.62	26.60
11	Latur	0.47	L	0.53	22.75
12	Buldhana	0.41	L	0.59	25.32
13	Akola	0.44	L	0.56	24.03
14	Washim	0.36	L	0.64	27.47
15	Yeotmal	0.22	L	0.78	33.48
16	Bhandara	0.46	L	0.54	23.18
17	Gondia	0.46	L	0.54	23.18
18	Chandrapur	0.41	L	0.59	25.32
19	Gadchiroli	0.21	L	0.79	33.90
	Total States			11.65	500.00

L=Low HDI

Table No. 3
Allocation of Funds on the Basis of HDI Values for Districts

Sr. No.	District	HDI Values		Difference from - 1	Suggested Allocation Rs in Crores
(1)	(2)	(3)	(4)	(5)	(6)
	Ratnagiri	0.44	L	0.56	19.30
2	Nasik	0.51	M	0.49	16.88
3	Dhule	0.36	L	0.64	22.05
4	Nandurbar	0.28	L	0.12	74.80
5	Jalgaon	0.50	M	0.50	17.30
	Ahmednagar	0.57	M	0.43	14.80
7	Solapur	0.48	L	0.52	17.92
8	Aurangabad	0.57	M	0.43	14.81
9	Jalana	0.27	L	0.73	25.16
10	Parbhani	0.43	L	0.57	19.63
11	Hingoli	0.43	L	0.57	19.63

(Contd.)

Table No. 3 (Concl'd.)

Sr. No.	District	HDI Values		Difference from - 1	Suggested Allocation Rs in Crores
(1)	(2)	(3)	(4)	(5)	(6)
12	Beed	0.47	L	0.53	18.25
13	Nanded	0.37	L	0.63	21.70
14	Osmanabad	0.38	L	0.62	21.36
15	Latur	0.47	L	0.53	18.25
16	Buldhana	0.41	L	0.59	20.32
17	Akola	0.44	L	0.56	19.30
18	Washim	0.36	L	0.64	22.05
19	Amaravati	0.50	M	0.50	17.30
20	Yeotmal	0.22	L	0.78	26.88
21	Wardha	0.49	M	0.51	17.57
22	Bhandara	0.46	L	0.54	18.60
23	Gondia	0.46	L	0.54	18.60
24	Chandrapur	0.41	L	0.59	20.32
25	Gadchiroli	0.21		0.79	27.22
	Total States			14.51	500.00

L=Low HDI, M=Medium, H-High

This analysis leads us to conclude that, in terms of HDI, there is huge disparity in development in the state of Maharashtra even today. Therefore, for the accelerated development of these 19 low HDI districts in the state, the Board proposes a total investment of Rs. 2000 crores as "Special Fund", to be included in the annual plan budget of 2010-11, of the Govt. of Maharashtra.

3.2 A Note on Allocation of funds for District Plans (2010-11)

The Planning Dept. of the Govt. of Maharashtra has adopted certain methodology for allocating district plan funds. In this Note we are dealing with this issue at greater length and also suggesting an alternative methodology or formula which is more appropriate and with a strong economic logic for the allocations made on the basis of the Human development Index of each district.

There is an urgent need to adopt a new formula for allocating funds on the basis of the HDI values of each district in the State, from the next financial year 2010-11. This formula is discussed below.

An Alternative formula for allocating funds on the basis of the HDI values: This new approach aims at allocation of plan funds on the basis of HDI values of each district in such a manner that, high HDI value districts should get relatively smaller amount of funds, while low HDI Value district should get relatively larger amount of funds, In other words, the allocations of funds to each district should be based on the level of its HDI value. To achieve this objective, the following formula can be employed.

$$\frac{d}{\sum d} \times \frac{\text{Funds Allotted on the basis of HDI}}{1} = \text{Allocation to the district}$$

Where d = Difference of the HDI value of the district from 1.00

Σd = Summation of the difference of all districts (or 17.01)

Two examples are given below:

i) Pune district has the difference of HDI value (1-0.76)= 0.24

Hence, $d = 0.24$ and $\Sigma d = 17.01$ Funds Allotted on the basis of HDI = **Let us assume the funds are Rs. 750 Crores.**

$$\frac{0.24}{17.01} \times \frac{750}{1} = 10.58 \text{ crores (Allocation to Pune)}$$

ii) Gadchiroli district has the lowest HDI value of 0.21 : Hence difference in HDI value of Gadchiroli district would be

$$(1.0 - 0.21) 0.79$$

Hence allocation to Gadchiroli district would be

$$\frac{d}{\Sigma d} \times \frac{20\% \text{ funds}}{1} = \frac{0.79}{17.01} \times \frac{750}{1} = 34.83 \text{ crores}$$

iii) Following this formula we have allocated plan funds to each district on the basis of its HDI value, Please see table - 4.

Table No. 4

Sr.No.	District	HDI Value	Difference from-1	Allocation Rs. in Crores Suggested**
(1)	(2)	(3)	(4)	(5)
1	Mumbai	1.00H	0.00	0.00
2	Mumbai Gr.	1.0011	0.00	0.00
3	Thane	0.82H	0.18	7.95
4	Raigad	0.70H	0.30	13.23
5	Ratnagiri *	0.44L	0.56	24.70
6	Sindhudurg *	0.60H	0.40	17.64
7	Nasik	0.51M	0.49	21.60
8	Dhule *	0.36L	0.64	28.23
9	Nandurbar	0.28L	0.72	31.75
10	Jalgaon	0.50M	0.50	22.05
11	Ahmednagar	0.57M	0.43	18.96
12	Pune	0.76H	0.24	10.58
13	Satara	0.59H	0.41	18.09
14	Sangli	0.68H	0.32	14.11
15	Solapur	0.48L	0.52	22.93
16	Kolhapur	0.64H	0.36	15.88
17	Aurangabad	0.57M	0.43	18.96
18	Jalana *	0.27L	0.73	32.19
19	Parbhani *	0.43L	0.57	25.14
20	Hingoli	0.43L	0.57	25.14
21	Beed *	0.47L	0.53	23.38
22	Nanded *	0.36L	0.63	27.79
23	Osmanabad *	0.38L	0.62	27.34
24	Latur *	0.47L	0.53	23.38
25	Buldhana *	0.41L	0.59	26.02
26	Akola *	0.44L	0.56	24.79
27	Washim	0.36L	0.64	28.23
28	Amaravati	0.50L	0.50	22.05
29	Yeotmal *	0.22L	0.78	34.22
30	Wardha *	0.49M	0.51	22.49
31	Nagpur #	0.71H	0.29	12.78
32	Bhandara *	0.46L	0.54	23.80
33	Gondia	0.46L	0.54	23.80
34	Chandrapur *	0.41L	0.59	26.02
35	Gadchiroli *	0.21L	0.79	34.84
	Total State	0.58	17.01	750.00

* Backward # High

iv) **JUSTIFICATION:** The formula used by the Planning Dept, allocates larger funds to already developed districts (or with High HDI values) while allocates smaller funds to low HDI Districts . Finally we request the Govt. to reconsider this method of allocation of plan funds to the districts on the basis of their HDI values as suggested in above formula, from the next financial year.

3.3 Conduct of Studies on Social Sector:

The Board has decided it would undertake studies on Social Development issues through its sub-committee and the report would be presented to the Government of Maharashtra for the same.

3.4 Introducing Board's Website:

Information regarding the developmental work and activities carried out by the Board should be disseminated to the people. Hence

Board has decided to launch its website [www.msdb.gov.in], under the guidance of Chairman & Member Secretary of the Board.

3.5 Removal Backlog in Irrigation of Jalna District:

There are four dams, Jogonaladevi, Mangrul, Rajatakli and Loni Sangvi constructed on the Godavari river in Jalna District. On the both sides of the river irrigation potential has been created. Jalna District lies on one side of the river and Parbhani and Beed Districts lie on the other side. During the survey by Jalna Irrigation Division the dams were shown to belong to Jalna District only. Hence the expenses and irrigation potential has been shown against the Jalna District only. The irrigation potential created by the Jogonaladevi, Mangrul, Rajatakli and Loni Sangvi dam lies in Jalna District , as well as Parbhani and Beed Districts. Now the revised irrigation potential created has been shown in the following table.

Table

Sr.No.	District	Irrigation Backlog (Rubby Sorgam Equivalent)	Potential Created in 2008-09		Remaining Backlog
			Irrigation Area	Rubby Sorgam Equivalent	
(1)	(2)	(3)	(4)	(5)	(6)
1	Jalna Dated 28/01/10 Reform	21530	10883	17358	4172
2	Beed Dated 28/01 10 Reform	21530	5995	9439	12091
		0	0	0	0
			4488	7270	0
3	Parbhani Dated 28/01/10 Reform	0	0	0	0
			400	648	0

**3.6 District wise Recommendation & Sanctioned Works
Under Special Funds for the Year 2009-10**

Sr.No	Name of the District	Admissible Fund	Proposals Recommended by the Board		Proposals Sent to Pl. Dept. by the Collector		Sanctioned Proposals	
			No. Works	Fund	No. Works	Fund	No. Works	Fund
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Aurangabad	370.00	72	726.97	72	426.97	30	356.96
2	Jalna	230.00	80	338.50	68	286.00	60	243.00
3	Beed	309.83	80	526.31	75	354.50	48	309.83
4	Parbhani	202.62	30	291.00	30	291.00	19	194.71
5	Hingoli	146.34	36	164.00	36	164.00	36	146.34
6	Nanded	354.12	36	408.59	35	328.90	31	351.20
7	Osmanabad	139.04	51	283.79	45	251.70	25	137.98
8	Latur	250.45	66	370.26	62	335.00	55	250.31
9	Total 80%	2002.40	451	3109.42	423	2738.07	304	1990.33
	Total Collective Scheme 15%	375.45	20	495.54	0	0.00	16	375.45
	Backward Tal. Sen- gaon Dist.Hingoli 5%	62.57	12	60.00	12	60.00	12	60.00
	Backward Tal. Washi Dist. Hingoli 5%	62.58	7	79.30	7	62.30	7	62.30
	Total	2503.00	490	3744.26	442	286037.00	339	2488.08

**THE STATUTORY DEVELOPMENT BOARD FOR
THE REST OF MAHARASHTRA
Annual Report 2008-2009**

ACKNOWLEDGMENTS

The Statutory Development Board for the Rest of Maharashtra in the first place, gratefully acknowledges the guidance received from His Excellency, the Hon'ble Governor of Maharashtra from time to time.

The Hon'ble Governor took personal interest in the development of the region and had interaction with the Board on development issues from time to time, due to which it was possible for the Board to discharge its functions effectively and hence Board is grateful to Hon'ble Governor.

The Board is also grateful to the Hon'ble Chief Minister and his cabinet colleagues for their co-operation. The Board is also obliged to all the Hon'ble Ministers for their co-operation in sanctioning of the proposals of development works which the Board had submitted to the Government.

The Board acknowledges its gratitude towards all the Hon'ble Members of parliament, Hon'ble Members of State Assembly and State Legislative Council, Presidents of Zilla Parishada, Presidents of Municipal Councils, Social workers of the Rest of Maharashtra region, for rendering co-operation to the Board.

The Board is having constant touch with the respective Administrative Department. The Administrative Department helped in sanctioning the proposals of the Board. And hence the Board is grateful to Chief Secretary, Additional Chief Secretary, Principal Secretary, Secretaries and their Colleagues.

The Board is also grateful to Shri Shrikant Deshpande, Secretary to the Hon'ble Governor, Shri Vikas Chandra Rastogi, Deputy Secretary to Hon'ble Governor, Shri Sunil Soni, Principal Secretary, Planning Department, Shri. Baldev Sing, Secretary Rural Development, Department, Shri Y.L. Waghmare, Joint Secretary, Planning Department, Shri J.R. Bankapure, Under Secretary, Planning Department and their staff for help and guidance to the Board. The Board is thankful to all those who have directly or indirectly associated themselves with the activities of the Board.

DEVELOPMENT BOARD FOR THE REST OF MAHARASHTRA, MUMBAI ANNUAL REPORT 2008-09**INDEX**

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3.	CHAPTER-II Report of Member Secretary of the Development Board Board's Office and Personnel. Meetings of the Board Board's Annual Plan for 2008-09 Removal of Backlog Extension of time limit for the utilization of the fund Available for the year 2008-09 Appointment of members on District Planning Committee Tours under taken by Chairman and Members	
	PART - II ANNEXURES	
	Appendix-1 Statement showing departmentwise funds recommended by the board for the year 2008-09	
	Appendix-2 Statement showing Departmentwise funds sanctioned by the Planning Department for the year 2008-09	
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Ulhas Pawar Chairman

D.O.No.DBRM/AR/2008-09/2009

Development Board for the
Rest of Maharashtra, Mumbai
New Administrative Building,
18 th floor, Opp. Mantralaya.
Mumbai-400 032.
Date: 25 .06.2009

Sub: - Submission of Annual Report of the Development Board
for the Rest of Maharashtra for the year 2008-09.

Respected Sir,

I am happy to submit to His Excellency, the Annual Administrative Report of the Development Board for the Rest of Maharashtra for the year 2008-09. This Annual Report is being submitted for placing before the State Legislature as per the provision of Article 371 (2) of the Constitution of India and clause 6 (D) of the Development Boards for Vidharbha, Marathwada and Rest of Maharashtra Order, 1994. This is the Fifteenth Annual Report of the Development Board for the Rest of Maharashtra.

The Development Boards have completed a period of Fifteen years on 30th April 2009. They have been mainly assigned the functions, viz., to ascertain relative levels of development in different sectors and various regions of the state, to assess the impact of various development efforts in removing backlog, to suggest the levels of development expenditure over the area of the Development Board etc. With the intention of effectively discharging the functions of the Development Board for the Rest of Maharashtra, this Board is making sincere efforts to learn and understand the opinions and expectations of the people and their representatives, regarding the development works in their areas.

Excluding the areas of Marathwada and Vidarbha from the state of Maharashtra, the remaining area constitutes the jurisdiction of the Rest of Maharashtra. It includes three Revenue Divisions, viz., Nashik, Pune and Konkan including Greater Mumbai. The jurisdiction of the Development Board for the Rest of Maharashtra covers 161 Talukas out of 353 Talukas and 16 Districts out of 35 districts of the State. According to 2001 census, 62.59% of the total population and 47.26% of the geographical area of the state falls within the jurisdiction of this Development Board. The 53.82% out of 5.57 crores of rural population and 74.49% of the 4.10 crores of urban population of Maharashtra State resides within the jurisdiction of Development Board for the Rest of Maharashtra. Out of 22 Municipal Corporations 17 Municipal Corporations and out of 222 Municipal Councils 103 Municipal Councils fall within jurisdiction of this Development Board.

In the Rest of Maharashtra area, almost all-ongoing, committed and even potential yielding irrigation projects have been slowed down due to paucity of funds. During the year 2009-10, an allocation of Rs.2607.15 crores out of the total allocation of Rs. 6600.00 crores for the state in the irrigation sector has been proposed for ROM areas which works out to 39.50% of the total outlay for the State in the irrigation sector. The result of less allocation will be that many of the ongoing works in ROM area would be slowed down materially, which will affect overall irrigation programme of

Rest of Maharashtra. The above situation has occurred primarily due to the method adopted for assessment of physical backlog in irrigation sector. Various alternative methods for assessment of physical backlog are available. The method suggested by Indicator & Backlog Committee was not accepted by irrigation department and they had suggested a different method. The DBROM had also opposed the method suggested by I & BC while the irrigation commission (1999) had still proposed another method for assessment of physical backlog. However, the method most unfavourable to ROM area has been accepted which is causing above distortion.

In view of the above, it is submitted that instead of district wise assessment and removal of physical backlog of irrigation, region wise financial allocation for irrigation sector could be decided on Weighted Average Factors of population, net sown area and DPAP area. Further, the project wise distribution of regional funds could be done by irrigation dept. according to their usual priorities, i.e., highest priorities to the ongoing potential yielding projects, externally aided projects, projects in DPAP area, etc. Thus, in the interest of the State as a whole, it is necessary to have a fresh review of backlog in irrigation sector to prevent serious slowing down of irrigation works in ROM area. For this purpose, a committee consisting Chairmen of the three development boards and of Expert Members may be appointed. So that, this committee can review the methodology adopted at present and suggests appropriate methodology for the assessment of backlog.

The Irrigation Department constituted a Committee headed by Shri. V.Ranganathan, retired Chief Secretary to GOM, vide their GR No. PLN - 2005/(178/2005)/Nivas-1 dated 14/07/2005, to ascertain backlog in the Irrigation Sector for 148 Talukas, so designated by them as drought prone areas. The DBROM considered this issue and after formalizing their views, communicated to the GOM that, this Committee should consider only the usually accepted (since 1960), 84 to 90 talukas as DPAP talukas, for assessment of backlog in the irrigation Sector instead of 148 talukas and gave justification for the same. After considering the issue, the GOM issued a modified GR No. PLN - 2005/(178/2005)/Nivas-1 dated 09/03/2006, indicating therein the names of the 90 talukas designated as drought prone talukas and for which the Committee has been directed to ascertain the backlog for these 90 Talukas and to submit their report accordingly. However the other Development Boards had protested against this decision. Consequently Government in water conservation Department vide Government Resolution No.PLN 2005 (178/2005) Nivas-1 dated 2.12.2006 directed Shri V.Ranganathan committee again to consider the backlog in irrigation sector of 166 DPAP Talukas of Maharashtra. Government had asked views of this Board to the said pertinent issue. The DBROM had elaborate debate in its meeting held on 30th May 2007. In the said meeting the Board had decided to submit to Government a short note confirming the views of Board on the said issue and the previous detailed note, Resolution of Board and the pertaining correspondence made with Hon.Governor, for consideration of Government. The Government and Shri V.Ranganathan committee is requested to _ consider the view of Board as expressed in the said note and correspondence.

While Allocating development funds sectorwise / workwise the views of the Development Boards should be taken into consideration by the Planning Dept. as directed in Hon. Governor's directives dated 15/12/2001 (Para 1.1). This will help for better utilization of allocation.

Since 1995-96 Annual Plan onwards, special funds of Rs.100 crores are being reserved for scheme to be proposed by the Statutory Development Boards. Since, these being the development funds allotted on the basis of remaining backlog of the region, this Development Board is constantly receiving less amount. I, therefore, request His Excellency that the allocation of these funds be distributed on the basis of area and population.

The special funds of Rs. 20.25 crores were made available to the Rest of Maharashtra Development Board for the year 2008-09. As per the planning dept. order G.R.No. dated 26/12/2006, the guidelines were issued for districtwise distribution of funds. Accordingly, 15% funds were to be reserved for social development works, 5% for the backward talukas and of the remaining 80% funds, half of the funds (40%) were to be distributed to districts according to population and balance (40%) as per the backlog in the districts. As per the guidelines issued by the government, plan for the distribution of funds for 2008-09 was prepared and the works were recommended accordingly. As per the guidelines, two most backward talukas from each Revenue areas of the board were to be selected. For selection of backward talukas, indicators such as literacy ratio, proportion of families below poverty line, proportion of irrigated area to total area under cultivation and SC/ST proportion were used and opinion of Divisional Commissioner was also considered. Thus taluka Sudhagad & Tala (Dist. Raigad) from Konkan Division, taluka Pathardi (Dist. Ahmadnagar) & taluka Bodawad (Dist. Jalgaon) from Nashik Division & taluka Mangalwedha (Dist. Solapur) & taluka Gaganbawada (Dist. Kolhapur) from Pune division were selected by the board as backward talukas for recommendation of developmental works. During 2008-09 the development works from these Talukas were recommended.

The Development Board for the Rest of Maharashtra has recommended the works to the tune of Rs. 32.40 crores during 2008-09. The funds were made available to the developmental works like construction of Sakays, drinking water supply schemes, water purifying system, clinical and surgical instruments to the Hospitals, construction of Village Tanks and Storage Bandharas, Cement Nala bunding, Construction of Amardham/crematory, cultural and social Sabhagrihas, Grampanchayat office buildings, etc. Thus, this board has made funds available to various Developmental works in order to provide better amenities to the people.

The Annual Report of the Development Board for the Rest of Maharashtra for the year ending 31st March 2009 is hereby submitted to Your Excellency.

On behalf of the Development Board for the Rest of Maharashtra, I convey our sincere thanks to Your Excellency for the valuable guidance and co-operation extended to our Board. I hope we will continue to get the benefit of your guidance in the future also.

With High Regards,

Yours sincerely,

(Ulhas Pawar)
Hon'ble Shri S.C.Jamir
Governor of Maharashtra,
Raj Bhavan, Malbar Hill,
Mumbai-400 035.

Chapter - 1

Establishment and functions of the Statutory Development Board

- 1.1 In Pursuance of the order issued by the Hon. President of India under Article 371(2), the Hon. Governor of Maharashtra under his order No. GS/ G/ 94/ DB/ 432 dated 30th April 1994 established three independent Statutory Development Boards in Maharashtra for Vidarbha, Marathwada and the Rest of Maharashtra. The Rest of Maharashtra Development Board is one of them.
- 1.2 The total strength of members of this Board, including Chairman is 13. Out of these members, 9 non-official members and 4 official members. Out of 9 members one Executive Chairman of State Planning Board, 5 members are expert mem-

bers inclusive of Chairman, 2 members are of the Legislative Assembly and one is representative from local bodies from the jurisdiction of the Development Board. The four official members are from the Indian Administrative Services Cadre. They are Divisional Commissioners of Konkan, Pune and Nashik Divisions and the Member Secretary of the Development Board.

- 1.3 As per Hon. Governor's order No. GS/ DS/ DB/ 2006/72 dated 27th April, 2006 period of the Statutory Development Boards has been extended upto 30th April 2010 and the Chairman and members of the Board will hold the office with effect from 1st May, 2006 till further orders. The constitution of present Board is as follows:

1	Shri. Ulhas Pawar	Chairman	From 15-12-99
2	Dr. Ratnakar Mahajan, Executive Chairman, State Planning Board	Ex.Officio Member	From 28/07/2006
3	Shri. Sadashiv Kisan Lokhande M.L.A.	Member	From 15/12/99
4	M.L.A. Member	Member	Vacant post from 18/10/2004
5	Local Statutory Institution, Representative	Member	Vacant post from 18/10/2004
6	Dr. S.K. Dorge	Expert Member	From 15/12/99
7	Dr. Smt. Suvarna Shinde	Expert Member	From 28/06/2001
8	Shri. S.T. Deokule	Expert Member	From 15/12/999
9	Shri. V.P. Kshirsagar	Expert Member	From 15/12/99
10	Shri. S.S.Sandhu, Divisional Commissioner, Konkan	Ex.Officio Member	From 20/02/2008
11	Dr. Sanjay Chahande Divisional Commissioner, Nashik	Ex.Officio Member	From 05/01/2006
12	Shir. Nitin Karir Divisional Commissioner, Pune	Ex. Officio Member	From 04/04/2007 to 31/12/08
13	Shri. Dilip Band Divisional Commissioner, Pune	Ex.Officio Member	From 19/01/2009
14	Shri. D.S.Patil, Member Secretary SDBROM	Ex.Officio Member & Member Secretary	From 14/05/2008

1.4 The details of the members and expert members appointed under different provisions of clause 4 the Vidharbh,

- | | |
|---|---|
| 1 | Shri Ulhas Pawar, |
| 2 | Shri Sadashiv Kisan Lokhande |
| 3 | Dr. S.K. Dorge, Retired Vice
Chancellor, Mahatma Phule Agriculture
University, Rahuri. |
| 4 | Dr. Smt. Suvarna Shinde |
| 5 | Shri. S.T. Deokule, Retired Principal
Secretary Irrigation Dept. |
| 6 | Shri. V.P. Kshirsagar,
Retired Director , Directorate of Economics & Statis-
tics, Mumbai |

Marathwada and Rest of Maharashtra Development Boards order, 1994 are as follows:

- | |
|--|
| Members and Chairman as per clause 4(C) (i) of the
said order |
| MLA Under the jurisdiction of Development Board as
per order clause 4 (C) (i) as a member |
| Expert Member as per order clause
4(C) (i) |
| Expert Member as per order clause 4(C) (i) |
| Expert Member as per order clause 4(C) (i) |
| Expert Member as per order claus 4(C) (i) |

1.5 Vide para - 6 of the Development Board Order, dated 30th April, 1994 the functions of the Development Board are as follows:

The Development Board shall, from time to time

- a) ascertain relative levels of development in different sectors in relation to areas on the basis of appropriate indicators , having regard to the levels of development in the State as a whole,
- b) Assess the impact of various development efforts in removing backlog and achieving overall development within its area,
- c) Suggest the levels of development expenditure over the area of Development Board during a plan period including the annual plan and
- d) Prepare an Annual Report on its working and send it, as far as possible within three month after the end of every financial year, to the Hon. Governor for placing it before the Maharashtra State Legislature Assembly.

1.6 In para-7 and 8 of the Development Board Order 1994 under the headings "Allocation of funds for development expendi-

ture" and "Allocation of funds to be reflected in annual financial statement" the following orders have been stated : -

- 1) The Hon. Governor of Maharashtra shall ensure equitable allocation of funds for development expenditure over the areas of Development Boards, subject to the requirement of the State as whole.
- 2) In ensuring equitable allocation of funds, the Hon. Governor may
 - a) Take into consideration the recommendations, if any, made by the Development Board , and
 - b) Where he considers it necessary and appropriate , seek advice from any person or body of persons in the matter of the allocation of funds,
- 3) The allocation of funds or outlays made by the Hon. Governor shall be fled in the Annual Financial Statement, to be placed before the State legislature and the development activities with regard to the outlays as aforesaid, shall be carried out or caused to be carried out by the State Government and the

funds so allocated shall not be diverted from the area of one Board to that of another Board:-

Provided that

- a) Re - appropriation may be made in conformity with the budgetary rules and procedure on the development activities undertaken as aforesaid within the area of a Board
- b) In the implementation of the developmental activities, the prevailing norms shall be adhered to, and
- c) The respective administrative departments shall continue to implement and exercise administrative and technical supervision and control over the development activities.

- 1.7 In para - 10 of Development Board Order under heading "Suitable arrangement for education, training and employment," following orders have been mentioned:-

The Hon. Governor shall ensure equitable arrangement for providing adequate facilities for technical education and vocational training and for adequate opportunities for employment in services under the control of the State Govt. in respect of the area of each Development Board,

subject to the requirements of the State as a whole, and for that purpose the Hon. Governor shall give suitable directions to the State Government from time to time ; and while doing so, the Hon. Governor may, where he considers it necessary and appropriate, seek advice from any person or body of persons.

Chapter II

Report of the Member Secretary of the Development Board

A. Board's office and personnel

2.1 Government Resolutions in Planning Department No. (i) *Vai- Vi- Ma* / 1094/ CR 39/ D-1452 Dt. 7th July 1994 and (ii) *Vai- Vi- Ma* / 1094/ C-84/D-1452 Dt. 3rd October 1994. in all 31 posts were sanctioned to this Development Board. However, as per the directives of the Hon'ble Governor, review of the posts of Development Board was taken and now total 23 posts, were retained vide G.R. in Planning Deptt. No. DBRM- 2001 / proposal 29/ Desk -1452, dtd. 03/03/2001. The details of posts filled - in- and vacant posts (as on 31st March, 2009) are given below.

2.1.1 Posts for the office of Chairman of the Development Board.

Sr.No.	Designation	Sanctioned Post	Filled in Post	Vacant Posts
(1)	(2)	(3)	(4)	(5)
1.	Private Secretary	1	1	-
2.	Personal Assistant	2	2	-
3.	Stenographer (Higher Grade)	1	1	-
4.	Clerk / Typist	1	1	-
5.	Driver	1	1	-
6.	Chopdar	1	0	1
7.	Peon / Messenger	3	3	-
Total		10	9	1

2.1.2 Posts for the office of the Member Secretary.

Sr.No.	Designation	Sanctioned Post	Filled in Post	Vacant Posts
(1)	(2)	(3)	(4)	(5)
1.	Member Secretary	1	1	-
2.	Joint Director	1	1	-
3.	Administrative Officer - cum Research Officer	1	1	-
4.	Stenographer (High. Gr.)	1	1	-
5.	Research Assistant	2	2	-
6.	Astt. Accounts Officer	1	1	--
7.	Awal Karkun	1	1	-
8.	Clerk / Typist	1	1	-
9.	Driver	2	2	-
10.	Peon	2	1	1
Total		13	12	1

2.2 Out of 9 filled in posts on the establishment of Chairman, one post of private secretary has been filled in from the cadre of Assistant Public Prosecutor by the office of Director, Public Prosecutor. One post of personal Assistant has been filled in from Registrar, Dist.Consumer Redressal Forum Food and Civil Supplies, Mantralaya, Mumbai. One post of personal assistant, one post of peon and one post of driver have been filled in from outside candidates as per the directives of the Chairman of the Development Board. One post of Stenographer (Higher grade), one post of clerk and two posts of peon has been filled in from respective cadre of Divisional Commissioner office, Konkan division.

2.3 The post of Member Secretary is from the cadre of Indian Administrative Services. Shri D.S.Patil (IAS) was appointed as Member Secretary from 14.5.2008. Out of the total filled in post on the establishment of the Member Secretary, the post of one Joint Director, one Administrative - cum - Research Officer and two Research Assistants are from the respective cadres of the Directorate of Economics and statistics. The post of Assistant Accounts Officer is from the cadre of Directorate of Accounts and

Treasury and one post of Stenographer (Higher Grade), one Awal Karkun, One Clerk - Typist, two drivers and one peon has been filled in from the respective cadres under the Divisional Commissioner's office, Konkan Division.

2.4 The Office of the Development Board is located on 18th floor, West Wing of the New Administrative Building; opposite to Mantralaya, Mumbai - 400 032.

B. Meetings of the Board

2.5 During the year of Report, in all 6 meetings of the Development Board were held. In these meetings exhaustive discussions were held regarding the development works in the area of the Development Board for the Rest of Maharashtra and also regarding the problems faced by the Development Board. Detailed discussion were held on Development and construction of school rooms, K.T. weirs, village Tanks Road & bridges, Sakav, water supply schemes, Water purifying system, Gram panchayat Offices, Water conservation work, purchase of equip-

ment's for Govt/ public Hospitals, Nala, Vyamshala, Smashan Bhoomi and public Latrines, construction.

2.5.1 The meetings of the Board were held in its office at Mumbai on the following dates.

1. 21th May, 2008 (Mumbai)
2. 20th August, 2008 (Mumbai)
3. 24th September 2008(Mumbai)
4. 22th October 2008 (Mumbai)
5. 19th January 2009 (Mumbai)
6. 13th February 2009 (Pune)

Board's Annual Plan for 2008 -09.

2.6 Out of an undistributed development outlay of RS. 100 crores earmarked for the three Statutory Development Boards, for the years 2008-09, an outlay of Rs. 20.25 crores was allocated for Development Board for the Rest of Maharashtra. Since, these development outlays was allocated on the basis of remaining backlog, injustice has been caused to the Development Board for the Rest of Maharashtra. As compare

to the population and area of the Board, funds made available are on lower side. According to the 2001 population census 62.59% of the total population and 47.26% geographical area of state falls within the jurisdiction of the board's area. The share of Rs.100 crores would have been given as per population and area of the Board.

2.7 Removal of Backlog

As on 01.04.2000, the total remaining, backlog of the State was Rs.11,974.44 crores. Excluding the backlog of irrigation sector of Rs. 6618.37 crores as on 01.04.2000, the remaining backlog of other sector was Rs.5356.07 crores. Taking into account the actual expenditure incurred during the last five years, the remaining backlog as on 01.04.2009 of other sectors excluding irrigation sector was as follows

1. Rest of Maharashtra	472.03	55.64%
2. Marathwada	290.47	34.24%
3. Vidharbha	85.86	10.12%
Total	848.36	100.00%

B. Allocation for removal of backlog (other than irrigation) in the annual plan 2009-10 is as shown below:-

1. Rest of Maharashtra	312.67	55.95%	3. Vidharbha	59.85	10.71%
2. Marathwada	186.33	33.34%	Total	558.85	100.00%

2.8 Extension of time limit for the utilisation of the fund Available for the year 2008-09

The outlay made available to the DBROM is further recommended to the various sectors of development schemes. Then concerned administrative departments have to obtain the detailed works proposal along with administrative and technical sanctions from the concerned Implementing Agencies. When the proposals are received from the Implementing Agencies the Administrative Departments have to send the proposal to Planning Dept. for allotment of the fund. After the allotment from the Planning Deptt. the funds are released to the concerned Implementing Agencies by the concerne administrative deptt. After following proper procedure the work order is given from the Implementing Agencies for the actual execution of the work. This procedure takes too much time. Hence permission may be given to spend the unspent amount of 2008-09 during the year of 2009-10.

2.9 Appointment of Members as an Ex- Officio Members on District Plan Committee

The Hon. Governor has approved the pannel recommended by the Board for appointment of Members as an Ex-Officio Member on District Planning Committe In the jurisdiction of the Rest of Maharashtra the members nominated by the Governor on the District Planning Committees are given below :-

Name	District Planning Committee
Shri Ulhas Pawar, Chairman,	Mumbai City & Pune.
Shri Sadashiv Kisan Lokhande, M.L.A. Member	Nasik, Ahmednagar
Shri. S.T. Deokule, Expert Member	Mumbai Suburban & Thane
Smt. Suvarna Shinde, Expert Member	Dhule,Nandurbar& Jalgaon
Shri. V.P. Kshirsagar, Expert Member	Sangli, Satara& Rantagiri
Dr. S.K. Dorge, Expert Member	Kolhapur, Solapur
Shri. D. S. Patil (IAS), Member Secretary	Sindhudurg & Raigad

2.10 Tours undertaken by the Chairman and Members:

The Chairman of the board undertook extensive tours in the region to dialogue with people's representatives and programme implementing agencies, related to Rest of Maharashtra Region. In order to solve the problems in the process of development of the region, the Chairman had discussion with concerned Ministers and

departmental heads in Mantralaya. Member of board also attended various meetings orgnised by District planning Councils at respective district headquarters.

2.11 The details of the works recommended by the board from the funds made available during 2008-09 are given in "Appendix 1 to 3" attached to this report.

Appendix - 1
Department wise Recommendations under special funds for the year 2008-09

Sr.	No	District	Department wise Recommendations										(Rs. in Lakhs)	
			Rural Development	Water Conservation	Urban Development	Public Works	Water Supply	Revenue & Forest	Animal Husbandry	Planning	School Education	Fisheries	Medical Education	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	Mumbai	-	-	-	-	-	-	-	-	-	-	-	55.00	55.00
2	Mumbai Suburban	-	-	-	-	-	-	-	6.63	-	-	-	-	6.63
3	Thane	43.36	172.21	7.65	178.63	-	-	-	-	-	-	-	35.00	436.85
4	Raigad	125.00	47.59	-	29.33	20.90	-	-	-	-	-	-	-	222.82
5	Ratnagiri	150.02	-	11.94	49.37	1.06	-	-	-	-	-	-	-	212.39
6	Sindhudurg	55.02	-	-	32.4	-	-	-	-	-	-	-	-	87.42
7	Nashik	68.37	146.18	-	-	-	-	-	-	-	-	-	-	214.55
8	Ahmadnagar	98.43	50.98	24.5	61.86	-	-	-	-	-	-	-	-	235.77
9	Jalgaon	116.47	28.41	39.31	-	-	-	-	-	-	-	-	-	184.19
10	Dhule	148.16	20.03	-	-	-	-	-	-	-	-	-	-	168.19
11	Nandurbar	74.13	-	-	-	-	-	-	-	-	-	-	-	74.13
12	Pune	243.37	40.27	17.65	19.85	13.04	-	-	-	-	-	-	-	334.18
13	Satara	149.36	48.43	-	24.05	8.22	-	-	-	-	-	-	-	230.06
14	Sangali	155.21	24.05	12.99	-	1.06	-	-	-	-	-	-	-	193.31
15	Kolhapur	169.42	80.88	15	24.91	-	-	-	10.00	-	-	-	-	300.21
16	Solapur	156.72	88.28	22.7	-	16.87	-	-	-	-	-	-	-	284.57
Total			1753.04	747.31	151.74	420.40	61.15	-	16.63	-	-	-	90.00	3240.27

Appendix-2
Department wise funds Sanctioned by the Planning Department for the year 2008-09

(As on 31st March 2009)
(Rs. in Lakhs)

Sr. No	District	Department wise Recommendations											Total
		Rural Develop- ment	Water Conser- vation	Urban Develop- ment	Public Works	Water Supply	Revenue & Forest	Animal Husbandry	Planning	School Education	Fisheries	Medical Education	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Mumbai	-	-	-	-	-	-	-	-	-	-	-	-
2	Mumbai Subur- ban	-	-	-	-	-	-	-	-	-	-	-	-
3	Thane	-	-	7.65	127.38	-	-	-	-	-	-	-	135.03
4	Raigad	-	22.67	-	24.36	-	-	-	-	-	-	-	47.03
5	Ratnagiri	36.38	-	-	41.17	-	-	-	-	-	-	-	77.55
6	Sindhudurg	-	-	-	13.79	-	-	-	-	-	-	-	13.79
7	Nashik	27.15	96.18	-	-	-	-	-	-	-	-	-	123.33
8	Ahmadnaga r	28.00	22.93	-	42.14	-	-	-	-	-	-	-	93.07
9	Jalgaon	52.56	-	19.91	-	-	-	-	-	-	-	-	72.47
10	Dhule	72.41	-	-	-	-	-	-	-	-	-	-	72.41
11	Nandurbar	46.48	-	-	-	-	-	-	-	-	-	-	46.48
12	Pune	124.45	7.17	9.65	6.28	8.50	-	-	-	-	-	-	156.05
13	Satara	54.09	24.74	-	14.72	-	-	-	-	-	-	-	93.55
14	Sangali	54.83	10.69	-	-	-	-	-	-	-	-	-	65.52
15	Kolhapur	62.25	53.83	-	-	-	-	-	-	-	-	-	116.08
16	Solapur	89.50	42.13	-	-	-	-	-	-	-	-	-	131.63
Total		648.10	280.34	37.21	269.84	8.50	-	-	-	-	-	-	1243.99

APPENDIX-3
ANNUAL PLAN 2008-09
List of Schemes Implemented of the Special Funds of SDBROM for the year 2008-09

(Rs.in Lakhs)					
District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Mumbai		Medical education			
	1	Purchase of medical instruments for J.J.Group of Hospitals (of ophthalmic microscope with X Y. cuppling with three chip camera with S. 8 stand with assisstant microscope") (revalidation)	55.00	-	-
		Total Mumbai	55.00	-	-
ai Sub.		Planning Dept.			
	1	Supply of invertor for regional offices/district statistical offices (17) of the Directorate of Economics and Statistics	6.63	-	-
		Total Mumbai suburban	6.63	-	-
		Rural Development Dept.			
	1	Construction of gram panchayat building at Hirve-Pimpalpada Tal.Mokhada	5.00	-	-
	2	Construction of gram panchayat building at Beriste Tal.Mokhada	5.00	-	-
	3	Construction of gram panchayat building at Devgaon Tal.Murbad	5.00	-	-
	4	Construction of Smashanbhumi at Devgaon Tal.Murbad	3.45	-	-
	5	Construction of protection wall on Sakhar Patilpada Medha road (p.j.m.) Tal.Vikramgad (k.m.6/050)	9.91	-	-
	6	Construction of gram panchayat building at Ambetembhe Tal.Murbad	5.00	-	-
	7	Construction of gram panchayat building at Bhuvan Tal.Murbad	5.00	-	-
	8	Construction of gram panchayat building at Bhaluk Tal.Murbad	5.00	-	-
		Water Conservation Dept.			
	9	Construction of village Tank at Takpada Tal.Mokhada	9.08	-	-
	10	Construction of village Tank at Ghosali Tal.Mokhada	9.08	-	-
	11	Construction of village Tank at Kusapur Tal. Bhiwandi	13.08	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	12	Construction of village Tank at Karoli Tal. Mokhada	9.08	-	-
	13	Construction of village Tank at Vehe-londhe Tal.Shahapur	14.98	-	-
	14	Construction of village Tank at Chas Tal.Mokhada	9.08	-	-
	15	Construction of village Tank at Mal (Manichiwadi) Tal.Murbad	6.11	-	-
	16	Construction of village Tank at Saj-gaon (Shilghar) Tal.Murbad	6.13	-	-
	17	Construction of village Tank at Alve Tal.Murbad	12.92	-	-
	18	Construction of village Tank at Gort-han Tal.Jawhar	9.05	-	-
	19	Construction of village Tank at Vad-pada Tal.Mokhada	9.08	-	-
	20	Construction of village Tank at Kunda-chapada Tal.Mokhada	11.87	-	-
	21	Construction of village Tank at Ghot-gaon Tal.Bhiwandi	12.45	-	-
	22	Construction of C.C.bandhara in forest reserve land (S.No.91) at. Chane Tal.Bhiwandi	19.73	-	-
	23	Construction of village Tank at Vedhe-pada Tal.Bhiwandi	14.12	-	-
	24	Construction of village Tank at Mal (Manichiwadi) Tal.Murbad (addl.fund)	6.37	-	-
		Public Works Dept.			
	25	Construction of Sakav on Kinhavlii Madvira road Tal.Jawhar	9.96	9.96	-
	26	Construction of Sakav on Wada Kho-dala road Tal. Mokhada	8.66	8.66	8.66
	27	Construction of Sakav on Dolhara Dhamanshet road Tal.Mokhada	5.23	5.23	5.23
	28	Construction of internal concrete road at Chas Tal. Mokhada (k.m.0/00 to 0/415)	9.98	9.98	9.98

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	29	Construction of Sakav on Khand Khar- padepada road Tal. Vikramgad (k.m. 0/200)	7.52	7.52	7.52
	30	Construction of Sakav on Jabh Chak- depada road Tal.Vikramgad (k.m. 0/200)	7.55	7.55	7.55
	31	Construction of internal concrete road at Deherje Ghatalpada Tal. Vilcram- gad(k.m.0/00 to 0/600)	14.33	14.33	14.33
	32	Construction of protection wall on Chabke Talawali Lahangepada road Tal. Vikramgad (k.m..0/00 to 0/800 (V.R.)	5.79	5.79	5.79
	33	Construction of Sakav on Vasuri Ula- thipada road Tal.Vikramgad	8.55	8.55	8.55
	34	Construction of Sakav on Pochade Gangadpada Jambha road Tal.Vikram- gad	8.28	8.28	8.28
	35	Construction of Sakav on Vasuri Male road Tal.Vikramgad	6.63	6.63	6.63
	36	Construction of Sakav on Palgharwada Devgaon road Tal.Mokhada (S.R.34 k.m. 80/00 to 83/00)	9.91	9.91	9.91
	37	Construction of Sakav on Shiroshi Talyachapada road Tal.Jawhar	10.00	-	-
	38	Construction of Sakav on Khand Khar- padepada road Tal.Vikramgad (k.m. 1/500)	9.99	9.99	9.99
	39	Construction of Sakav on S.R.35 to Jibhalpada road Tal.Vikramgad	15.00	15.00	15.00
	40	Construction of Sakav on Karachipada Sawarkheda road Tal.Vikramgad (C.H. No 0/250)	9.89	-	-
	41	Construction of Sakav at Dhapadpada Tal.Murbad	10.00	-	-
	42	Construction of road at Bhadane Chim- bipada, Sherekarpada, Padgha V.R. No 284 Tal. Bhiwandi (k.m.0/00 to 0/550) (revalidation)	11.86	-	-
	43	Construction of Sakav on Kev- Sutar- pada road Tal.Vikramgad	6.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Raigad	44	Construction of Sakav on Jambha Chakdepada road Tal.Vikramgad Medical Education Dept.	3.50	-	-
	45	Purchase of medical instruments for C.S.M.Hospital, Rajiv Gandhi Medical College Kalwa(Cardio Respiratory analyser) Urban Development Dept.	35.00	-	-
	46	G.I.pipeline from sunset point High Jalkumbha to Bhattad House in Jawhar Municipal area Total Thane	7.65	7.65	-
		Rural Development Dept.	436.85	135.03	117.42
	1	Construction of gram panchayat building at Ranavali Tal.Shrivard	5.00	-	-
	2	Construction of gram panchayat building at Aatkargaon Tal.Khalapur	5.00	-	-
	3	Construction of gram panchayat building at Honad Tal. Khalapur	5.00	-	-
	4	Construction of gram panchayat building at Lipnivave Tal.Mhasala	5.00	-	-
	5	Construction of gram panchayat building at Ambet Tal. Mhasala	5.00	-	-
	6	Construction of gram panchayat building at Bhaliwadi Tal. Karjat	5.00	-	-
	7	Construction of gram panchayat building at Wagholi Tal. Mahad	5.00	-	-
	8	Construction of gram panchayat building at Waral Tal. Mhasala	5.00	-	-
	9	Construction of gram panchayat building at Nigdi Tal. Mhasala	5.00	-	-
	10	Construction of gram panchayat building at Sadavali Tal.Poladpur	5.00	-	-
	11	Construction of gram panchayat building at Virjoli Tal. Roha	5.00	-	-
	12	Construction of gram panchayat building at Gangavali	5.00	-	-
	13	Construction of gram panchayat building at Mangaon tarf Varedi Tal. Karjat	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	14	Construction of gram panchayat building at Kurli Tal. Roha	5.00	-	-
	15	Construction of gram panchayat building at Bhalgaon Tal. Roha	5.00	-	-
	16	Construction of gram panchayat building at Songhar Tal. Mahad	5.00	-	-
	17	Construction of gram panchayat building at Khutil Tal. Mahad	5.00	-	-
	18	Construction of gram panchayat building at Nandanpada Tal.Khalapur	5.00	-	-
	19	Construction of gram panchayat building at Kole Tal. Mhasala	5.00	-	-
		Water Conservation Dept.			
	20	Renovation of village tank at Phalsap Tal.Mhasala (revalidation)	14.78	-	-
	21	Construction of cement nala bandhara -Tal.Mangaon			
		1.Bhuvan -2	3.74	3.74	I;
		2.Ratwad-3	4.67	4.67	4.(
		3.Ghotwal-1	4.73	4.73	4:
		4.Ranvade-1	4.64	4.64	4.1
		5.Ranvade-2	4.89	4.89	4.1
	22	Construction of storage tank at Nerav Chachkond Tal.Mahad	10.14	-	
		Water Supply Dept.			
	23	Oximax machine for water supply scheme at Chavane Tal.Panvel	4.95	-	
	24	Oximax machine for water supply scheme at Shantivan Tal.Panvel	3.30	-	
	25	Oximax machine (M.M.500) for water supply scheme at Loneri Devli Tal. Mangaon	12.65	-	
		Public Works Dept.			
	26	Construction of protection wall for village tank at Jite Tal. Mahad	24.36	24.36	24.36
	27	Construction of Vyayamshala at Agar-danda Tal. Murud Janjira	4.97	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Ratnagiri		Backward Taluka (5% works)			
		Rural Development Dept.			
	28	Construction of gram panchayat building at Nadsur Tal. Sudhagad	5.00	-	-
	29	Construction of gram panchayat building at Mahagaon Tal.Sudhagad	5.00	-	-
	30	Construction of gram panchayat building at Jambhulpada Tal.Sudhagad	5.00	-	° -
	31	Construction of gram panchayat building at Phalshet Karnala Tal.Tala	5.00	-	-
	32	Construction of gram panchayat building at Charai kh. Tal. Tala	5.00	-	-
	33	Construction of gram panchayat building at Vanjaloshi Tal. Tala	5.00	-	-
		Total Raigad	222.82	47.03	47.03
		Rural Development Dept.			
	1	Construction of three rooms for primary school at Khodade Mohitewadi Tal. Guhagar (revalidation)	8.69	8.69	8.69
	2	Construction of gram panchayat building at Golwali Tal.Sangmeshwar	4.00	4	4
	3	Construction of gram panchayat building at Makhajan Tal.Sangmeshwar	4.00	-	-
	4	Construction of gram panchayat building at Tural Tal. Sangmeshwar	4.00	4	
	5	Construction of gram panchayat building at Bhatgaon Dhakka Tal.Guhagar	4.00	-	
	6	Construction of Samajik Sabhagrah at Velneshwar Bhati Tal. Guhagar	2.69	-	
	7	Construction of 9 row 1200 m.m. causeway at Parule Sawantwadi Redy-acha Nala Tal.Rajapur (additional fund)	1.67	-	
	8	Construction of causeway on Pawar-sakhari Kumbharwadi road Tal. Guhagar	2.93	-	
	9	Construction of gram panchayat building at KarulTal. Guhagar	5.00	-	

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	10	Construction of causeway at Chorvane Sutarwadi Tal. Khed (revalidation)	3.16	-	
	11	Construction of causeway at Lote Baudhwadi Tal. Khed (revalidation)	3.16	-	
	12	Construction of gram panchayat building at Bhadkamba Tal. Sangmeshwar (revalidation)	5.00	5	
	13	Construction of Vyaymshala at Kumbharli Tal. Chiplun	4.68	-	
	14	Construction of gram panchayat building at Phurus Tal. Chiplun	5.00	4.71	
	15	Construction of protection wall at gramdevta mandir Phansavle Tal. Sangmeshwar	9.98	9.98	
	16	Construction of gram panchayat building at Turambav Tal. Chiplun	5.00	-	
	17	Construction of gram panchayat building at Talavali Tal. Guhagar	5.00	-	-
	18	Construction of Samajik Sabhagrah at Adur Phondkarwadi Tal. Guhagar	2.70	-	-
	19	Construction of gram panchayat building at Songaon Tal. Khed	5.00	-	-
	20	Construction of gram panchayat building at Sakhar Tal. Khed	5.00	-	-
	21	Construction of gram panchayat building at Masu Tal. Guhagar	5.00	-	
	22	Construction of gram panchayat building at Shivajinagar (Da) Tal. Dapoli	5.00	-	
	23	Construction of gram panchayat building at Kudali Tal. Guhagar (revalidation)	5.00	-	-
	24	Construction of culutural hall at Talvatpal (Devulwadi) Tal. Khed	4.26	-	-
	25	Construction of culutural hall at Koregaon Tal. Khed	4.23	-	-
	26	Construction of culutural hall at Boraj Tal. Khed	4.12	-	-
	27	Construction of causeway on Lanja Kotarewadi smashanbhumi road Tal. Lanja	3.5	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	28	Construction of gram panchayat building at Nimhavne Tal.Dapoli	5.00	-	-
	29	Construction of gram panchayat building at Lavel Tal. Khed	5.00	-	-
	30	Construction of gram panchayat building at Tanali Tal.Chiplun	5.00	-	-
	31	Construction of concrete pakhadi from main road to Deepak Berde house (via. Gram Panchayat. Office) at Devde Tal. Sangmeshwar	0.89	-	-
	32	Construction of protection wall at Devde Chinchwalkarwadi Tal.Sangmeshwar	2	-	-
	33	Construction of gram panchayat building at Tulasani Tal. Sangmeshwar	5	-	-
	34	Construction of Smashanshed at Sural kunbiwadi Tal. Guhagar	1.06	-	-
	35	Construction of Ganesh visarjan ghat at Rampur Tambi Tal. Chiplun	2.15	-	-
	36	Construction of Ganesh visarjan ghat at Rampur Awtewadi Tal.Chiplun	2.15	-	-
		Water Supply Dept.			
	37	Construction of new tank for water supply scheme at Tawasal kh. Tal. Guhagar	1.06	-	-
		Public Works Dept.			
	38	Construction of sakav at Shirgorivalewadi Tal.Guhagar (revalidation)	9.72	9.69	-
	39	Construction of sakav at Vashi tarf Devrukha Sawantwadi parrya Tal. Sangmeshwar	14.52	10	10.00
	40	Construction of sakav at Karambel Devlewadi Gangobacha parrya Tal.Sangmeshwar	7.26	6	6
	41	Construction of sakav at Ozarkhol Khalachiwadi Tal. Sangmeshwar	12.1	9.74	9.74
	42	Construction of sakav at Ujagaon,Badwadwadi Tal.Sangmeshwar	5.77	5.74	5.74

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Sindhudurg		Urban Development Dept.			
	43	Construction of new water tank at Ogalewadi in Rajapur Municipal Council area Tal. Rajapur	11.94	-	
		Total Ratnagiri	212.39	77.55	63.86
		Rural Development Dept.			
	1	Construction of shet-vihir at Kunde (S.No. 211) Tal. Kudal	4.00	-	
	2	Construction of gram panchayat building at Kasarde Tal.Kankavali	5.00	-	
	3	Construction of smashanshed at Vargaon Tal.Kankavali	1.50	-	
	4	Construction of Vyayamshala at Katta Tal. Malvan	3.00	-	
	5	Construction of smashanshed at Ghotge bajarpeth Tal.Kudal	1.50	-	
	6	Construction of drainage gutter at Kasarde grampanchayt Tal Kankavali	3.00	-	-
	7	Construction of causeway at Kasarde Bandwadi Tal.Kankavali	9.44	-	
	8	Construction of gram panchayat building at Shidvane Tal. Kankavali	5.00	-	-
	9	Construction of gram panchayat building at Dabhole Tal. Devgad	5.00	-	
	10	Construction of gram panchayat building at Jamsande Tal. Kankavali	5.00	-	-
	11	Construction of gram panchayat building at Asgani Tal. Kankavali	5.00	-	-
	12	Construction of culutural Hall at Katta Waradkar Highschool Tal.Malvan	5.08	-	-
	13	Construction of smashanshed at Viroji-wadi Ambrad Tal.Kudal	2.50	-	-
		Public Works Dept.			
	14	Construction of concrete road to Shree Kshetra Mangaon- Yakshini Mandir Shree Datta Mandir Tal. Kudal	1.98	1.98	1.98

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Nashik	15	Construction of concrete road going to Tembe Swami Maharaj Janmashtan Tal. Kudal	1.98	1.98	1.98
	16	Construction of concrete road going to Shree Kshetra Mangaon Dobewadi Tal. Kudal	1.96	1.96	1.96
	17	Construction of concrete road to Shree Kshetra Mangaon Joshivadi Tal. Kudal	1.96	1.96	1.96
	18	Construction of concrete road going to Vasudavanand Sarswati Vidyalaya Tal. Kudal	5.92	5.91	5.91
	19	Construction of sakav at Masure Devulpada Mathwadi Tal. Malvan	9.48	-	-
	20	Construction of protection wall at Shree Kshetra Mangaon Tubache khadak Odha Tal. Kudal	9.12	-	-
		Total Sindhudurg	87.42	13.79	13.1
		Rural Development Dept.			
	1	Construction of gram panchayat building at Belatgavhan Tal. Nashik	4.00	4	4
	2	Construction of internal concrete road at Lahavit Tal. Nashik	9.94	9.94	9.94
	3	Construction of gram panchayat building at Ganore Tal. Kalvan	4.00	-	-
	4	Construction of ghat at river and renovation of smashanbhumi area at Daundat Tal. Igatpuri	3.49	-	-
	5	Construction of gram panchayat building at Daundat Tal. Igatpuri	4.00	-	-
	6	Construction of samajik sabhagrah in front of Shree Krishna Mandir at Bramhanwade Tal. Sinnar	13.21	13.21	13.21
	7	Construction of smashanbhumi at Donawade Tal. Nashik	3.51	-	-
	8	Construction of smashanbhumi at Lohashinge Tal. Nashik	3.62	-	-
	9	Construction of gram panchayat building at Anjaneri Tal. Trimbakeshwar	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	10	Construction of gram panchayat building at Awankhed Tal. Dindori	5.00	-	-
	11	Construction of smashanbhumi at Somthane Tal.Sinnar	9.94	-	-
	12	Construction of smashanbhumi at Saundane Tal.Malegaon	6.66	-	-
		Water Conservation Dept.			
	13	Construction of cement concrete bandhara at Bharam Tal. Yeola (revalidation)	7.88	7.88	7.88
	14	Construction of village tank at Sone-wadi Tal Sinnar	9.34	-	-
	15	Construction of village tank at Sarole kh. (Bhosale vastti) Tal.Niphad	8.44	8.44	8.44
	16	Construction of village tank at Bhuyane Tal. Baglan	15.00	15.00	15.00
	17	Construction of village tank at Kandhane Tal.Baglan	15.00	15.00	15.00
	18	Construction of cement plug bandhara at Nandgaon Tal.Malegaon	13.00	13.00	13.00
	19	Construction of cement plug bandhara at Chinchawad Tal. Malegaon	13.00	13.00	13.00
	20	Construction of village tank at Kolgaon Tal. Yeola	11.12	11.12	11.12
	21	Construction of village tank at Bejgaon Tal. Nandgaon	7.67	-	-
	22	Construction of village tank at Pimp-prale Tal. Nandgaon	5.82	-	-
	23	Construction of cement plug bandhara at Saundane Tal. Malegaon	11.77	-	-
	24	Construction of village tank at Ghotane Tal.Nandgaon (balance fund)	12.74	12.74	12.74
	25	Construction of village tank at Nagar-sul No 1 Tal. Yeola	11.4	-	-
		Total Nashik	214.55	123.33	123.33

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Ahmadnagar		Rural Development Dept.			
		Construction of gram panchayat building at Nannaj Dumala Tal. Sangamner	4.00	4.00	4.00
	2	Construction of gram panchayat building at Visapur Tal. Shrigonda	4.00	-	-
	3	Construction of gram panchayat building at Chikhali Tal. Shrigonda	4	-	-
	4	Construction of gram panchayat building at Banpimpri Tal. Shrigonda	4	-	-
	5	Construction of gram panchayat building at Nimgaon jali Tal. Sangamner	4	4.00	4.00
	6	Construction of gram panchayat building at Konkangaon Shivapur Tal. Sangamner	5.00	5.00	-
	7	Construction of gram panchayat building at Khandala Tal. Ahemadnagar	5.00	-	-
	8	Construction of smashanbhumi shed, dashalcriya'ota, and protection wall at Kondhavadi Tal. Rahuri	3.82	-	-
	9	Construction of gram panchayat building at Mudhevadgaon Tal. Shirampur	5.00	5.00	5.00
	10	Construction of gram panchayat building at Karegaon Tal. Sangamner	5.00	5.00	5.00
	11	Construction of samajik sabhagrah at Raleganasisiddhi Tal. Parner	12.9	-	-
	12	Construction of gram panchayat building at Kolhewadi Tal. Sangamner	5.00	-	-
	13	Construction of gram panchayat building at Dadh kh. Tal. Sangamner	5.00	-	-
	14	Construction of Vyayamshala building at Shastrinagar Tal. Shevgaon	6.71	-	-
	15	Construction of gram panchayat building at Khandgaon Tal. Sangamner	5.00	-	-
	16	Construction of gram panchayat building at Devgaon Tal. Sangamner	5.00	-	-
	17	Construction of gram panchayat building at Kharadi Tal. Sangamner	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	18	Construction of gram panchayat building at Hivargaon paysa Tal. Sangamner	5.00	-	-
	19	Construction of gram panchayat building at Handinimgaon Tal. Nevasa	5.00	5.00	-
		Water Conservation Dept.			
	20	Construction of storage bandhara at Rajegaon No 1 Tal. Nevasa	12.99	12.99	12.99
	21	Construction of storage bandhara at Nevasa kh. Tal. Nevasa	9.94	9.94	9.94
	22	Construction of cement nala bandhara-Tal. Karjat			
		1. kolwadi BM 47/11 5A/62 CNB	1.85	-	-
		2. Chakhalewadi BM 32 /I 10B/ 231 CNB	3.36	-	-
		3. Chakhalewadi BM 32 /I 10B /232 CNB	2.46	. -	-
	23	Construction of storage bandhara at Sarola Somvanshi (Sayyad Mala) Tal. Shri. onda	5.69	-	-
	24	Construction of storage bandhara at Loni haveli No 2 Tal. Parner (revalidation)	14.69	-	-
		Public Works Dept.			
	25	Construction of ghat and protection wall for smashanbhumi at Jorve Tal. Sangamner	20.45	20.45	-
	26	Strengthening and black topping of Lendi nala to Ashwi nimgaon jali	8.8	8.8	8.8
	27	Construction of samajik sabhagrah at Koradgaon Tal.Pathardi (revalidation)	12.89	12.89	12.89
		Urban Development Dept.			
	28	Construction of hall for Jim on Thatte ground at S.No 48 town planning scheme No 4 Tal.Shrirampur	10.00	-	-
	29	Purchase of Dialysis Unit for Municipal Hospital Shreerampur Tal. Shrirampur	14.50	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Jalgaon		Backward Taluka (5% works)			
		Public Works Dept.			
	30	Construction of samajik sabhagrah at Kharwandi Tal. Pathardi (revalidation)	12.73	-	-
	31	Construction of samajik sabhagrah at Takali-Manur Tal.Pathardi (revalidation)	6.99	-	-
		Total Ahmadnagar	235.77	93.07	62.62
		Rural Development Dept.			
	1	Construction of gram panchayat	4.00	4.00	-
	2	Construction of gram panchayat	4.00	4.00	-
	3	Construction of smashanbhumi at Chorvad Tal. Parola	2.79	2.79	2.79
	4	Construction of smashanbhumi at Dagadi sabgavhanTal. Parola	2.79	2.79	2.79
	5	Construction of smashanbhumi at Khedi-Dhok Tal. Parola	2.79	2.79	2.79
	6	Construction of internal concrete road at Pohare Tal. Chalisgaon	9.69	-	-
	7	Construction of samajik sabhagrah at Hated bk. Tal.Chopada	9.49	9.49	9.49
	8	Construction of gram panchayat building at Bhondantanda (popatnagar) Tal. Parola	5.00	5.00	5.00
	9	Construction of gram panchayat building at Pargaon Tal.Chopada	5.00	-	-
	10	Construction of gram panchayat building at Shevale kh. Tal.Parola	5.00	5.00	5.00
	11	Construction of gram panchayat building at Khadake kh. Tal. Yerandol	5.00	5.00	5.00
	12	Construction of internal concrete road at Raver rural Tal. Raver	11.70	11.70	11.70
	13	Construction of gram panchayat building at Waghare Tal. Parola	5.00	-	-
	14	Construction of gram panchayat building at Eklahare Tal. Ammalner	5.00	-	-
	15	Construction of gram panchayat building at Tehu Tal. Parola	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Dhule	16	Construction of internal concrete road at Damrun Tal. Chalisgaon	9.29	-	-
	17	Construction of gram panchayat building at Malkhede Tal. Yerandol	5.00	-	-
	18	Construction of gram panchayat building at Dokalkheda Tal. Pachora	5.00	-	-
	19	Construction of gram panchayat building at Mudi P.D. Tal. Ammalner	5.00	-	-
	20	Construction of internal concrete road at Dahivad Tal. Chalisgaon	9.93	-	-
		Water Conservation Dept.			
	21	Construction of storage bandhara at Shevge bk. Tal. Parola	10.74	-	-
		Urban Development Dept.			
	22	Purchase of machinery for Ammalner Municipal Hospital (X-ray machine, sonography, incubator etc.) (revalidation) Tal. Ammalner	19.40	-	-
	23	Construction of trimix concrete road and gutter in ward No 17 and 25 from Rangrao Abanagar to Gorgavale Bridge at Chopada municipal council Tal. Chopada	19.91	19.91	-
		Backward Taluka (5% works)			
		Water Conservation Dept.			
	24	Construction of storage bandhara at Salshingi Tal. Bodhavad	8.44	-	-
	25	Construction of storage bandhara at Shelvad Tal. Bodhavad	9.23	-	-
		Total Jalgaon	184.19	72.47	44.56
		Rural Development Dept.			
	1	Construction of protection wall for	8.71	8.71	-
	2	Construction of samajik sabhagrah at Gorane Tal. Sindkheda	7.55	7.55	7.55
	3	Construction of samajik sabhagrah at Malich Tal. Sindkheda	7.54	7.54	7.54
	4	Construction of amardham for smashanbhumi at War Tal. Dhule	14.99	14.99	14.99

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	5	Construction of smashanbhumi at Kawathi Tal.Dhule	8.00	-	-
	6	Construction of internal concrete road at Bhokar Tal. Dhule	8.00	-	-
	7	Construction of internal concrete road and gutter at Nagzari Tal.Sakri	9.99	-	-
	8	Construction of internal concrete road and gutter at Songir Tal.Dhule	13.60	-	-
	9	Construction of internal concrete road and gutter at Gavhane Tal. Sindkheda	5.19	-	-
	10	Construction of samajik sabhagrah at Tamthare Tal.Sindkheda	7.28	-	-
	11	Construction of 10 seat toilet at Newade Tat. Sindkheda	5.19	-	-
	12	Construction of samajik sabhagrah at Kalmadi Tal.Sindkheda	7.51	7.51	7.51
	13	Construction of amardham at Phophare Tal.Sakri	3.50	-	-
	14	Construction of samajik sabhagrah at Dighave Tal. Sakri	10	-	-
	15	Construction of cement road and gutter at Chinchkhede Tal Dhule	10.00	10.00	10.00
	16	Construction of cement road and gutter at Chinchkhede part-2 Tal Dhule	9.99	9.99	9.99
	17	Construction of amardham at Chinchkhede Tal. Dhule	6.12	6.12	6.12
	18	Construction of internal concrete road and gutter at Nardana Tal. Sindkheda	5.00	-	-
		Water Conservation Dept.			
	19	Construction of storage bandhara at Chadvel Pakharun Tal.Sakri (revalidation)	13.03	-	-
	20	Construction of storage bandhara at Chatiamba (Khargaonpaiki) Tal.Sakri (revalidation)	7.00	-	-
		Total Dhule	168.19	72.41	63.70

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Nandurbar		Rural Development Dept.			
	1	Construction of samajik sabhagrah at Thanepada Tal.Nandurbar (balance fund)	4.92	4.92	4.92
	2	Construction of internal concrete road at Navapada Tal. Navapur	9.99	9.99	9.99
	3	Construction of internal concrete road at Tarpada Tal. Navapur	10.19	10.19	10.19
	4	Construction of smashanbhumi shed at Ashte Tal. Navapur	9.99	3.33	3.33
	5	Construction of amardham at Savalada Tal.Shahada (revalidation)	6.00	-	-
	6	Construction of samajik sabhagrah at Pachorabari Tal.Nandurbar (revalidation)	9.05	9.05	9.05
	7	Construction of gram panchayat building at Chouki Tal. Navapur	5.00	-	-
	8	Construction of samajik sabhagrah at Ghotane Tal.Nandurbar	9.00	9.00	9.00
	9	Construction of internal concrete road at Dogegaon Tal. Navapur	9.99	-	-
		Total Nandurbar	74.13	46.48	46.48
Pune		Rural Development Dept.			
	1	Construction of gram panchayat building at Pimpari kh. Tal.Indapur (revalidation)	4.00	-	-
	2	Construction of multipurpose hall at Wadapuri Tal. Indapur (revalidation)	4.99	4.99	4.99
	3	Construction of waiting shed for smashanbhumi at Ambawade Tal.Bhor (revalidation)	2.58	2.58	2.58
	4	Construction of R.C.0 shed for smashanbhumi at Ambawade Tal.Bhor (revalidation)	1.95	1.95	1.95
	5	Construction of R.C.0 gutters and drainage for muslim daphanbhumi at Bhor Tal. Bhor	4.98	4.98	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	6	Construction of gram panchayat building at Dhanore Tal. Shirur (revalidation)	4.00	4.00	4.00
	7	Construction of gram panchayat building at Nimgaon-Mhalungi Tal. Shirur	4.00	-	-
	8	Construction of gram panchayat building at Karjawane Tal. Shirur	4.00	4.00	4.00
	9	Construction of samajik sabhagrah at Alegaon -paga Tal. Shirur	5.64	5.64	5.64
	10	Construction of gram panchayat building at Soratewadi Tal. Baramati	5.00	5.00	5.00
	11	Construction of gram panchayat building at Balwadi Tal. Bhore	5.00	-	-
	12	Construction of ghat on river at Kothurane Tal. Maval	7.38	7.38	-
	13	Construction of gram panchayat building at Malvadi No 1 Tal. Indapur	5.00	-	-
	14	Construction of samajik sabhagrah at Parkhadewadi Tal. Bhore	5.24	5.24	5.24
	15	Construction of sabhamandap at Mandhar Tal. Purandhar	5.00	5.00	5.00
	16	Construction of internal concrete road at Hirpodi Tal. Velhe	7.00	7.00	7.00
	17	Construction of samajik sabhagrah at Adhale bk. Tal. Maval	5.09	5.09	5.09
	18	Construction of gram panchayat building at Padsthal Tal. Indapur	5.00	-	-
	19	Construction of samajik sabhagrah at Hol Tal. Baramati	7.37	7.37	7.37
	20	Construction of sabhagrah at Korhale kh. Tal. Baramati	5.34	5.34	5.34
	21	Construction of gram panchayat building at Varodi (die) Tal. Bhore	5.00	5.00	-
	22	Construction of internal cement concrete road at Khopi Tal. Bhore	12.26	12.26	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	23	Renovation of smashanbhumi at Arangaon Tal. Shirur	7.59	7.59	7.59
	24	Construction of tprotection wall for samajik sabhagrah in front of Wagheshwari mandir at Pingori Tal. Purandhar	6.06	6.06	6.06
	25	Construction of joint road from Rangaon to Malvasti k.m. 0/00 to 1/350 Tal. Indapur	8.05	8.05	8.05
	26	Construction of samajik sabhagrah at Thopatewadi (Manerwadi) Tal.Haveli	7	-	-
	27	Construction of Vyayamshala at Sana-swadi Tal. Shirur	4.99	-	-
	28	Construction of gram panchayat building at Nhavigaon Tal. Indapur	5.00	-	-
	29	Construction of gram panchayat building at Anjangaon Tal. Indapur	5.00	-	-
	30	Construction of samajik sabhagrah at Mandavgan pharata Tal. Shirur	7.05		-
	31	Construction of gram panchayat building at Varodi kh.Tal. Bhore	5.00		-
	32	Construction of Cement concrete road in muslim daphanbhumi at Bhore Tal. Bhore	4.94	4.94	4.94
	33	Construction of samajik sabhagrah at Mangrul Tal.Junnar	10.50	-	-
	34	Construction of cultural hall at Rahu (near Vitthal mandir) Tal.Dound	5.93	-	-
	35	Construction of concrete road for smashanbhumi at Ambawade (k.m.0/00 to 1/100) Tal.Bhore	4.99	4.99	4.99
	36	Construction of smashanbhumi at Mekhali Tal. Baramati	6.00	-	-
	37	Construction of gram panchayat building at Ingavali Tal. Bhore	5.00	-	-
	38	Construction of gram panchayat building at Apti Tal. Bhore	5.00	-	-
	39	Construction of gram panchayat building at Varodi bk.Tal. Bhore	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	40	Construction of gram panchayat building at Shivre Tal. Bhor	5.00	-	-
	41	Construction of gram panchayat building at Titeghar Tal. Bhor	5.00	-	-
	42	Construction of gram panchayat building at Taradgaon Tal. Indapur	5.00	-	-
	43	Construction of R.C.C. shed and seating arrangement for ladies in smashanbhumi at Indori Tal. Maval	9.45	-	-
		Water Conservation Dept.			
	44	Construction of village tank at Kanhur Mesai (Budkinala) Tal. Shirur	14.75	-	-
	45	Construction of village tank at Karandi S.No. 209 Tal. Shirur	11.34	-	-
	46	Construction of village tank at Shive Tal. Khed	7.01	-	-
	47	Construction of cement bandhara at Kamininala S.No. 10 at Morachi Chincholi Tal. Shirur	7.17	7.17	7.17
		Water Supply Dept.			
	48	Pumping machinery for water purification center at Vitthalwadi Tal. Shirur (additional fund) (revalidation)	4.54	-	-
	49	Oximax machine for water scheme at Bhigwan Tal. Indapur	8.50	8.50	8.50
		Public Works Dept.			
	50	Construction of library for Mahatma Phule Vastu Sangrahalaya, Ghole road Pune	10.00	-	-
	51	Construction of smashanbhumi at Aurangpur Tal. Junnar	9.85	6.28	6.28
		Urban Development Dept.			
	52	Oximax machine for water scheme at Jejuri Tal. Purandhar	9.65	9.65	-
	53	Construction of multipurpose sabhagrah near Madina Masjid at Indapur Tal. Indapur	8.00	-	-
		Total Pune	334.18	156.05	116.78

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Satara		Rural Development Dept.			
	1	Construction of gram panchayat building at Bhalvadi Tal. Man (revalidation)	4.00	4.00	4
	2	Construction of gram panchayat building at Divad Tal. Man (balance fund)	0.50	0.50	0.5
	3	Construction of gram panchayat building at Ambavade Tal. Man (balance fund)	0.50	0.50	0.5
	4	Construction of gram panchayat building at Pimpaloshi and Kavadewadi (Rs. 4.00 lakh each) Tal.Patan (revalidation)	8.00	8.00	8
	5	Construction of multipurpose sabhagrah in front of Ninai Mandir at Patan (Rampur) Tal.Patan	1.94	1.94	1.94
	6	Construction of multipurpose sabhagrah in front of Mandir at Chapholi Tal.Patan	3.25	3.25	3.25
	7	Construction of multipurpose sabhagrah in backward vasti at Keloli Tal.Patan	3.25	3.25	3.25
	8	Construction of gram panchayat building at Vadhe Tal. Satara	4.00	4.00	4
	9	Construction of Sabhamandap in boudhavihar vasti at Virwade Tal.Karad	4.57	4.57	4.57
	10	Construction of gram panchayat building at Rajapuri Tal. Mahabaleshwar	5.00	-	-
	11	Construction of samajik sabhagrah at Navja Tal. Patan	4.90	4.90	4.90
	12	Construction of smashanbhumi shed at Mhavashi Tal. Patan	8.73	-	-
	13	Construction of fencing and protection wall for Dr.Ambedkar bhavan at Kuthare Tal. Patan	3.89	-	-
	14	Construction of ghat at Koparde Haveli Tal. Karad	10.00	-	-
	15	Construction of gram panchayat building at Bombale Tal. Khatav	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	16	Construction of gram panchayat building at Bibi Tal. Phaltan	5.00	-	-
	17	Construction of samajik sabhagrah on the empty space in front of Swami mandir ground on main road at Patan Tal. Patan	9.99	9.99	9.99
	18	Construction of ghat on Krishana river at Perle Tal. Karad	9.19	9.19	9.19
	19	Construction of ghat on Krishana river, renovation of smashanbhumi and construction of wall compound at Korti Tal. Karad	10.00	-	-
	20	Construction of gram panchayat building at Golegaon Tal.Khandala	5.00	-	-
	21	Construction of gram panchayat building at Kolewadi Tal. Khatav (revalidation)	5.00	-	-
	22	Construction of samajik sabhagrah near Khandoba mandir at Katarkhatav Tal. Khatav	3.36	-	-
	23	Construction of gram panchayat building at Morgiri Tal. Patan	5.00	-	-
	24	Construction of samajik sabhagrah at Bharsakhale Tal.Patan	6.63	-	-
	25	Construction of ghat and protection wall on Tarali river at Pal Tal. Karad	20.00	-	-
	26	Construction of samajik sabhagrah for Nirankari mandal at Katarkhatav Tal. Khatav	2.66	-	-
		Water Conservation Dept.			
	27	Construction of cement storage bandhara at Divad (Pandhar) Tal.Man	14.52	8.82	8.82
	28	Construction of cement storage bandhara at Lodhavade (near water supply well) Tal. Man	15.92	15.92	15.92
	29	Construction of storage tank at Odoshi Tal. Karad	7.99	-	-
	30	Construction of K.P.bandhara at Katarkhatav Tal. Khatav	10.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Sangali		Water Supply Dept.			
	31	Extented Water Supply scheme at Kus kh. Tal. Satara	8.22	-	-
		Public Works Dept.			
	32	Construction of ghat at Rethare bk.Tal. Karad (revalidation)	9.72	9.72	9.72
	33	Construction of waiting shed and ghat for smashanbhumi at Mangaon (Don-galewadi) Tal.Patan	5.61	-	-
	34	Construction of samajik sabhagrah in dalit vasti at Shirgaon Tal.Vai (revalidation)	3.72	-	-
	35	Construction of gram panchayat building at Jamb Tal.Vai (revalidation)	5.00	5.00	5.00
		Total Satara	230.06	93.55	93.55
		Rural Development Dept.			
	1	Construction of gram panchayat building at Kerewadi Tal. Kawathemabankal	4.00	-	-
	2	Construction of gram panchayat building at Devarde Tal. Valava	4.00	-	-
	3	Construction of Sabhamandap in Ganeshnagar at Dudhondi Tal.Palus (revalidation)	2.59	2.59	2.59
	4	Construction of gram panchayat building at Tupari Tal. Palus (revalidation)	5.00	-	-
	5	Construction of cultural hall at G.I.Swami math at Punadi Tal.Palus (revalidation)	4.93	4.93	4.93
	6	Construction of sabhamandap at Bramhanal Tal. Palus	6.11	6.11	6.11
	7	Construction of gram panchayat building at Tippehalli Tal. Jat	5.00	5.00	5.00
	8	Construction of gram panchayat building at Benapur Tal. Khanapur	5.00	-	-
	9	Construction of gram panchayat building at Tambave Tal. Valava	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	10	Construction of gram panchayat building at Sakharale Tal.Valava (revalidation)	5.00	4.00	4.00
	11	Construction of gram panchayat building at Rethare harnaksha Tal. Valava (revalidation)	5.00	-	-
	12	Construction of Veterinary Hospital at Deshing Tal.Kawathemahankal	8.91	8.52	-
	13	Construction of library at Kawathemahankal Tal.Kawathemahankal (revalidation)	4.00	4.00	-
	14	Construction of smashanbhumi shed at Tissangi Tal. Kawathemahankal (revalidation)	2.18	2.18	-
	15	Construction of samajik sabhagrah in Harij an vasti at Kandur Tal.Shirala	3.50	-	-
	16	Construction of samajik sabhagrah at Sonavade Tal.Shirala	3.49	-	-
	17	Construction of gram panchayat building at Yelavi Tal. Jat	5.00	-	-
	18	Construction of gram panchayat building at Goundwadi Tal. Valava	5.00	-	-
	19	Construction of gram panchayat building at Khairav Tal. Jat (revalidation)	5.00	-	-
	20	Construction of gram panchayat building at Gulguj anal Tal. Jat (revalidation)	5.00	-	-
	21	Construction of gram panchayat building at Khalati Tal. Jat (revalidation)	5.00	-	-
	22	Construction of gram panchayat building-at Jirgyal Tal. Jat (revalidation)	5.00	-	-
	23	Construction of sabhamandap in front of Ganesh mandir at Valava Tal. Valava	4.00	-	-
	24	Construction of gram panchayat building at Morale Tal. Tasgaon	5.00	-	-
	25	Construction of gram panchayat building at Vadgaon Tal. Tasgaon	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	26	Construction of concrete road at Vakurde bk. Tal.Shirala (revalidation)	3.00	-	-
	27	Construction of sabhamandap for ithasoba mandir at Ankalkhop Tal Palus	6.96	-	-
	28	Construction of internal concrete road at Bavchi Tal.Valava	4.99	4.98	-
	29	Construction of internal concrete road at Valava Tal.Valava	4.99	4.96	-
	30	Construction of sabhagrah for Kumbhar samaj at Narsinhapur Tal.Valava	4.06	4.06	-
	31	Construction of internal concrete road at Bahadurwadi Tal.Valava	3.50	3.50	-
	32	Construction of gram panchayat building at Dongarsoni Tal. Tasgaon(revalidation)	5.00	-	-
	33	Construction of gram panchayat building at Nagewadi Tal. Tasgaon (revalidation)	5.00	-	-
		Water Conservation Dept.			
	34	Construction of cement nala bandh-Tal. Tasgaon (additional funds)			
		1.Kacharewadi /6	0.29	-	-
		2.Kindarwadi R3	0.68	-	-
		3 Vasumbe/3	0.26	-	-
		4.Manerajuri/22	0.42	-	-
		5.Biranwadi/12	0.73	-	-
		6.Dongarsoni/6	0.31	-	-
	35	Construction of cement nala bandhare-Tal. Tasgaon			
		1.Dongarsoni CNB/7	3.20	3.20	-
		2.Hatnur CNB/23	7.49	7.49	-
	36	Construction of cement nala bandhare-Tal. Tasgaon			
		1.Anjani KR 36/6, 2B Group-2	3.76	-	-
		2.Jarandi KR 36/5, 1K Group-1	2.67	-	-
		3.Jarandi KR 36/5, 1K Group-3	4.24	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Kolhapur		Water Supply Dept.			
	37	Water Supply scheme in Biroba ban at Arewadi Tal.Kawathemahankal (revalidation)	1.06	-	-
		Urban Development Dept.			
	38	Construction of protection wall near Dhavalves nala in C.S.No. 425 at Tasgaon Tal. Tasgaon	12.99	-	-
		Total Sangali Rural.Development Dept.	193.31	65.52	22.63
	1	Construction of Gymnastic hall and protection wall at Kariwadepaiki Simalwadi Tal. Bhudargad (revalidation)	4.05	4.05	-
	2	Construction of gram panchayat building at Bamni Tal. Kagal	4.00	4.00	4
	3	Construction of Samajik sabhagrah in front of Vitthalai	9.89	9.89	9.89
	4	Construction of gram panchayat building at Nandanwad Tal.Gadhingalaj	4.00	-	-
	5	Construction of gram panchayat building at Vazare Tal.Ajara	4.00	-	-
	6	Construction of gram panchayat building at Mogharde Tal. Radhanagari (revalidation)	4.00	4.00	4.00
	7	Construction of Vyayamshala at Solankur Tal. Radhanagari (revalidation)	6.00	5.99	5.99
	8	Construction of protection wall for Lingayat samaj Daphanbhumii at Bam-bavade Tal. Shahuwadi	2.27	-	-
	9	Construction of cultural hall at Shendur Tal Kagal	5.34	5.34	5.34
	10	Construction of cultural hall at Bamni Tal. Kagal	8.46	8.46	8.46
	11	Construction of Vyayamshala in dalit-vasti at Shiradwad Tal Shirol	9.04	9.04	-
	12	Construction of library building at Ekonndi Tal. Kagal	8.00	7.06	7.06

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	13	Construction of cultural hall (Vyayamshala) at Sajani Tal Hatkanangale	6.00	-	-
	14	Construction of gram panchayat building at Chaphodi -Donwadi Tal Karvir	5.00	-	-
	15	Construction of gram panchayat building at Pokhale Tal. Panhala (revalidation)	5.00	-	-
	16	Construction of Samudayik sabhagrah at Yelvan Tal. Shahuwadi	8.00	-	-
	17	Construction of cultural hall at Mendholi Tal. Ajara	4.42	4.42	4.42
	18	Construction of Vyayamshala building at Devarde Tal. Bhudargad	4.46	-	-
	19	Construction of gram panchayat building at Vhanali Tal. Kagal (revalidation)	5.00	-	-
	20	Construction of gram panchayat building at Gorambe Tal. Kagal	5.00	-	-
	21	Construction of gram panchayat building at Nandani Tal. Shirol	5.00	-	-
	22	Construction of ghat and protection wall for village tank at Balinga Tal. Karvir	9.99	-	-
	23	Construction of smashanbhumi shed at Hasur Tal. Shirol	1.99	-	-
	24	Construction of gram panchayat building at Savarde (Patankar) Tal. Radhanagari	5.00	-	-
	25	Construction of gram panchayat building at Navraswadi Tal. Bhudargad	5.00	-	-
	26	Construction of Vyayamshala building at Hupari Tal. Hatkanangale (revalidation)	7.65	-	-
	27	Construction of ghat on river at Zulpe-wadi Tal. Ajara	10.86	-	-
	28	Construction of Samajik sabhagrah in Siddhabatukeshwar colony at Balinga Tal. Karvir (revalidation)	7.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	29	Construction of Samajik sabhagrah at Koulav Tal. Radhanagari	2.50	-	-
	30	Construction of internal road at Koulav Tal.Radhanagari	2.50	-	-
		Water Conservation Dept.			
	31	Construction of village tank at Bedai-cha dhangarwada Tal.Karvir	13.86	-	-
	32	Construction of village tank at Bololi Swayambhuwadi Tal.Karvir	11.02	11.02	-
	33	Construction of village tank at Navli Tal.Panhala	13.19	-	-
	34	Construction of village tank at Kanerimath Tal.Karvir (revalidation)	14.75	14.75	14.75
	35	Construction of village tank at Kenvade Tal.Kagal	14.81	14.81	14.81
		Public Works Dept.			
	36	Construction of internal cement concrete road at Rajapur Tal.Shirol	7.58	-	-
	37	Construction of ghat on Tambrapami river at Rajgoli bk. Tal. Chandgad	9.84	-	-
	38	Construction of ghat on Tambraparni river at Mhalewadi Tal. Chandgad	7.49	-	-
		Planning Dept.			
	39	Grants For Maharashtra Itihas Prabodhini Kolhapur institute for Rajashri Shahu Smark Granth Nirmiti (revalidation)	10.00	-	-
		Urban Development Dept.			
	40	Renovation and expansion of panchganga Muktidham smashanbhumi at Kolhapur	15.00	-	-
		Back ward Taluka (5% works)			
		Water Conservation Dept.			
	41	Construction of village tank at Tisangi Tal.Gaganbavada (revalidation)	13.25	13.25	-
		Total Kolhapur	300.21	116.08	78.72

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
Solapur		Rural Development Dept.			
	1	Construction of ghat payari at Bhose (k)Tal. Pandharpur	3.30	3.30	3.30
	2	Construction of concrete road at Bhose (k)Tal. Pandharpur	14.00	14.00	14.00
	3	Construction of joint road from Kadamvasti (Ghatane) to Kurdu and setu bridge at Ghatane Tal.Madha. part 2 (km. 0/00 to 1/500)	12.19	12.19	12.19
	4	Construction of joint road from Kho-manal (shembde vasti) Hivargaon G.R. 70 to Mayakkadevi mandir shivpratapnagar at Mangalvedha Tal. Mangalvedha	4.24	4.24	4.24
	5	Construction of concrete road and	10.00	7.75	7.75
	6	Construction of concrete road and gutter at Loninadi Tal. Madha			
		1.Main road -Dhanaji Kharat vyayam-shala road	4.97	4.97	4.97
		2.Dnynadev Rupnavar-Ram Hari sutar ghar, Baba Tanmbve, Bagwan sutar ghar road	4.98	4.98	4.98
	7	Construction of internal concrete road at Tandulwadi Tal. Madha			
		1. Road on the back side of Pardhi colony	4.99	4.99	4.99
		2.Road near dalitvasti	4.99	4.99	4.99
	8	Construction of joint road from krkwasti to Kurdu and setu hfutit part -1 at Ghatane Tal Madha	13.23	13.23	13.23
	9	Construction of internal concrete road and gutter at Naganhalli Tal. Akkalkot			
		1. Part - 1	4.98	-	-
		2. Part - 2	5.00	-	-
	10	Construction of internal concrete road at Gbatane Tal. Madha			
		1. Ghatne kadamvasti road	5.00	-	-
		2. Ghatne Gadevasti road	5.00	-	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	11	Construction of internal concrete road at Sapatne Tal. Madha			
		1. Madha Kurduwadi road, Grampanchayat office to Pralhad mali house road	4.98	4.98	-
		2. Sapatne (Bho) Narsobachowk Narayan Shende, Maruti Gidde house road	4.97	4.97	-
		3. Madha Kurduwadi road- Giddevasti road	4.91	4.91	-
	12	Construction of gram panchayat building at Aherwadi Tal. South SolaPur	5.00	-	-
	13	Construction of culutral hall at Jadhavwadi Tal. Pandharpur	10.00	-	-
	14	Construction of internal concrete road at Brahmapuri Tal. Mangalvedha	15.00	-	-
	15	Construction of internal concrete road and gutter from Jadhav ghar to Z.P. school at Tandulwadi Tal. Madha	9.99	-	-
	16	Construction of internal joint road Hajapur from Ujani main canal km. No.109 to Mayakkadevi mandir shiv-partapnagar at Mangalvedha rural Tal. Mangalvedha	5.00	-	-
		Water Conservation Dept.			
	17	Construction of cement nala bandh-Tal. Karmala			
		1. Poundhawadi 2/4	4.99	4.99	4.99
		2.Poundhawadi 3/3	4.99	4.99	4.99
	18	Construction of cement nala bandh-Tal. Malshiras			
		1.Kothale2/4	5.39	5.39	5.39
		2.Pimpari 2/5	3.84	3.84	3.84
		3.Pimpari 3/1	3.46	3.46	3.46
		4.Kothale 2/5	3.6	3.6	3.6
	19	Construction of cement nala bandh-Tal. Akkalkot			
		1.Vaghdari 5/3-1281	2.74	2.74	-
		2.Vaghdari 5/4-1280	2.47	2.47	-

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
		3.Badole bk. 4/11-1284	3.94	3.94	-
		4.Dudhani 30-287	4.39	4.39	-
		5.Dudhani 29-288	2.32	2.32	-
	20	Construction of cement nala bandh- Tal. Akkalkot			
		1.B arhanpur 4/5	2.32	-	-
		2.B arhanpur 4/6	1.69	-	-
	21	Construction of cement nala bandh- Tal. Karmala			
		Zare 6 A/4	4.99	-	-
	22	Construction of cement nala bandh- Tal. Karmala			
		1.Gulsadi 2/1 A C.N.B	5.00	-	-
		2.Gulsadi 2/2 A C.N.B	3.15	-	-
		3.Gulsadi 2/3 A C.N.B	3.52	-	-
	23	Construction of cement nala bandh- Tal. Madha			
		1.Aran 1/5 K	3.22	-	-
	24	Construction of cement nala bandh- Tal. Madha			
		1.Modnimb 10 A	4.09	-	-
		Water Supply Dept.			
	25	Water supply scheme at Barhanpur Tal.Akkalkot (-10% public fund)	9.22	-	-
	26	Water supply scheme at Laxmidahi- wadi Tal.Mangalvedha (-10% public fund)	7.65	-	-
		Urban Development Dept.			
	27	Purchase of machinery for Jawhar Hospital of Barshi Municipal Council			
		1.Regus 110+4	15.50	-	-
		2.Online UPS	0.65	-	-
		3.Dignosis 4015	6.55	-	-
		Backward Taluka (5% works)			
		Water Conservation Dept.			

(Contd.)

APPENDIX-3 (Contd.)

District	Sr.No.	Particulars of Schemes	Sanctioned by SDBROM	Funds made available by Planning	Released by Concerned Dept.
(1)	(2)	(3)	(4)	(5)	(6)
	28	Construction of cement nala bandh- Tal. Mangalvedha			
		1.Bhose 8/21	2.20	-	-
		2.Gonewadi 1/1	3.65	-	-
		3.Padolkarwadi 6	4.99	-	-
	29	Construction of cement nala bandh- Tal. Mangalvedha			
		1.Radde 9	3.68	-	-
		2.Radde 10	3.65	-	-
		Total Solapur	284.57	131.63	100.91
		Grand Total	3240.27	1243.99	995.38

COMMITTEE FOR CONSULTATIONS ON THE SITUATION IN ANDHRA PRADESH

REPORT, December 2010

THE COMMITTEE CHAIRPERSON Shri Justice B N Srikrishna (Retd.) Former Judge, Supreme Court of India MEMBER SECRETARY Shri Vinod Kumar Duggal, IAS (Retd.) Former Home Secretary, Government of India MEMBERS Prof (Dr.) Ranbir Singh Vice Chancellor, National Law University, Delhi Dr. Abusaleh Shariff Chief Economist /Senior Fel-

low, National Council of Applied Economic Research, Delhi Prof (Dr.) Ravinder Kaur Department of Humanities and Social Sciences, IIT, Delhi The Inter State Council Secretariat (ISCS) provided full secretarial assistance including technical and budgetary support to the Committee

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PROLOGUE

It has not been an easy task. The mandate for the Committee entailed voluminous research work and wide consultations with all stakeholders. During these consultations, the Committee discussed with political parties and concerned groups all events of a serious historical, political, economic, social and cultural significance pertaining to the state of Andhra Pradesh since the country's independence. Essentially, the Committee, *inter alia*, was required to "examine the situation in the State of Andhra Pradesh with

reference to the demand for a separate State of Telangana as well as the demand for maintaining the present status of a United Andhra Pradesh seek a range of solutions that would resolve the present difficult situation and promote the welfare of all sections of the people, to identify the optimal solutions for this purpose and to recommend a plan of action and a road map and to make any other suggestions or recommendations that the Committee may deem appropriate". Once the Committee began to investigate the issues in detail, the scope of the

research became both wider and deeper. Although the Committee realized at the outset that for an issue of such magnitude with regional as well as national implications, it would be hard-pressed to complete the task in the time allotted, it was equally conscious that any delay in the submission of the Report could only be detrimental to the cause and that delay may even provoke people's emotions, possibly with serious consequences. The timely completion and submission of the Report was, therefore, given the highest priority by the Committee. We only hope that the efforts invested have done justice to the task at hand.

2. To look back, Andhra Pradesh was formed in 1956 as the first linguistic (Telugu) state with the merger of two different regions, with a majority of the people opting for integration and the rest, forming a sizable section, yearning for an independent identity for Telangana region. The formation of the state was somewhat conditional; brought about through the "Gentlemen's Agreement", the objective of which was to bring the less developed region of Telangana on par with the rest of the state. This goal, which looked achievable at the time, however, was not fully realized. Disaffection on both the Telangana and the Andhra sides came to a head in the late sixties and early seventies with both sides, at one point, wishing to go their separate ways. At that time, the Six Point Formula ushered in by Smt. Indira Gandhi, and agreed to by both sides, served to dissolve the tension and keep the state united. Subsequently, the state saw significant economic and social progress for over three decades. As a result, Andhra Pradesh today stands as one of the front runners among the progressive states in the country. Indeed, it could arguably be said that this very progress has led Telangana to revive the demand for a separate state in order to gain greater political space and to bridge more rapidly the remaining, though diminishing, disparities. The resulting agitation which posed a serious law and

order problem in the state in late 2009 - early 2010, eventually led to the constitution of this Committee.

3. The details of the approach and methodology followed by the Committee for completing the task are outlined later in this section of the Report while the comprehensive discussion on the subjects investigated has been covered in the subsequent portion. After preliminary meetings, and on examination of the memoranda received from various stakeholders and the general public, the areas needing research and investigation were identified by the Committee. These areas include Historical Background; Regional Economic and Equity Analysis; Education and Health; Water Resources, Irrigation and Power Development; Issues relating to Hyderabad Metropolis; Public Employment; Sociological and Cultural issues; and last but not the least the Internal Security dimensions. Every effort was made to collect exact data and information on these subjects which was analysed thoroughly and as accurately as possible. The legal and Constitutional aspects and the framework required for various possible options for resolution of the issue have been highlighted in Chapter 9 of the Report titled "The Way Forward".

4. At the end of the investigation, it began to appear that there was a case both for a separate Telangana as well as for keeping the state united. Some other options, particularly bringing into focus the issue of backwardness of Rayalaseema region and some other parts of the state, were also suggested by different stakeholders and these too have been examined. After considering all aspects, the Committee found the balance tilting in favour of keeping the state united, though some valid and strong reasons that had continued to cause discontent in Telangana region since its merger indicated that the demand for separation was also not entirely unjustified. All these aspects have been discussed in detail in Chapter 9 of the Report and conclusions arrived at. The mandate

given to the Committee having been fulfilled, the Committee now hopes that the maturity of our governance system will lead to a rightful resolution of this contentious issue.

APPROACH AND METHODOLOGY

The Committee and its Terms of Reference

Pursuant to the Union Home Minister's meeting with the eight recognized political parties of Andhra Pradesh on January 5, 2010, the

Government of India constituted a Committee for consultations on the situation in Andhra Pradesh (CCSAP), with the following composition, vide Home Secretary's d.o. letter dated February 3, 2010 (Appendix - AM.1), to hold wide ranging consultations with all sections of the people including all the political parties and various groups, with a view to examine the demand for a separate State of Telangana as well as for maintaining the present status of a united Andhra Pradesh:

- | | | |
|-----|---|------------------------|
| (1) | Shri Justice B.N. Srikrishna,
Retired Judge, Supreme Court of India | Chairman |
| (2) | Prof. (Dr.) Ranbir Singh,
Vice Chancellor, National Law University, Delhi | Member |
| (3) | Dr. Abusaleh Shariff,
Senior Research Fellow,
International Food Policy Research Institute, Delhi ¹ |Member |
| (4) | Prof. (Dr.) Ravinder Kaur,
Professor, Department of Humanities and Social
Sciences,
Indian Institute of Technology Delhi | Member |
| (5) | Shri V.K. Duggal, IAS (Retd.),
Former Union Home Secretary | Member Secretary |

The Chairman, the Member Secretary and the Members, accordingly, joined the Committee on February 3, 2010. The Chairman was accorded the status of the sitting Supreme Court Judge and the Member Secretary, the rank of a Union Minister of State, vide Ministry of Home Affairs' letter No. 12012/1/2009 - SR (Pt. - I) dated March 3, 2010, read with Ministry of Home Affairs' letter No. IV/12013/9/2004 - CSR dated August 14, 2007. The three Members were appointed on Part-Time basis (Appendices - AM.2 and AM.3).

The Terms of Reference of the Committee, as reproduced below, were notified vide d.o. letter No. 12012/1/2009 - SR dated February 12, 2010, of Special Secretary, Ministry of Home Affairs

(Appendix - AM.4):-

- (1) To examine the situation in the State of Andhra Pradesh with reference to the demand for a separate State of Telangana as well as the demand for maintaining the present status of a united Andhra Pradesh.
- (2) To review the developments in the State since its formation and their impact on the progress and development of the different regions of the State.
- (3) To examine the impact of the recent developments in the State on the different sections of the people such as women, children, students, minorities, other backward classes, scheduled castes and scheduled tribes.

¹ Now Chief Economist/Senior Fellow, National Council of Applied Economic Research, Delhi.

- (4) To identify the key issues that must be addressed while considering the matters mentioned in items (1), (2) and (3) above.
- (5) To consult all sections of the people, especially the political parties, on the aforesaid matters and elicit their views; to seek from the political parties and other organizations a range of solutions that would resolve the present difficult situation and promote the welfare of all sections of the people; to identify the optimal solutions for this purpose; and to recommend a plan of action and a road map.
- (6) To consult other organizations of civil society such as industry, trade, trade unions, farmers' organizations, women's organizations and students' organizations on the aforesaid matters and elicit their views with specific reference to the all round development of the different regions of the State.
- (7) To make any other suggestion or recommendation that the Committee may deem appropriate.

The Committee was mandated to submit its Report by December 31, 2010. The first meeting of the Committee was held in Delhi on February 13, 2010.

The Basic Approach

The first task before the Committee was to decide its approach and methodology to fulfil the mandate given by the Government. While working out the approach and methodology for its study, the Committee kept in mind the Terms of Reference as mentioned above. After exhaustive internal discussions, and going by the sensitive nature of the subject, the Committee decided to adopt a participatory and consultative approach for the completion of its task. Besides, the Gazette Notification No. 12012/1/2009 - SR (Pt-I) dated May 4, 2010 (Appendix - AM.5) had

also given clear support to this procedure, while at the same time specifying its working parameters. The Notification, *inter alia*, stated:

"The Committee will devise its own procedure for the discharge of its functions, and the Committee may, if it deems it necessary to do so, have investigation or examination of such matters and by such persons as it may consider appropriate. The Ministries and Departments of the Government of India shall furnish such information and documents and provide assistance as may be required by the Committee from time to time".

To enable the Committee to carry out its mandate, Ministry of Home Affairs, Vide its letter No. 12012/1/2009 - SR dated March 16, 2010 (Appendix - AM.6), sanctioned a complement of 28 officers and staff. In addition, Ministry of Home Affairs, vide its Office Memorandum No. 12012/1/2009 - SR dated March 11, 2010, read with its Office Memorandum of even number dated March 12, 2010 (Appendices - AM.7 and AM.8), conveyed that Inter-State Council Secretariat (ISCS) will provide full secretarial assistance, including technical and budgetary support, to the Committee. For the first few weeks, the Committee worked with a skeleton staff and minimal secretarial assistance and as such it took some time to set up the necessary office infrastructure. This period was, however, used to collect and study the existing material related to the State of Andhra Pradesh with particular regard to the Terms of Reference.

The basic approach having been decided, the Committee evolved the following methodology to achieve its mandated task:-

- (a) To start with, to invite the views and the suggestions from the members of the public as well as other stakeholders by issuing a Public Notice in the National and State print media.

- (b) To hold consultations with various political parties and other identified groups.
- (c) To commission analytical and empirical studies on complex and vital issues having significant bearing on the subject through subject matter Experts as well as Academic and Research Institutions of repute.
- (d) To undertake field visits to districts and villages to get first hand understanding of the problems at the grass roots level.
- (e) To hold one-to-one in depth discussions with eminent personalities such as intellectuals, senior politicians, retired bureaucrats, legal luminaries, etc.
- (f) To collect all needed information and data from the Government of Andhra Pradesh, Ministries and Departments of the Government of India and other concerned institutions.
- (g) To carry out internal analysis and assessment of the issues based on the feedback and inputs received through above procedure.
- (h) And finally, based on the extensive research and consultations, to dedicate the last about 2-3 months of the tenure of the Committee for preparation and submission of the Report to the Government.

It may thus be seen that the work of the Committee, according to the methodology decided as above, was to be broadly completed into two phases. While the first phase included building of the complete information bank pertaining to the subject, the second phase included internal analysis of the issues and preparation and submission of the Report to the Government. The details of the approach and methodology adopted and the work plan of the Committee are briefly discussed in the following Paragraphs.

The Public Notices

Given the scope of the work assigned and its significance, a Public Notice (Appendix - AM.9) was published on February 20, 2010, in 5 major

English newspapers of Delhi and 32 Telugu, English, Urdu and Hindi newspapers of Andhra Pradesh, covering all its regions, inviting the views and the suggestions from the political parties and groups representing different interests including individuals, organizations, institutions and associations on the various issues as mentioned in the Terms of Reference, within 30 days of the publication of the Notice. The underlying idea for the issue of a Public Notice was to consult all sections of the people, especially the political parties, industry, trade, trade unions, farmers' organizations, women's organizations, students' organizations, representatives of minorities etc. and to elicit their views and the suggestions in the matter. In addition to the above, Member Secretary also wrote semi-officially to the leaders in-charge of the eight recognized political parties of Andhra Pradesh, on February 18, 2010, and forwarded to them an advance copy of the Public Notice (Appendix - AM.10). While the above time limit of 30 days stipulated in the Public Notice published on February 20, 2010, was to expire on March 21, 2010, requests had been received by the Committee for extension of the date for submission of the responses on the ground that some more time was required as the issues involved required in-depth study and examination. A second Public Notice (Appendix - AM.11) was, accordingly, brought out on March 22, 2010, in the same 37 newspapers in which the first Public Notice had been published, extending the time limit for submission of the responses upto April 10, 2010. There was overwhelming response to the two Public Notices from the various sections of society, including the political parties, and a very large number of Memoranda / Representations were received. A third Public Notice (Appendix - AM.12) was published in the same 37 newspapers on December 28, 2010, thanking all the stakeholders for their help and cooperation as well as for their well-considered views and suggestions.

The Studies

As some highly complex and technical subjects, having bearing on the mandate given to the Committee, were involved, approval of the Ministry of Home Affairs was sought and obtained to commission studies on such issues. The following four studies were, accordingly, awarded with a view to facilitate the task of the Committee:-

- (1) Study on "Issues relating to Water Resources and Irrigation in Andhra Pradesh" - to Shri A.D. Mohile, former Chairman of the Central Water Commission (CWC).
- (2) Study on "Issues relating to Power Sector in Andhra Pradesh" - to Shri V. B. Gupta, former Chief Engineer of the Central Electricity Authority (CEA).
- (3) Study on "Issues relating to discrimination, if any, in the matters of employment in the Government of Andhra Pradesh and reservation in educational institutions in respect of Telangana region, pursuant to constitutional provisions under Article 371D, G.O. 610 and various other assurances / agreements on this subject" - to Shri Mukesh Kacker, IAS (Retd.), Director General, Institute for Regulation and Competition, New Delhi.
- (4) Study on "Issues relating to Greater Hyderabad" - to the Centre for Policy Research (CPR), New Delhi.

The Terms of Reference for the above studies were decided after detailed discussion. The domain of the studies was limited to technical, financial, legal, constitutional, social and economic aspects only, within the overall ambit of the Terms of Reference of the Committee. The selection of the Experts / Institutions to conduct the studies was made based on their repute and expertise in the relevant fields. The progress of the work of the experts was constantly monitored

and before the submission of final reports, the draft reports were examined and evaluated by the Committee and comments, wherever considered necessary, conveyed to ensure that all relevant issues had been analyzed and included.

The Consultations

Consultations with the various groups were broadly done in two phases. In the first phase, consultation process started immediately after the publication of the first Public Notice on February 20, 2010, when the political parties, concerned groups and individuals started handing over their respective Memoranda / Representations to the Committee. Brief consultations, as such, took place at that time with these groups / individuals at the level of Member Secretary at Delhi. In the second phase, formal meetings were organized with the various political parties and other groups, starting with the first meeting at Delhi, on April 16, 2010. After that, consultations were held mostly in Hyderabad with over one hundred groups, comprising political parties and other social and economic groups etc. A list of meetings of the Committee held in Delhi / Hyderabad with different political parties / groups / organizations is at Appendix - AM.13. These consultations proved to be a great source of information and afforded very useful insights into the issues involved.

The Field Visits

The Committee or its Members individually visited all the 23 districts of the State and several villages to get a first hand feel at the ground level. These visits were well organized. During its visit to the districts / villages, the Committee received utmost support and cooperation from the political parties and the general public. The information received from them was immensely useful to the Committee.

The Meetings of the Committee / Members

The Committee had, right in the beginning, decided that as far as possible it would formally meet at least twice a month. In all, the Committee, since its constitution in February, 2010, met 34 times (Appendix - AM.14). As a procedure, between the meetings of the Committee, the Member Secretary held issue based meetings with the Members, whenever required, to arrive at preliminary conclusions. The conclusions reached in these discussions were placed before the full Committee for approval in its subsequent meeting.

The Report

Internal analysis and assessment of the issues involved was carried out by the Committee based on the feedback and inputs received through the above procedure. The Committee has, thereafter, prepared the Report and submitted the same to the Government. The Committee has the satisfaction of having completed its task competently and professionally in a most desirable manner and in making the Report as exhaustive as possible within the given timeframe.

Chapter 2

REGIONAL ECONOMIC AND EQUITY ANALYSIS PART I: ECONOMIC PROFILE

2.1 Background and Profile of AP

2.1.01 Andhra Pradesh (AP) is one of the largest states of India. Spread over 275 thousand square kilometers, it hosts a population of over 90

million. AP has reported a total GDP of Rs 326547 crores which works out to be Rs 35600 per capita for the year 2007-8 at current prices. AP is the fourth largest state economy of India with its per capita income about the average for India but growing at a rate of over 10 per cent since 2003-4 (Government of India, Ministry of Statistics and Program Implementation). Yet, only 26 per cent of its GDP accrues from agriculture while 62 per cent of all workers are either farmers or manual agricultural labourers (See Table 2.1). Per hectare agricultural output works out to be Rs 25 thousand which is above the average for India. AP has a literacy of 60.5 per cent (70.3 per cent male and 50.4 per cent female) and low infant and child mortality (43 per thousand births). It has 27 per cent of its population living in urban areas and the city of Hyderabad is the sixth largest city in India. The SCs, STs and Minorities have a share of 16.2 per cent, 6.6 per cent and 9 per cent respectively; and AP has been following a large number of policies which promote inclusive development across all regions and districts.

2.1.02 One notices variations across districts in many parameters which is but expected in a large state. Often such variations are explained in terms of natural, climatic, historical and governance factors. In this chapter all parameter aggregates are estimated at the level of the region for ready comparisons. The district level estimates for selected economic variables considered in this analysis can be found at the end of this report in Appendix 2.4. to Appendix 2.20.

Table 2.1. A Profile of Andhra Pradesh

Region/District	Area (’000 Sq. Km.)	Population (in Mil- lions) 2001	Population Density (Persons/ Sq. Km.)	Urban- ization (in per cent)	Sex Ratio	IMR (Per 1000)	Literacy Rate	per cent of SCs & STs	Work Partici- pation Rate	per cent Share of Total Workers	Per Hectare Agri. Out- put (Rs ,’000)	2007-08 Per capita DDP (in Rs at Current Prices)
1	2	3	4	5	6	7	8	9	10	11	12	13
Andhra Pradesh	275	76.2	277	27.3	978	43	60.5	22.8	45.8	62.2	24.6	35600
Telangana inc Hyderabad	114.8	30.9	270	31.8	971	40	58.0	24.7	45.4	58.3	20.2	36082
Telangana exc Hyderabad	114.6	27.1	237	22.5	977	42	55.0	24.7	47.7	63.2	20.2	33771
Adilabad	16.1	2.5	155	26.5	989	44	52.7	35.3	45.1	61.0	12.7	29187
Nizamabad	8.0	2.3	293	18.1	1017	40	52.0	21.9	49.4	57.0	29.0	26241
Karimnagar	11.8	3.5	296	19.4	998	29	54.9	21.2	49.0	58.7	26.8	33844
Medak	9.7	2.7	275	14.4	974	40	51.6	22.6	48.4	67.7	19.5	42052
Malbunagar	18.4	3.5	191	10.6	972	58	44.4	25.0	51.9	73.2	11.0	27959
Khammam	16.0	2.6	161	19.8	975	40	56.9	43.0	48.3	72.1	27.2	37194
Warangal	12.9	3.2	252	19.2	973	41	57.1	31.1	48.3	68.1	25.3	26306
Nalgonda	14.2	3.2	229	13.3	966	48	57.2	28.3	49.1	67.6	15.9	34138
Rangareddi	7.5	3.6	477	54.2	944	38	66.2	18.6	40.2	40.5	14.6	43400
Hyderabad	0.2	3.8	19149	100	933	22	78.8	8.9	29.2	1.7		51856
Rayalaseema	67.4	13.4	201	23.2	969	45	59.7	19.5	47.7	66.5	15.3	33056
Kadapa	15.4	2.6	169	22.6	974	39	62.8	18.1	44.8	63.3	12.9	46305
Kurnool	17.7	3.5	199	23.2	965	47	53.2	19.8	49.4	68.2	15.8	29362
Anantapur	19.1	3.6	191	25.3	958	54	56.1	17.6	48.8	67.5	9.1	32255
Chittoor	15.2	3.7	246	21.7	982	40	66.8	22.2	46.8	66.1	23.5	28147
Coastal Andhra	92.8	31.7	342	24.7	988	42	63.2	22.3	45.4	64.0	33.0	36496
Visakhapatnam	11.2	3.8	342	39.9	985	50	60.0	22.1	41.8	53.4	23.6	51146
East Godavari	10.8	4.9	454	23.5	993	37	65.5	21.9	39.6	62.1	50.9	36335
West Godavari	7.7	3.8	494	19.7	991	38	73.5	21.7	44.1	69.2	55.0	36898
Krishna	8.7	4.2	481	32.1	978	28	68.8	20.4	44.0	59.0	34.4	41139
Guntur	11.4	4.5	392	28.8	984	29	62.5	23.0	49.1	66.8	40.7	32277
Prakasam	17.6	3.1	174	15.3	971	40	57.4	25.2	50.3	68.4	21.3	35472
Nellore	13.1	2.7	204	22.4	984	39	65.1	31.1	45.4	62.3	28.1	34442
Srikakulam	5.8	2.5	438	11.0	1014	53	55.3	15.0	47.4	68.5	22.3	24298
Vizianagaram	6.5	2.2	346	18.3	1009	68	51.1	20.1	52.2	68.4	20.7	25498

Source: Census of India, 2001, CSO, Ministry of Statistics and Programme Implementation, GOI 2007-8.

2.1.03 The state is divided into three prominent regions based on both historical and geo-physical factors, namely, Telangana, coastal Andhra and Rayalaseema comprising ten, nine and four districts each and hosting population shares of 40.6 per cent, 41.6 per cent and 17.6 per cent respectively. Hyderabad city, which falls within the Telangana region, is a predominantly urban district which had a population of 3.8 million in 2001 and is expected to host a population of over 4.9 million or about 5.6 per cent of state population in 2010. Hyderabad urban agglomeration, spread over the districts of Hyderabad, Rangareddy and Medak, is expected to reach a population of 7.3 million or 8.4 per cent of state population in 2010.¹ Telangana region has a slightly larger SC/ST population at 24.7 per cent compared with 22.3 per cent in coastal Andhra and 19.5 per cent in Rayalaseema. Telangana also has a relatively higher percentage of minorities compared with coastal Andhra.

2.1.04 Coastal Andhra region record a per capita income of '36496 followed by Telangana (including Hyderabad) with a per capita income of '36082 ('33771 excluding Hyderabad),² and Rs 33056 in Rayalaseema at 2007-08 current prices. Rayalaseema draws its income from agriculture to the tune of 25 per cent followed by 24 per cent in coastal Andhra and least in Telangana at 22 per cent. The overall work participation rate is high at 47.5 per cent in Rayalaseema followed by 46 per cent each in coastal Andhra and Telangana. As expected, the level of urbanization is rather low in all regions - Telangana (22 per cent) and 25 per cent in coastal Andhra and 23 per cent Rayalaseema. Therefore, Hyderabad district which is fully urbanized has grown at the cost of all the three regions and is now central to the economies of the three regions in Andhra Pradesh.

1 Hyderabad district is fully urbanized and is coterminous with Hyderabad city since long. In fact the city of Hyderabad has now grown beyond its district borders. The spillover effect of the growth of Hyderabad is strongly felt in the Rangareddy and Medhak districts as well. Urban Hyderabad has multiple identities which are listed below.

(a) Hyderabad District - This is an administrative region with clearly defined boundary. The census of India uses this concept to count the population of Hyderabad district which included population of Secunderabad. Many development indicators are assessed at this level of urban identification.

(b) Hyderabad Urban Agglomeration - The census of India further uses the concept of urban agglomeration, which in case of Hyderabad extends beyond the district boundary and reaches urban growth in Rangareddy and Medhak districts.

(c) The Municipal Corporation of Hyderabad (MCH) - Municipal Corporation is a well known urban body with defined areas for enforcing its operations. Recently, this corporation has been expanded considerably and rechristened as Greater Hyderabad Municipal Corporation (GHMC); which includes some part of Rangareddy and Medhak districts.

(d) Hyderabad Urban Development Authority (HUDA) - For the purposes of undertaken focused development in urban areas in Hyderabad under the direct supervision of the Chief Minister the HUDA was created. Recently this has been replaced with Hyderabad Metropolitan Development Authority (HMDA) with enhanced coverage, area and powers for local level planning and coordination.

Thus the population and area of Hyderabad differs considerably depending upon the conceptual identity and for what purpose one intends to use such information. Therefore, it is difficult to arrive at a reasonable count of the population of Hyderabad for the inter-censal period. The population counts can be best done through the Indian census which is due by April 2011. For the purposes of comparisons between various regions of the state of AP the committee has undertaken migration adjusted population estimates using the concept of the 'district of Hyderabad'.

It is natural to compare the Hyderabad District as a unit with other regions which are all strictly based on administrative boundaries. Using this concept it is found that Hyderabad district (including Secunderabad and Osmania Uni area) had a population of 3.8 million in 2001. This region is expected to have experienced a natural population increase of about 1.02 per cent, estimated based on previous population growth scenario. The NSSO 64th round survey conducted during the year 2007-08 suggests that Hyderabad district has experienced an in-migration rate (rate of migration from out of the district boundary) of 3.6 per cent. Thus adjusting for the rate of migration it is expected that the Hyderabad district consists of 4.9 million people or 5.6 per cent of the state population in 2010. However, the population of Hyderabad urban agglomeration is expected to be 7.3 million or 8.4 per cent of the state population.

2. Since the district, city or metropolitan area of Hyderabad is highly urbanized, in this Chapter it is considered as a separate region for discussion; consequently wherever there is a reference to Telangana it excludes Hyderabad district. For the sake of easy understanding, however, the graphic and tabular presentation of the empirical estimates is made for Telangana region both with and without Hyderabad and identified as 'Telangana incl. Hyd' and 'Telangana excl. Hyd' respectively.

Refer to Appendix 2.1 for a comparison of additional variables amongst the three identified regions.

2.2 Gross District Level Domestic Product (GDDP)

2.2.01 In India, value added in the productive sectors of the economy is estimated at the level of the state. Using time tested standard methods the state GDP is redistributed to each of the districts based on the structure of the district economy. In the following analyses such Gross District Level Domestic Product (GDDP) data are aggregated at the regional level to undertake regional level comparisons over time. Hyderabad

being dominantly urban with a concentration of manufacturing, business and both public and private services sector activities, the per capita income has always been high, yet in 1993-94 it was coastal Andhra which had the highest per capita income of Rs 12809 at 1999-2000 prices and Telangana excluding Hyderabad city had lowest per capita income at Rs 11391. However, by the year 2007-8, Hyderabad city experienced extraordinarily high growth in per capita income and reached Rs 39145 level; the remaining regions also experienced growth so as to reach for example, Rs 26655 in coastal Andhra, Rs 25237 in Telangana (excluding Hyderabad) and Rs 23860 in Rayalaseema (See Table 2.2).

Table 2.2. Per Capita DDP Aggregated at Various Combinations of Regions in AP

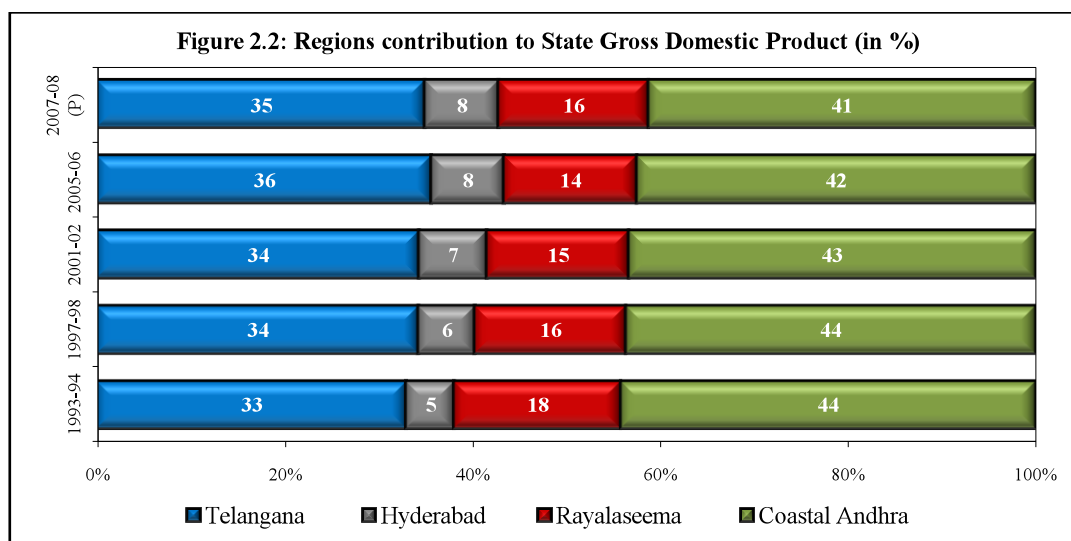
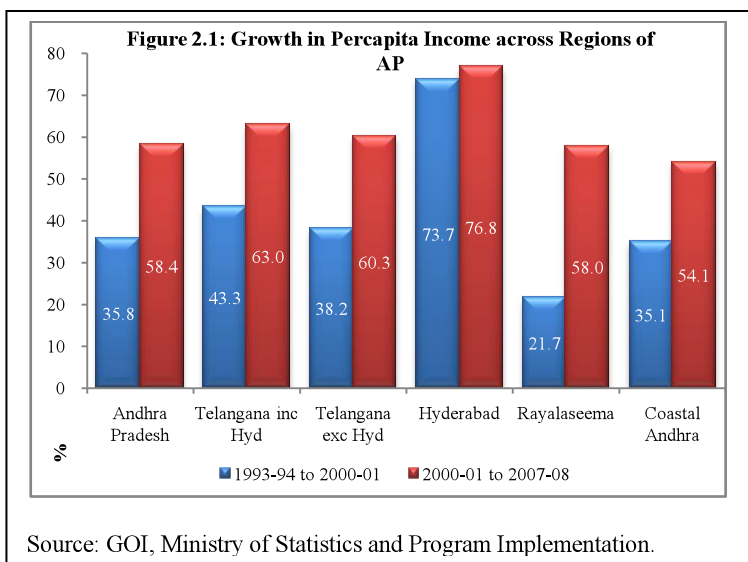
(at 1999-2000 Prices/ Rs)

Region	1993-94	2000-01	2007-08
(1)	(2)	(3)	(4)
Andhra Pradesh	12235	16615	26310
Telangana inc Hyd	11558	16566	27006
Telangana exc Hyd	11391	15746	25237
Hyderabad	12745	22135	39145
Rayalaseema	12414	15105	23860
Coastal Andhra	12809	17301	26655

Source: GOI, Ministry of Statistics and Program Implementation

2.2.02 A correct picture of the economic performance can be well understood by reviewing the rate of growth by region. During the period 2000-1 and 2007-8, the whole of AP experienced an average per capita income growth of 58 per cent; during this same period Hyderabad recorded the highest growth to the tune of 77 per cent, followed by Telangana region excluding Hyderabad at 60 per cent, Rayalaseema at 58 per cent and coastal Andhra at 54 per cent which was the least. It can be clearly observed that Telangana

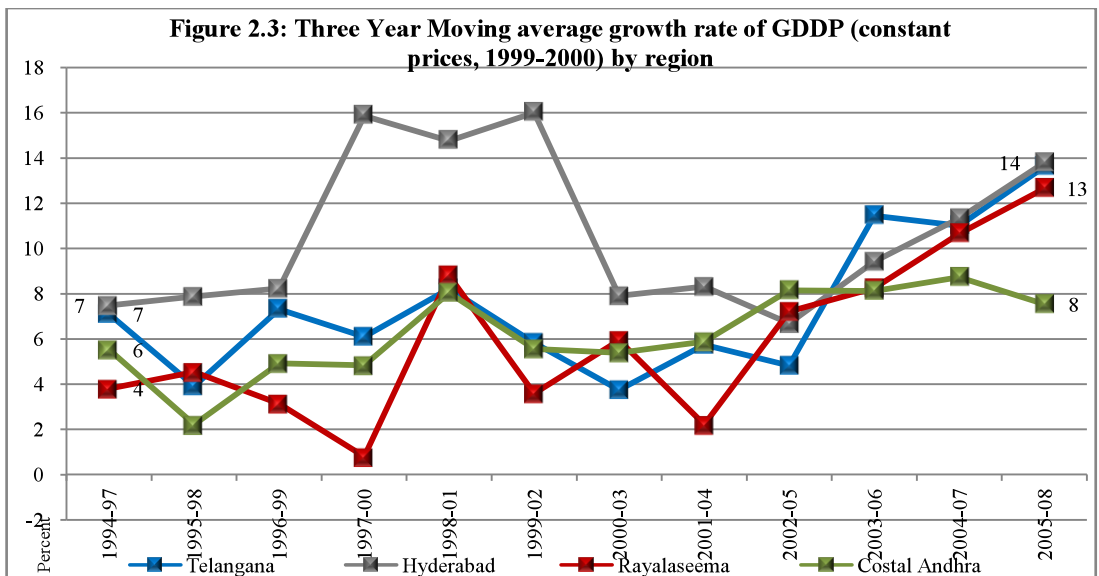
region has experienced unprecedented growth from 1993-94 onwards, a period for which the DDP data are extracted; and also note that the absolute levels of income between regions do not differ much from a national perspective. This has happened inspite of the fact that the per capita DDP in Telangana excluding Hyderabad had lowest base levels, yet in recent years it occupies a position higher than Rayalaseema and lower than coastal Andhra.



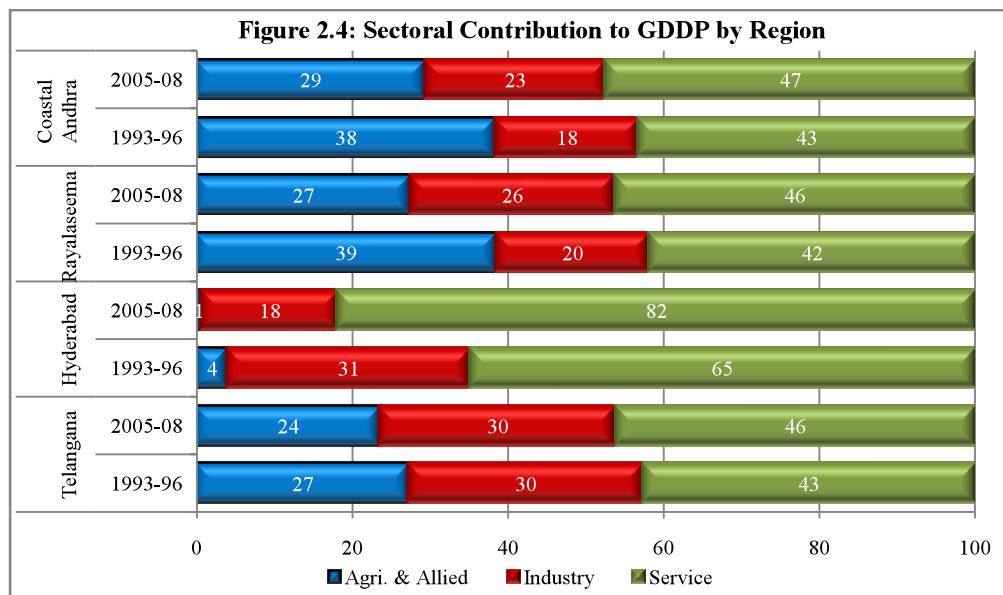
2.3 Share of Income by Regions: Another way to compare the growth of income is to trace the changes in share of income per capita over the years. The annual growth of income often show sharp variations, therefore it is normal to review long-term data by computing 3-year moving averages which normalizes annual high or lows and therefore one gets a fair understanding of the direction and quantum of change in growth in GDDP. The aggregates at the level of regions of AP and for the district of Hyderabad are presented separately (See Figure 2.2). It is instructive to note that, relatively speaking, Telangana (other than Hyderabad) and Hyderabad district have shown consistent increase in its share of GDP, for example, the share of Telangana which was only 33 per cent during 1993-94 has increased to 35 per cent during 2007-08. Similarly, the share has increased from 5 per cent to 8 per cent in case of Hyderabad. Consequently the respective share in coastal Andhra declined from 44 per cent to 41 per cent and from 18 per cent to 16 per cent in Rayalaseema region. It is important to note that

the GDP growth in all regions excepting coastal Andhra has experienced accelerated growth especially since 2005 where as the growth of income in coastal Andhra has remained constant (See Figure 2.3).

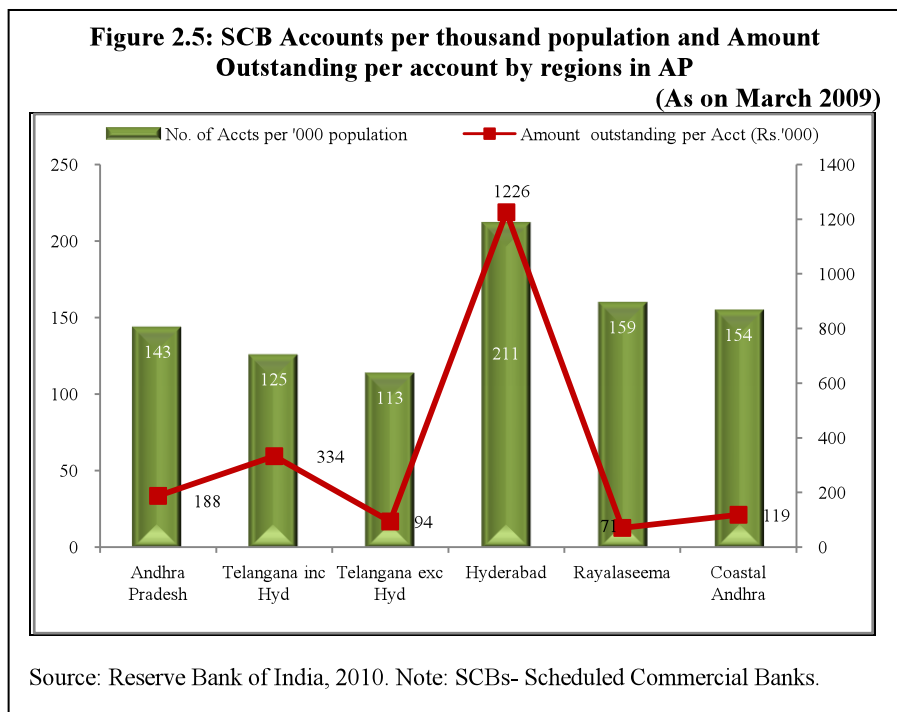
2.4 Regional Sectoral Share of GDDP: In the following, is a review of source of income according to the three broad sectors of the economy, namely, the primary or agricultural, manufacturing and services. The sectoral GDDP growth in Telangana has drawn a relative advantage in income generation both from industrial and services sectors compared to two other regions. In fact, it is the Telangana region excluding Hyderabad which has better income generation from industrial sector (30 per cent) and possibly better employment as well and these have improved over time for better. Hyderabad, as expected, draws most (82 per cent) of its income from services followed by the industrial sector.



Source: GOI, Ministry of Statistics and Program Implementation. Note: Telangana excludes Hyderabad



Source: GOI, Ministry of Statistics and Program Implementation. Note: Telangana excludes Hyderabad



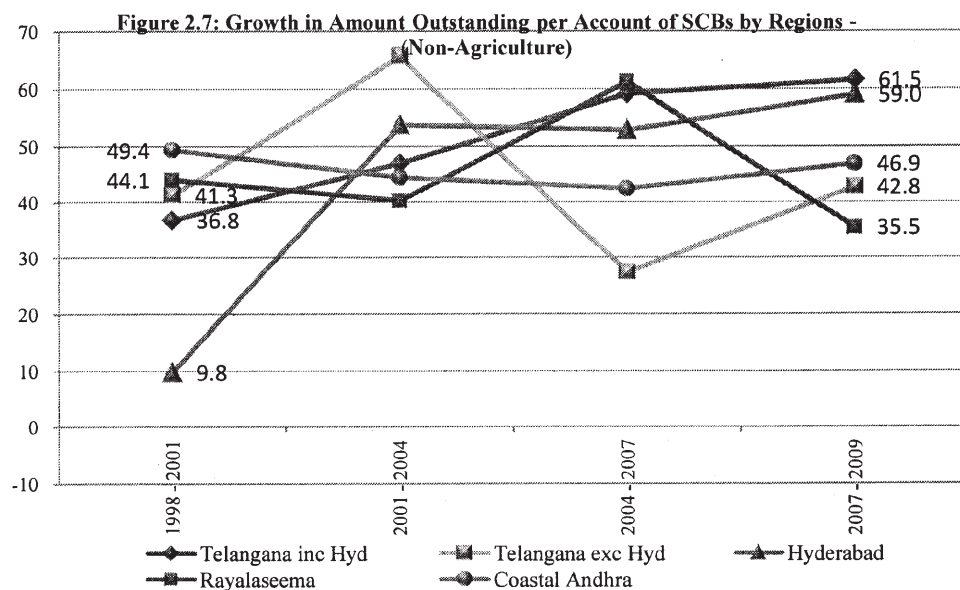
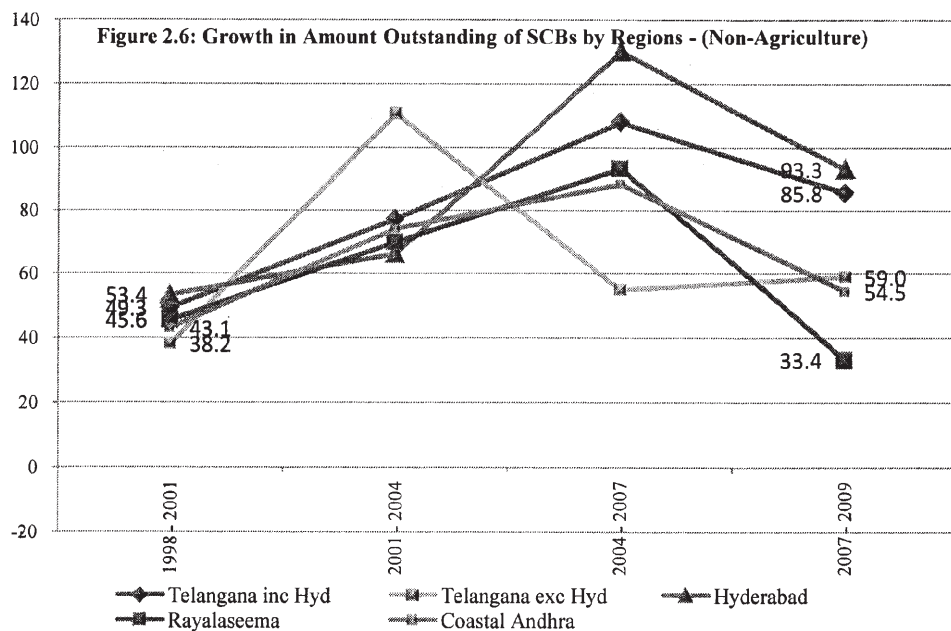
2.5 Scheduled Commercial Bank (SCB) Credit

2.5.01 Development Credit: One of the surest ways to assess the economic health of an area or region is to evaluate the credit utilization offered by the scheduled commercial (both public and private) banks (SCBs). The outstanding amounts with the SCBs can be considered an indicator of propelling business and income generating activities in a defined area. Note also that SCBs are the largest source of development credit both in agricultural and nonagricultural activities in India, probably next only to personal savings. Data discussed below are extracted from the data bank of the Reserve Bank of India (<http://www.rbi.org.in>). AP as a whole has registered an outstanding transaction of Rs 2.29 lakh-crores through the scheduled commercial banks as on March 2009. As expected, Hyderabad has recorded the highest concentration of 211 bank account holders per thousand population, followed by 159 in Rayalaseema, 154 in coastal Andhra and somewhat less in Telangana (excluding Hyderabad) at 113 (See Figure 2.5). Accurate assessment of the size of economic activity driven by the banking sector can be undertaken by analyzing the amount outstanding per account. Although Rayalaseema has a slight edge over other regions in accounts, the outstanding amount is the least at Rs 71 thousand followed by Telangana (excluding Hyderabad) at Rs 94 thousand and Rs 119 thousand in coastal Andhra. There is clear edge in access to banking and related activities in coastal Andhra region. However, if Hyderabad is included in Telangana region, there is a clear and large advantage as the amount outstanding is Rs 334 thousand but note that the largest outstanding amount is for the city/district of Hyderabad which is over Rs 12 lakh per account.

An analysis of growth of credit amount and also credit per account of the nonagricultural credit of the SCBs suggest that a robust growth have taken place during the last about dozen years

in Hyderabad. The Telangana area experienced considerable progress during the period 2001-04, but thereafter, there is decline (See Figures 2.6 and 2.7). On the other hand the trend growth in all other regions has been considerable during 2005-07 periods. However, there is a decline in the absolute amounts in the recent years (2007-09) suggesting sluggishness in the non-agricultural banking and associated economic activity all over AP.

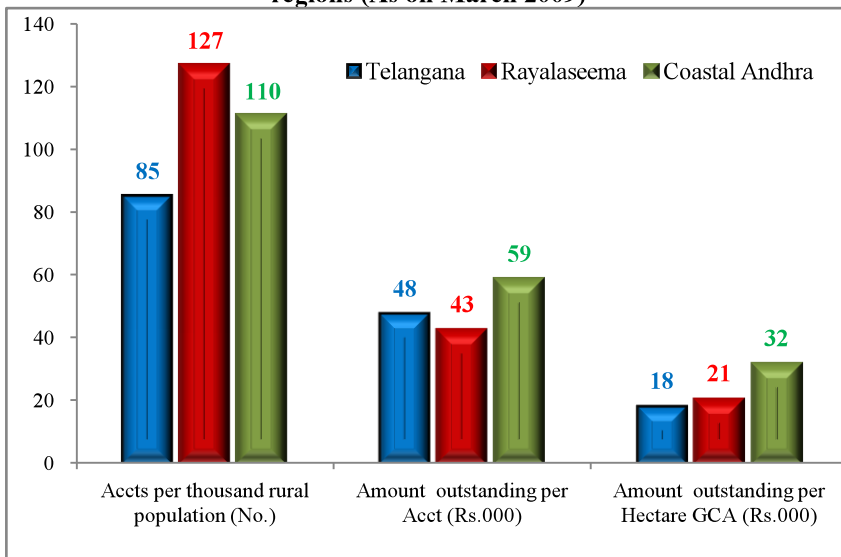
2.5.02 Agricultural Credit: Agricultural credit is one of the prime functions of commercial banks and is classified as a priority sector lending. Rayalaseema which is a relatively dry and rain-fed agricultural area has highest concentration of accounts at 127 accounts per thousand rural population, followed by coastal Andhra at 110 and Telangana at 85. But in terms of amount outstanding, coastal Andhra has considerable advantage over both Telangana and Rayalaseema. It is important to note that the need for agricultural credit is conditional upon the size of land holding, access to irrigation and also number of crops cycles grown in a year. Given the fact that coastal Andhra is highly irrigated and most of the cultivable land is under multiple often 3 crops cycles per year, the need for credit and turnover can also be relatively higher. However, the amount outstanding in Telangana is just over Rs 48 thousand per an agricultural account which is higher than in Rayalaseema at Rs 43 thousand, but far lower than coastal Andhra at Rs 59 thousand (See Figure 2.8). It was possible to estimate SCB credit availability per hectare of gross cropped area (GCA). One can find a clear advantage in coastal Andhra at Rs 32 thousand per hectare compared with Rs 21 thousand in Rayalaseema and only Rs 18 thousand in Telangana. There is a clear case to improve the credit availability for agricultural operations in Telangana region. Even Hyderabad has recorded agricultural credit by about Rs 29 thousand account holders and the average outstanding is very high at Rs 16.4 lakh per account.



Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks.

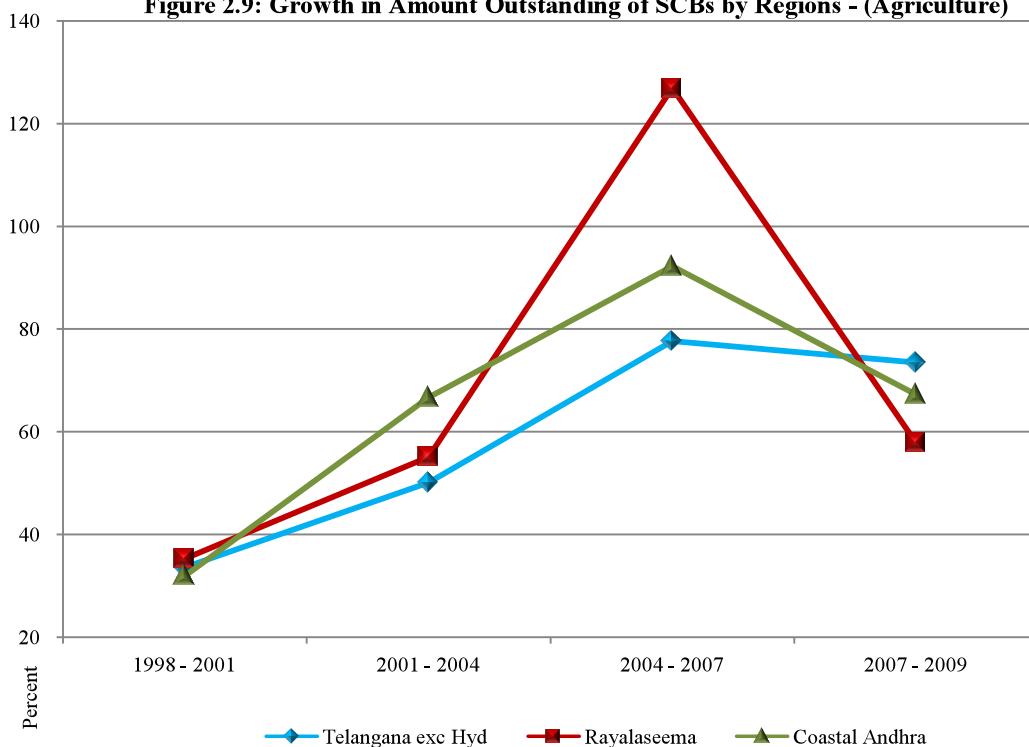
Note: These are positive growths, any positive growth rate means increase to previous year.

Figure 2.8: Agriculture Credit: Accts per thousand rural population, Amount Outstanding per account and per Hectare GCA of SCBs by regions (As on March 2009)



Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks. Hyderabad is excluded from Telangana, GCA-Gross Cropped Area

Figure 2.9: Growth in Amount Outstanding of SCBs by Regions - (Agriculture)

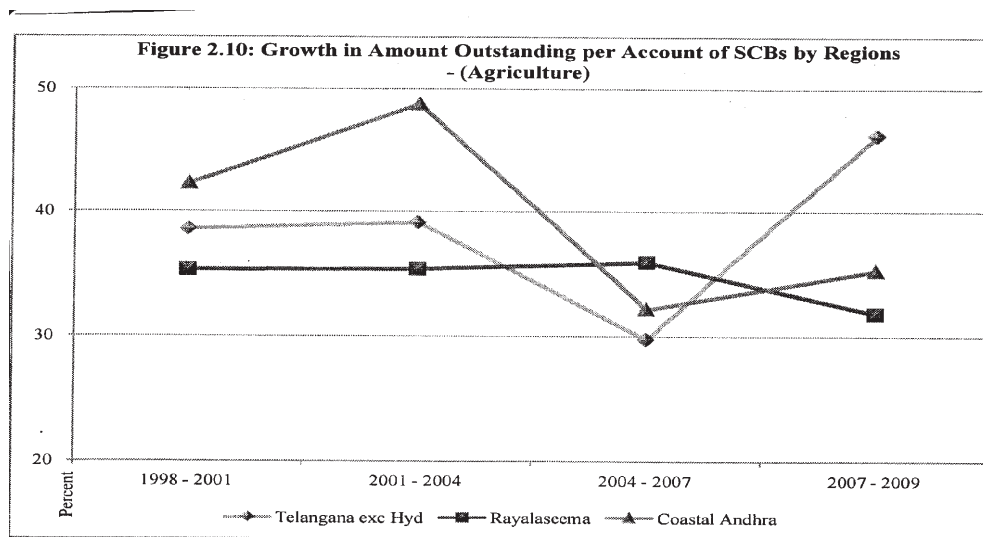


Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks

A trend analysis of the growth of agricultural credit (absolute amount) according to regions in AP suggests considerable growth since 1998 onward until about 2007 in all regions, especially in Telangana (See Figures 2.9 and 2.10). During this period, there has been an expansion of the coverage of agricultural credit in the whole of AP, therefore, one finds a somewhat lower growth in

amount per account.

2.5.03 Purpose of Development Credit: RBI provides the breakup according to the purpose of lending, such as, for agricultural operation in rural parts of the region, manufacturing, housing, personal loans, trade and so on.



Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks

Such data for the most recent year ending March 2009 across regions are presented in Appendix 2.2. In case of practically all non-agricultural purposes, it is clear that the amount outstanding has been considerably high for Hyderabad. If one compares the three regions (excluding Hyderabad) coastal Andhra shows relatively larger amounts in outstanding followed by Telangana (excluding Hyderabad) and least is Rayalaseema.

2.6 Other Economic, Fiscal and Programme Indicators

2.6.01 The committee requested the government of AP to provide authenticated information on

district level revenue generation through various sources (income) as well as amount spent on developmental activity (expenditures). The 'revenue and expenditure' from 1995-96 to 2008-09 have rows of entries under the heading 'PAO-FOR/PWD' and 'Un-apportioned amount'. Thirty six per cent of all state expenditure is assigned to these two categories; and in case of receipts the 'Un-apportioned amount' is about 47 per cent. These large chunks of expenditures and revenues cannot be assigned to districts and therefore regional analysis could not be undertaken.

Therefore, in the following, an analysis is

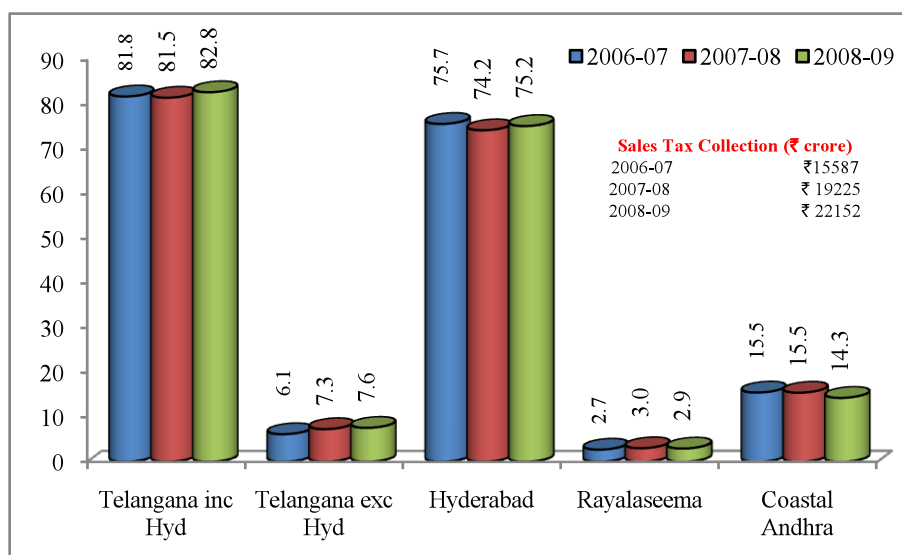
undertaken on specified fiscal information such as Sales Tax, FDI investments, extent of devolution of fiscal powers to the PRI institutions, expenditures on Sarva Shiksha Abhiyan etc. Additionally, road network and motor vehicle intensity is analyzed. All such variables together enunciate the health and vibrancy of the regional economies.

2.6.02 Sales Tax Accruals by Regions

In the year 2008-9, a total of just over Rs 22

thousand crores was the sales tax accrual in Andhra Pradesh. Incidentally, almost 75 per cent of this amount was collected from Hyderabad alone. The sales tax collection is undertaken as per the sales tax division and often one division can cover more than one district. However, broadly it can be said that excluding Hyderabad city, the business activity is concentrated in coastal Andhra where just about 15 per cent of all sales tax collection takes place. Tax collection in Telangana is about 8 per cent and Rayalaseema is just about 3 per cent.

Figure 2.11: Percentage Share of Sales Tax Collection across Regions of A.P

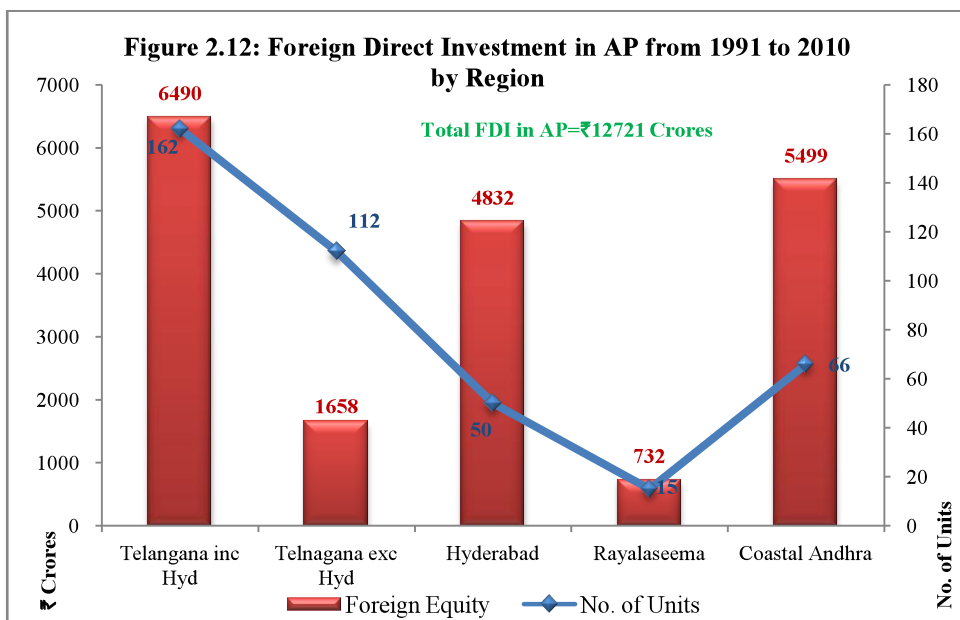


Source: Statistical Abstract 2009, GoAP

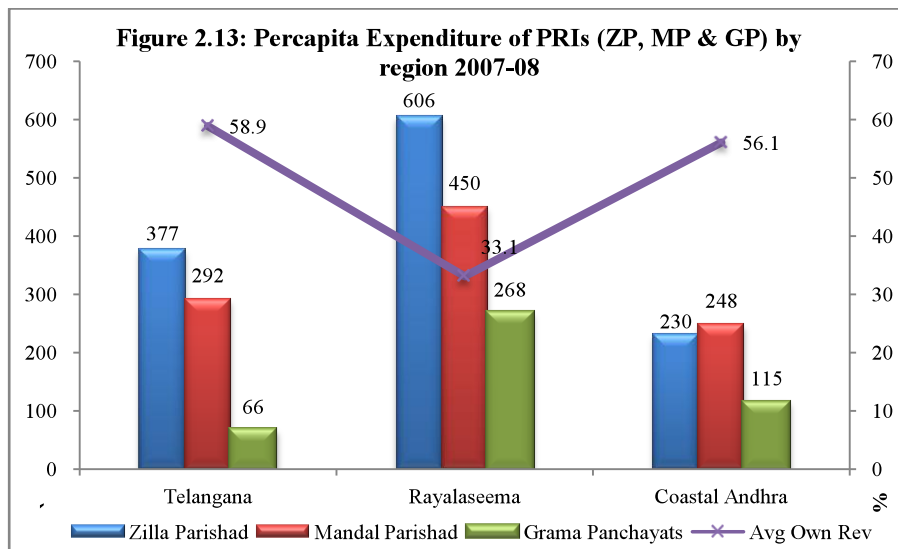
2.6.03 Foreign Direct Investment

In the globalizing world access and investment of the FDI are considered excellent indicators not only of economic vibrancy, but also indicate the future direction of economic growth. Overall, the state of AP, so far, has attracted only Rs 12,421 crores in FDI. Of which, Rs 6490 crores of investment has taken place in Telangana (including Hyderabad), but with very high concen-

tration in Hyderabad city/district. Given high concentration of infrastructure and other services in Hyderabad this is not surprising. Telangana region excluding Hyderabad has received only Rs 1658 crores compared with Rs 5499 crores investments in coastal Andhra. Rayalaseema has received just Rs 732 cores of FDI investments so far (See Figure 2.12). Telangana receiving relatively lower amounts of FDI is chiefly due to the concentration of investments in Hyderabad city.



Source: Data supplied to the CCSAP by GoAP



Source: District Hand Books of respective districts of A.P. Note:1. Information for GPs of Adilabad, Nalgonda, Kadapa, Kurnool, Chittoor, West Godavari, Krishna, Prakasham and Nellore districts relates to the year 2008-09. 2. Warangal district has not reported data for MPs and GPs.3. Avg Own Rev - Average Own Revenue of panchayats for the years 2007-8, 2008-9 and 2009-10

2.6.04 Devolution of Fiscal Powers to PRIs namely the ZPs, MPs and GPs

AP is one of the few states with substantial devolution of powers and finances to its third tier of governance structure. The Handbook of Statistics published by the District Collectorate in each of the 22 districts (Hyderabad urban district is excluded) contains valuable information on receipts and expenditure for each level of PRIs namely the Zilla Parishads (ZPs), Mandal Parishads (MPs) and Gram Panchayats (GPs). Data for the most recent years 2008-09 or 2007-08 are highlighted below. The expenditures at the three levels of governance structures, i.e., ZP, MP and GP are not mutually exclusive, but a review of them together does underscore the financial devolution and extent of independence on development expenditure at the grassroots.

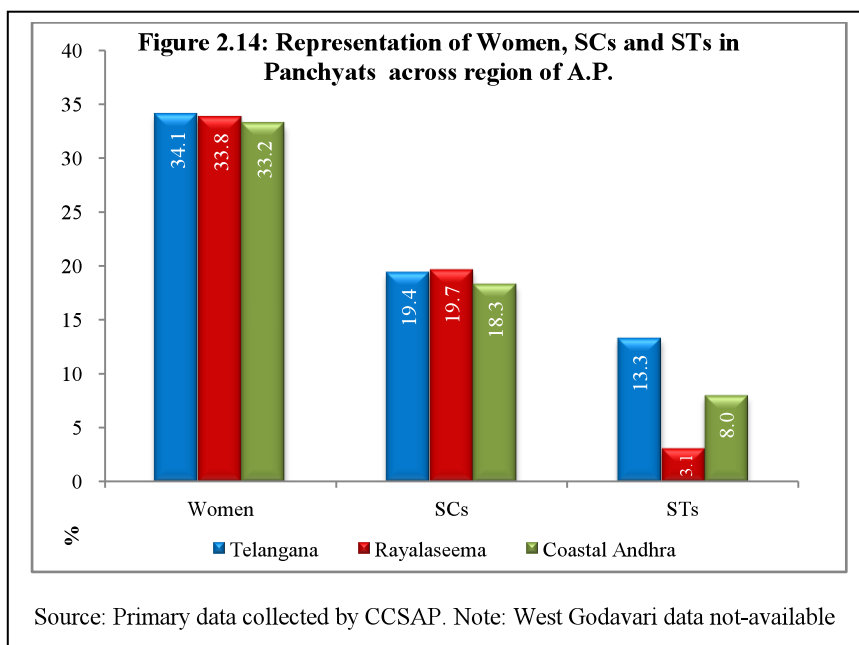
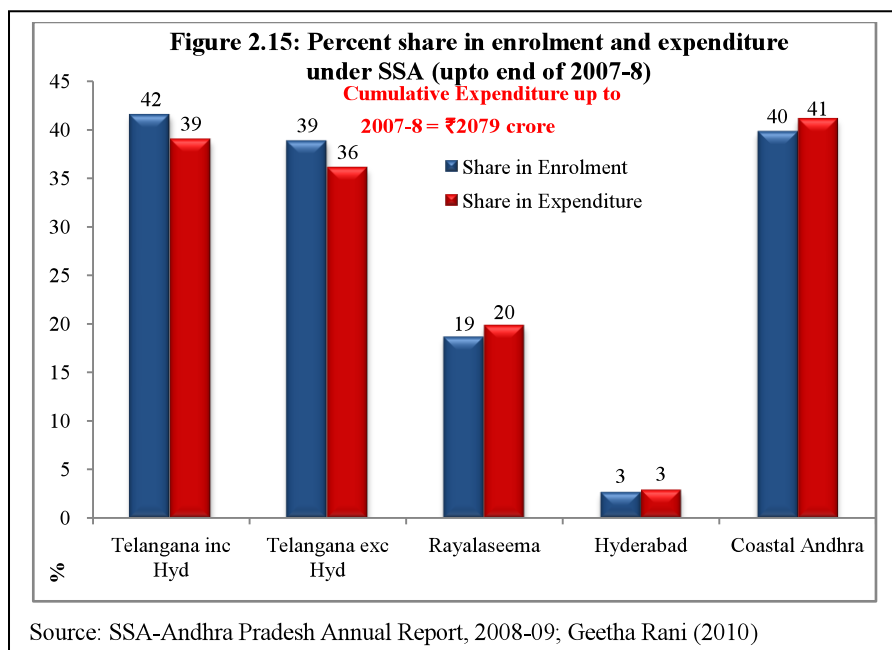
These data suggests that Rayalaseema is the most vibrant region with high per capita expenditures at all levels of Panchayati Raj governance structures. At the panchayat (GP) level, the per capita expenditure in Rayalaseema is as high as Rs 268 compared with Rs 115 in coastal Andhra and only Rs 66 in Telangana. However, in case of ZPs and MPs, Telangana has recorded higher amounts than coastal Andhra yet much less than Rayalaseema. These estimates suggests that Telangana is the least devolved region, since the ZPs and MPs report relatively higher amounts of expenditure whereas the GPs spend considerably less compared to other areas. Rayalaseema stands out since the per capita expenditures are relatively high and there is also a considerable extent of devolution to the lowest level namely the GPs.

CCSAP made a special effort through the AP state Government and collected information on own revenues generated by the GPs directly. For example, GPs are empowered to generate 'own

revenues' through various village level taxes, such as property or house tax, taxes or tolls on vehicles, local license fees, building fees, layout fees, local auctions and private tap fees and Kolagarams and so on. The own revenues generated as a percentage to the total expenditures at the GPs is also a good indicator of financial devolution. It is further interesting to note that Telangana collects over 58 per cent of all expenditures from local sources, which is commendable. Coastal Andhra is not far behind with 56 per cent, while Rayalaseema is able to raise its own resources to the extent only of 33 per cent which is rather low. The condition of Rayalaseema reflects low capacity to raise resources locally which could be due to the relatively poorer conditions of the households in this region.

2.6.05 Participation of Deprived in PRIs:

Representation of women, SCs and STs in local governance is a good indicator to measure social justice. The data received from the districts was carefully consolidated. Due to scanty reporting of information on PRI participation of minorities, it was not possible to assess representation of minorities at the grassroots level governance structures (Figure 2.14). One finds fairly high participation of women as PRIs members and there is uniformity across regions. Similarly the share of SCs is considerably higher than the respective population shares in each region and again there is uniformity in levels of SCs participation across regions. In case of STs, their participation is just about 13 per cent in Telangana, 8 per cent in coastal Andhra and a low of only 3 per cent in Rayalaseema. These levels do reflect low shares in the respective populations.

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2.6.06 Expenditures on Sarva Shiksha Abhiyan (SSA)

A rare data set on the SSA expenditures, since inception until 2007-08, was accessed from the Human Resources Ministry, GOI. Total allocations for the state of AP has been Rs 3737 crores over the years until 2007-08, but the released and expended funds are 58 per cent and 57 per cent respectively. The released and expended funds are low due to procedural reasons which need to be worked out between the Ministry of Human Resources, GOI and the state government. What is relevant for our discussion is as to how much of the expended amount has reached the eligible child population. This has been done by comparing the regional shares in expenditures with respective shares in enrolment. The difference between these two will inform if there has been a positive or negative neglect in the SSA program. Telangana has 39 per cent share in enrolments but somewhat less share at 36 per cent in expenditure, but coastal Andhra has better enrolment at 40 per cent and a bit higher share in expenditure at 41 per cent (Figure 2.15). Although the differences appear miniscule, in terms of absolute number, the students affected due to lesser amounts of expenditures in Telangana can be decisive. Telangana, traditionally a low literacy region, needs somewhat higher allocations, at least in SSA, so that large deficits in literacy can be eliminated in a short period of time.

2.6.07 Backward Region Grant Fund (BRGF)

The Government of India undertakes a review of the development of districts across India on a regular basis. The intention is to identify the most backward districts and infuse additional funds so as to make the backward districts catchup with other progressive areas across India. The National Planning Commission identifies such districts under the Backward Region Grant Fund (BRGF) scheme. The following review of BRGF is made after consultations with senior officials of the

Planning Commission and the Committee records its appreciation for their support. The BRGF has identified 250 backward districts spread over 27 states using multiple criteria. For example, all 200 districts covered by the National Rural Employment Guarantee Scheme (NREGS) in the first phase and 170 districts identified by the Inter-Ministry Task Group (IMTG) on Redressing Growing Regional Imbalances are included. Note that many districts are common in both these programmes. Further, many districts under Rashtriya Sam Vikas Yojana (RSVY) and the National Food for Work Programme (NFFWP) are also covered. The backwardness of a district is normally defined using three main parameters; 'value of output per agriculture worker', 'agriculture wage rate' and 'percentage of SC/ST population' of the district.

Another factor considered as a special case is the presence of left wing extremism. For example, five districts in Andhra Pradesh namely Nizamabad, Karimnagar, Medak, Khammam and Nalgonda, which are all from Telangana region are included in the RSVY on the recommendation of the Ministry of Home Affairs. These left wing affected districts constitute 46 per cent population of Telangana (including Hyderabad) and about 19 per cent of the population of Andhra Pradesh. On the basis of other backwardness characteristics, four districts from Telangana, three from Rayalaseema and one from coastal Andhra are listed under BRGF. The BRGF population covered due to backwardness works out to be 41 per cent (including Hyderabad) in Telangana, 74 per cent in Rayalaseema and only 7 per cent in coastal Andhra.

Of the total 87 per cent population covered by BRGF in Telangana, 46 per cent is covered under extremist affected districts selection criteria. Thus, a large percentage of population from Rayalaseema, relatively smaller percentage from Telangana and very small percentage from coastal Andhra were backward as per the BRGF

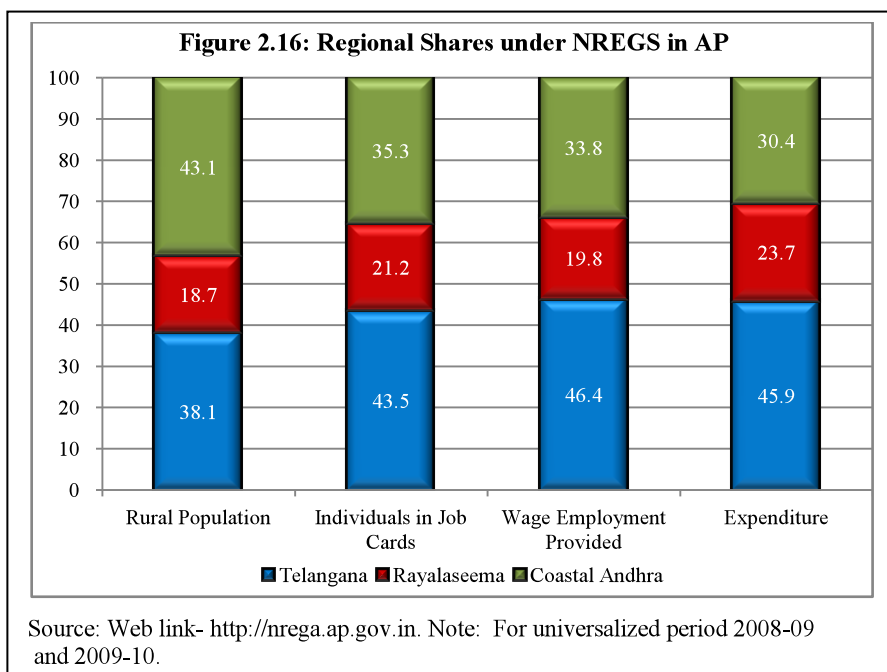
backwardness identification criteria. Hence, the argument extended by some political parties and civil society groups from Telangana region does not get support from this analysis of the BRGF.

2.6.08 Expenditures on the Mahatma Gandhi National Rural Employment Guarantee Scheme:

National Rural Employment Guarantee Scheme is a major national flagship programme of income transfers to the poor which is well received by the people in rural areas. According to this programme, manual wage employment is offered for a maximum of 100 days in a year per household at the standard wage rate of Rs 100 per day's of work, for those who make a demand in writing. This programme is supported by legal entitlement and is being implemented all over India since 2008-9. The full two year data for

regions in AP are presented in Figure 2.16.

It is clear from Figure 2.16 that NREGA implementation is relatively better in Telangana compared with coastal Andhra. The number of job cards issued, wage employment provided and also expenditures is considerably higher than the share in rural population in case of Telangana and Rayalaseema. Whereas these shares are considerably lower in coastal Andhra. This may in fact reflect partly lower demand from the local communities for the NREGA work. For example, in coastal Andhra due to multiple cropping, the poorer households do get larger number of man days of wage employment from local farming households. Therefore, the demand for NREGA work could also be low due to the local wage rates which are relatively higher than the NREGA wage rates in coastal Andhra.

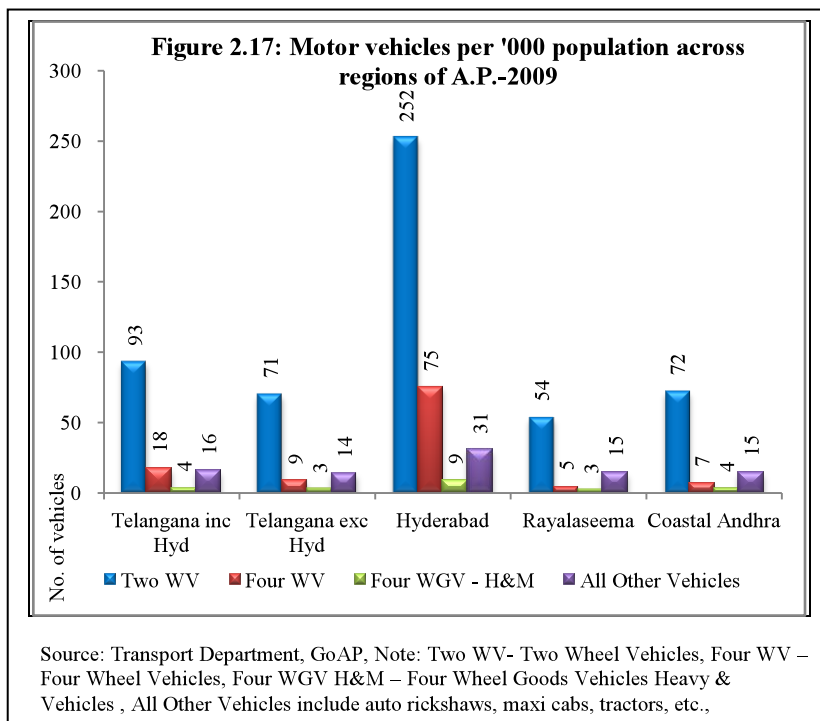


2.6.09 Motor Vehicular Strength, Road Length and Transportation

The registered motor vehicles in a region are a good indicator of economic prosperity, intensity of business activity and social development. AP state has about 9.2 million motor vehicles of various types. The following discussion is based on number of specified vehicles per one thousand population across regions. Given a vast diversity in types of vehicles and their use, the following categories are created: (1) Two WV- two wheelers such as motorcycles, scooters and mopeds; (2) Four WV- four wheelers such as cars, vans and other LMVs; (3) Four WGV H&M- four wheel medium and heavy goods vehicles, cranes etc.; and (4) All Other Vehicles including auto

rickshaws, maxi cabs and tractors (See Figure 2.17). It goes without saying that the vehicle intensity is more in Hyderabad. However, if Telangana (excluding Hyderabad) is compared with coastal Andhra, one sees uniform intensity amongst regions excepting that the LMVs are relatively more in Telangana. Rayalaseema has low intensity of motor vehicles in all categories.

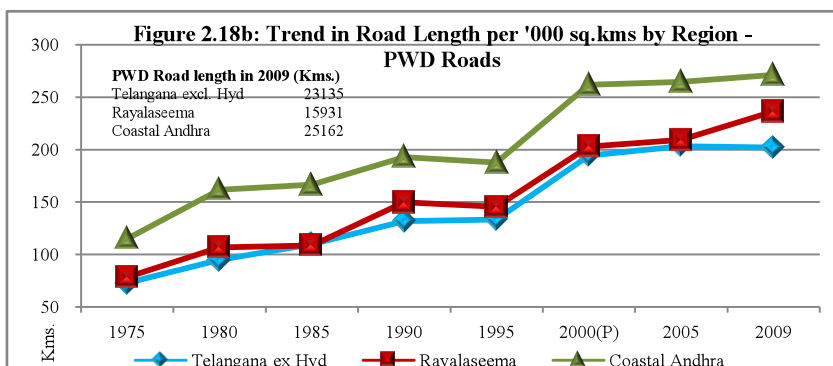
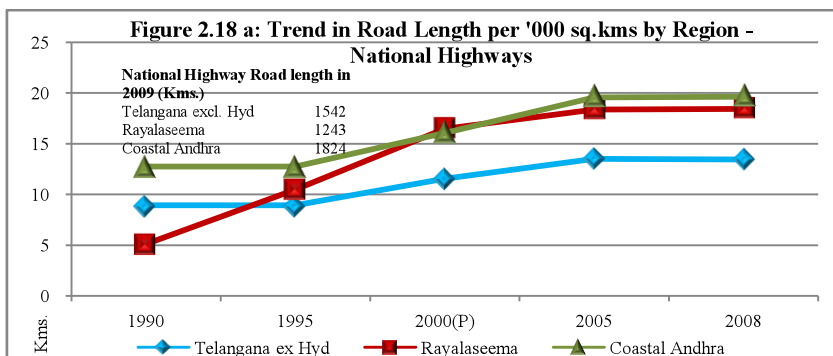
2.6.10 Road Infrastructure: In the following is an analysis of differentials in road infrastructure. There are three types of roads, namely, national highways, PWD (state) roads and panchayat (rural) roads. Each one of them is so identified mainly from the point of ownership and maintenance of these roads, but they also reflect qualitative dimensions of the accessibility of

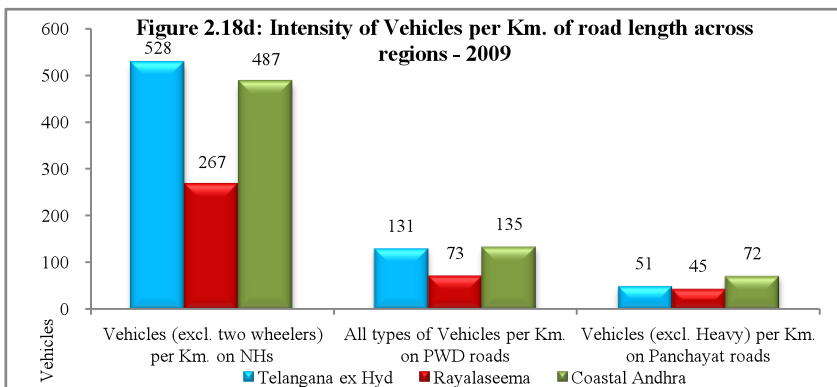
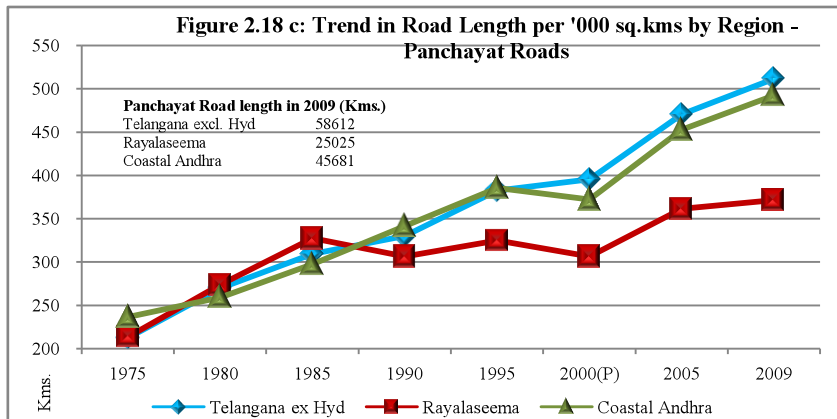


roads for business, markets and people at large. Data for Hyderabad city is not used due to extremely high concentration of roads in that area. The intensity of national highways during the recent years has been relatively high in coastal Andhra and Rayalaseema compared with Telangana (Figure 2.18a). This is mainly due to the geographic advantage exploited by the Golden Quadrilateral National Highway which passes through both these regions. However, the intensity of PWD roads is relatively higher in coastal Andhra compared to both Rayalaseema and Telangana (Figure 2.18b).

Most important for the people at large, especially those living in rural areas are the panchayat roads. The concentration and length of panchayat roads reflects the economic and social well being

of the people living in rural areas. In this regard Telangana has done very well, in fact somewhat better than coastal Andhra. The road length intensity in Telangana has grown considerably during the past two decades and more (Figure 2.18c). One gets a qualitative perspective if the transport intensity is measured according to type of road and type of vehicle, which is presented in Figure 2.18d. Telangana has recorded highest utilization of its national highways compared to other regions and it has about the same intensity of use of the PWD roads as coastal Andhra. However, the use of panchayat roads is better in coastal Andhra compared to Telangana region. Thus coastal Andhra has shown greater inclusiveness in terms of the use of physical infrastructure found in its panchayat level road networks.





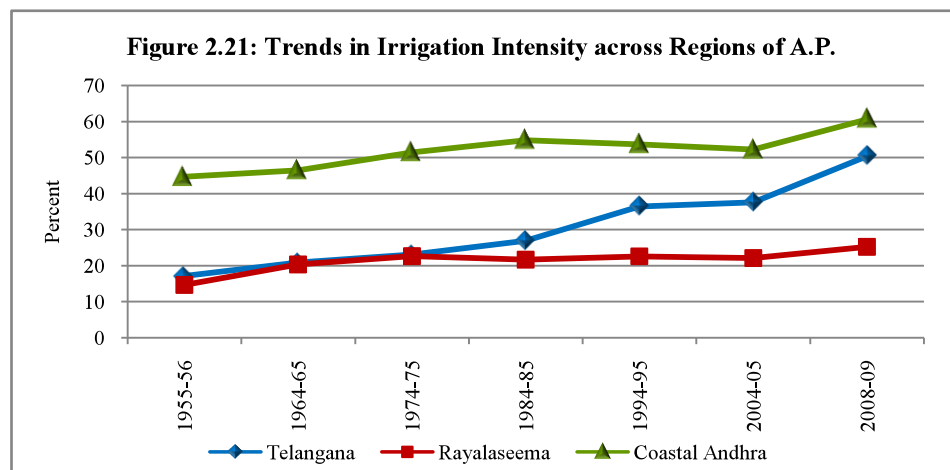
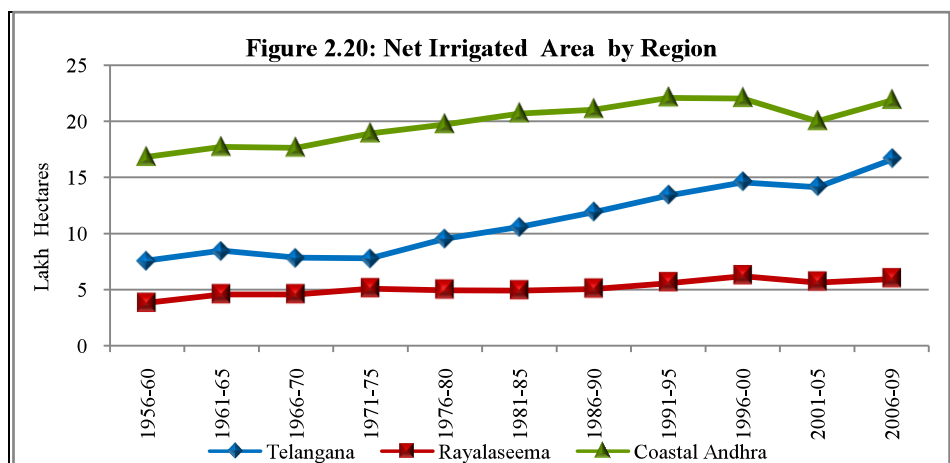
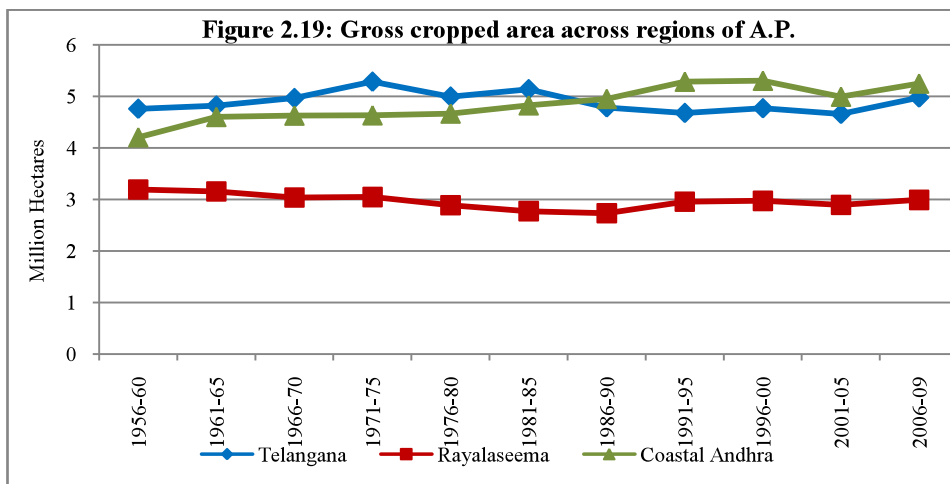
Source: Statistical Abstract of AP, GoAP

2.7 Agriculture, Irrigation and Productivity

2.7.01 Growth in Agriculture

Agriculture is still the primary occupation for millions of farmers and wage laborers in AP. In the following is a discussion relating to changes in gross cropped area (GCA) across regions of A.P. during the period 1956 to 2009. Broadly, it is well known that due to natural advantage of irrigation from Godavari and Krishna rivers, coastal Andhra region has a relative advantage in irrigation and agriculture. The GCA in coastal Andhra region was an average of 5.3 million hectares during 2006-9 compared with 4.2 million

in 1956-60, a 20 per cent growth during the past 5 decades. Telangana region had 4.8 million hectares of land under cultivation during 1956-60 which has increased to 5.0 million hectare or a meager 5 per cent increase during the same period. However, the situation in Rayalaseema has been one of decline (about 6 per cent) in the GCA with only 3 million hectares as on 2006-9. Thus, one notices stagnation in GCA expansion in Telangana, a decline in Rayalaseema but an increase in coastal Andhra region. However, a better understanding of the growth in agriculture can be derived from the pattern of growth in irrigation and land productivity taken together, as found below.



Source: Directorate of Economics & Statistics, GoAP. Definition: Net Irrigated Area – the area irrigated through any source once in a year for a particular crop.

Table 2.3. Gross cropped area across regions of A.P

(5 year moving averages / Million Hectares)

Region	1956- 60	1961- 65	1966- 70	1971- 75	1976- 80	1981- 85	1986- 90	1991- 95	1996- 00	2001- 05	2006- 09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Telangana	4.8	4.8	5.0	5.3	5.0	5.1	4.8	4.7	4.8	4.7	5.0
Rayalaseema	3.2	3.2	3.0	3.1	2.9	2.8	2.7	3.0	3.0	2.9	3.0
Coastal Andhra	4.2	4.6	4.6	4.6	4.7	4.8	5.0	5.3	5.3	5.0	5.3

Source: Directorate of Economics & Statistics, Go AP. Definition: Gross Cropped Area - the total area sown once and/or more than once in a particular year, i.e. the area is counted as many times as there are sowings in a year.

2.7.02 Growth in Irrigation

Irrigation is the key to growth in agriculture, especially, if it is dependent entirely on the swings of weather and rainfall. There are mainly three ways through which irrigation water can be ensured for cultivation, (a) canal irrigation, (b) tank irrigation and (c) well (energized) irrigation. In the following is an analysis of growth in irrigation in the three identified regions of AP.

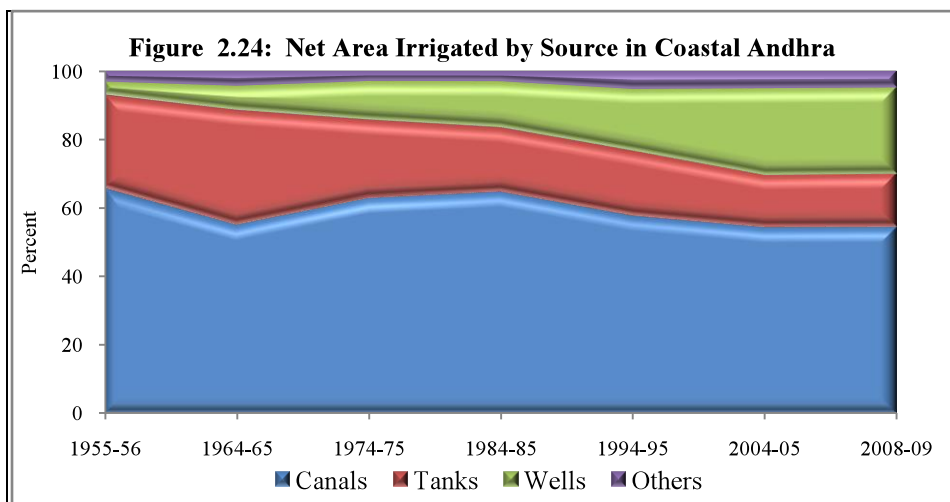
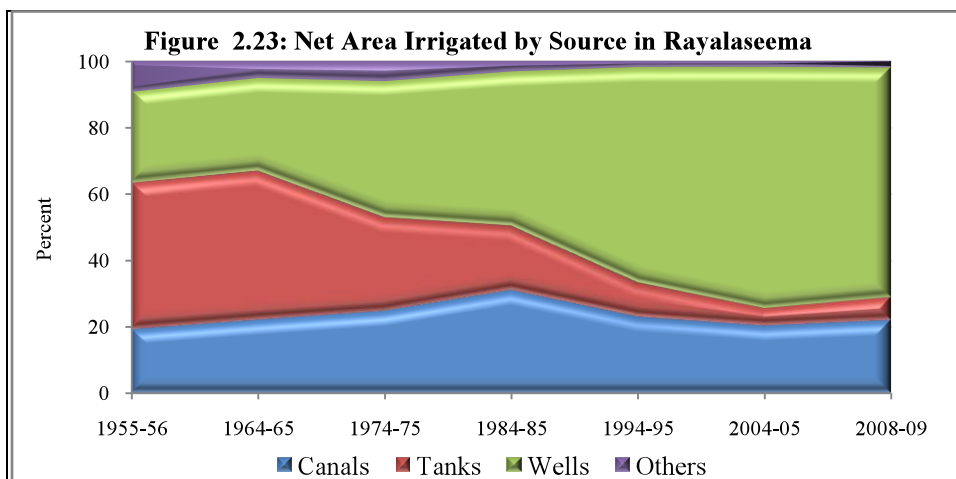
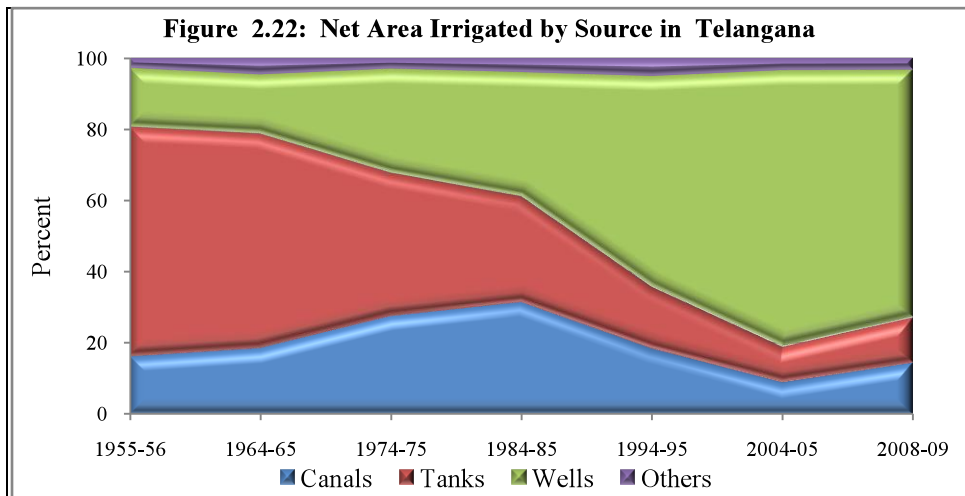
2.7.03 The Net Irrigated Area (NIA) in all the three regions of AP has increased over the years. In fact the NIA in Telangana has doubled (from 0.8 million hectares in 1956-60 to 1.7 million hectares to by 2006-09). Thus Telangana has experienced a whopping 113 per cent increase; while coastal Andhra and Rayalaseema have experienced a much lower growth of NIA at 30 per cent and 55 per cent respectively. Telangana has experienced a remarkable increase in NIA after mid- 1970s compared to the other two regions where there is a steady increase over time.

2.7.04 Irrigation Intensity: Another way to understand improvement in irrigation is to study 'irrigation intensity' which is the ratio of gross irrigated area to gross cropped area across regions. About the time of reorganization of AP in 1956, coastal Andhra had highest irrigation intensity of 44.7 per cent compared to Telangana with only 17.2 per cent and Rayalaseema at 14.7 per cent. However, the irrigation intensity improved to 50.4 per cent in Telangana, 60.6 per cent in coastal Andhra and a meagre 25.3 per cent in Rayalaseema by 2008-9. The increase in irrigation intensity in coastal Andhra and Rayalaseema has increased by 16 percentage points and 10 percentage points, respectively, over the period of 53 years; whereas Telangana experienced over 33 percentage points increase during the same period. In fact, the irrigation intensity in Telangana doubled during the 23 years period beginning mid 1980s.

2.7.05 Type or Source of Irrigation: It is useful to find out increase in the NIA by different water sources across the regions of AP (refer Figures 2.22 to 2.24). However, natural reasons appear to dominate in the existence of irrigation opportunities as well as the growth possibilities in future. Given that most of the central parts of coastal Andhra region is located in between the river Godavari in the north and river Krishna in the south, there are natural factors that have offered extensive possibilities of expanding irrigation through canal system, mostly due to the advantage of delta and the natural gradient which can be exploited very well by canal irrigation. On the other hand, both the Telangana and Rayalaseema regions are not able to access river waters due to lack of gradient. But the natural advantage of 'tank' irrigation was present in case of Telangana, whereas this opportunity was even less in Rayalaseema. Thus Rayalaseema is the most disadvantaged in terms of access to irrigation of any type in the state of AP.

However, two third of irrigated area in coastal Andhra was through canals at the time of reorganization, whereas, it was only 16 per cent in Telangana and 19 per cent in Rayalaseema. A cause of concern is that surface water irrigation through Tanks has declined significantly from over 64 per cent in 1955-56 to just 12 per cent in 2008-09 in Telangana. The trend is similar in Rayalaseema with respect to decline in irrigation from surface/tanks. The reasons for decline in tank irrigation have been explored at greater length in the Chapter on irrigation.

The puzzle is in coastal Andhra, where the canal and tank irrigation has declined by about 10 percent, each over a period of 53 years, and even in this region bore well (energized) irrigation which was insignificant (4 per cent) in 1955-56 has increased to 25 percent. Due to the natural advantages, both surface and underground water sources contribute to the irrigation system in coastal Andhra, whereas, in Telangana and Rayalaseema regions irrigation is highly dependent on underground water source.

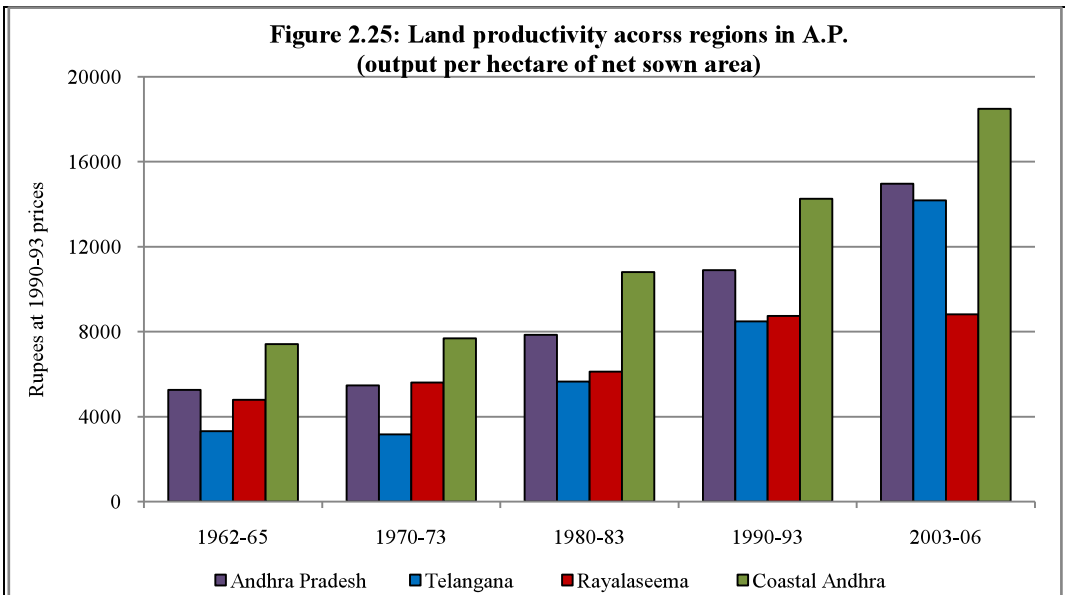


Source: Directorate of Economics & Statistics, GoAP

2.7.06 Changes in Land Productivity (LP)

Improvement in land productivity over time is a good indicator of progress in agriculture in a geographic area. In the following we present the rupee values of the agricultural output per hectare net sown area at 1990-93 constant prices across regions of AP (See Figure 2.25). Overall land productivity has shown a considerable increase across all regions of AP. During the period 1962-65, the LP in Telangana was least at Rs 3320, compared to Rayalaseema at Rs 4795 and coastal Andhra the highest at Rs 7422. However, the growth rates in LP are not uniform across the

regions; for example, while the LP growth in Telangana was as high as 327 percent increase in 2003-06 over 1962-65; during the same period the growth in coastal Andhra was 149 percent and in Rayalaseema it was much lower at 84 percent. Another way to have a relative picture is that the LP of Telangana which was little less than half of the level in coastal Andhra in 1962- 65, was as much as three fourths in 2003-06. Thus, Telangana has shown large improvements in output per hectare during the last 5 decades or so and it is consistent with growth in irrigation as well (see below).



Source : Estimated from raw data accessed from G. S. Bhalla and Gurmail Singh. Refer also Bhalla and Singh (2009), *Economic Liberalization and Indian Agriculture : A Statewise Analysis*, Economic and Political Weekly, Vol. XLIV : 52

The growth in productivity in 'rice', 'ground nut' and 'cotton' since 1956 until 2006 is presented in Appendix 2.3. It is clear that Telangana region had experienced unprecedented growth in per hectare production of rice soon after the creation of a united AP. For example, Telangana region recorded a 70 per cent increase in rice production per hectare between 1956-65 and

1965-75 compared with only 39 per cent and 20 per cent respectively in coastal Andhra and Rayalaseema regions. Thereafter, Telangana has indeed sustained productivity growth in rice over the period until about 2006, for which, we have reviewed the data. On an average, the Rayalaseema region was unable to catch up with the productivity growth in rice compared with other

two regions over the last five decades or so.

A review of productivity per hectare growth over the same period in ground nut and cotton suggest an advantage in Telangana over coastal Andhra and a larger advantage compared with Rayalaseema. Thus, it can be clearly established that the condition of residents of Telangana region (other than Hyderabad) has, indeed, experienced larger improvements during the past half a century and it has caught up with the broad economic conditions prevailing in coastal Andhra. This is possible only when the relative growth in the identified indicators has been much faster in Telangana compared with coastal Andhra and Rayalaseema regions.

2.7.07 Operational Land Holdings

Given that AP is still an agrarian economy where over 60 per cent of labor force is employed, it is

useful to find out distribution of land holdings across the regions. It is clear that there is a trade-off between the size of land holding and the percentage of land owned which is irrigated. Both Telangana and Rayalaseema have larger average size of land holding, 1.3 hectare and 1.6 hectare respectively, whereas the size of land holding in coastal Andhra is much lower at 0.9 hectare (Table 2.4). Further, one can notice that coastal Andhra has 57 per cent of all its area under land size of less than 2 hectares compared to 41 per cent in Rayalaseema and 46 per cent in Telangana; similarly larger land sizes share is much less in coastal Andhra compared with Rayalaseema and in Telangana. The dramatic differential is found in case of percentage gross irrigated, Coastal Andhra having the largest advantage of having 56 per cent of all its operational land area under irrigation, and this share is 46 per cent in Telangana and as low as 24 per cent in Rayalaseema.

Table 2.4. Agriculture Operational Land Holdings across regions in AP (2005-06)

Region	Area (% share of all Size Classes)		Holdings (% distribution)		Avg Size (Hects)	% Irrigated
	< 2 Hects.	> 5 Hects.	< 2 Hects.	> 5 Hects.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	48.4	18.5	100.0	100.0	1.2	44.9
Telangana	46.1	20.2	39.2	46.6	1.3	45.9
Rayalaseema	40.9	22.2	17.0	29.1	1.6	24.5
Coastal Andhra	57.2	13.4	43.8	24.3	0.9	56.2

Source: Statistical Abstract 2009, GoAP. per cent irrigated is percentage of gross irrigated area to gross cropped area

2.8 Use of Electricity

2.8.01 Access and use of electricity is a good indicator of progress in a region. In the following discussions we explore utilization of (1) electricity for 'agriculture', (2) 'low tension electricity' and (3) 'high tension electricity'. The last two categories highlight qualitative dimensions of electricity use in different regions of AP.

2.8.02 Electricity consumption per agricultural connection, for the year 2008-9, works out to be within a reasonable range in all the three regions, although it has been high in Rayalaseema at 6346 kwh compared with 5920 kwh and 5797 kwh for Telangana and coastal Andhra respectively. However, Telangana has experienced large gains, for example, the per agricultural connection

consumption in 1974-5 was only 1898 kwh which increased to 5920 kwh by 2008-9, a 3 fold increase; as compared with coastal Andhra which has improved from 3323 kwh to 5797 kwh, only a 1.8 fold increase during the same period. Rayalaseema region which received least amount of rainfall in AP has also experienced just about three times growth in consumption of electricity per agricultural connection. Similar trend is noticed when electricity consumption per hectare of net area irrigated is reviewed. In Telangana, the consumption has increased from 260 Kwh in 1974-5 to 4930 Kwh in 2008-9, thus registering 18 times increase; on the other hand in coastal Andhra the increase has been only 10 times. Rayalaseema has also registered a considerably larger sixteen times increase in consumption of electricity per hectare of irrigated land.

2.8.03 The trends in consumption and growth of 'low tension' and 'high tension' electricity are presented below. The growth in use of electricity of both types follows a similar trend in which the

Telangana region has experienced large increases next only to the city of Hyderabad 1974-5 to 2008-9 (See Figure 2.26, 2.27, 2.28 and 2.29).

Table 2.5. Electricity Consumption of Various Types by Regions in AP (Kwh)

(a) Agriculture Power Consumption

Region	1974-75		1984-85		1994-95		2004-05		2008-09	
	Per hect. NIA	Per agri connection	Per hect. NIA	Per agri connection	Per hect. NIA	Per agri connection	Per hect. NIA	Per agri connection	Per hect. NIA	Per agri connection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Telangana	260	1898	876	2531	5118	7132	5716	5193	4930	5920
Rayalaseema	350	2136	821	2741	4780	7159	5751	5889	5887	6346
coastal Andhra	117	3323	141	2586	907	7139	1454	6781	1326	5797

(b) Per Capita Low Tension Electricity Consumption

Region	1971-72	1981-82	1991-92	2001-02	2008-09
Telangana	16	39	238	407	494
Hyderabad	52	103	180	234	758
Rayalaseema	31	46	183	299	409
coastal Andhra	22	41	102	212	306

(c) Per Capita High Tension Electricity Consumption

Region	1971-72	1981-82	1991-92	2001-02	2008-09
Telangana	15	67	144	125	285
Hyderabad	77	222	100	75	331
Rayalaseema	17	47	73	65	163
coastal Andhra	37	67	75	67	172

Source: Directorate of Economics and Statistics, GoAP. Note: Telangana excludes Hyderabad, NIA - Net Area Irrigated

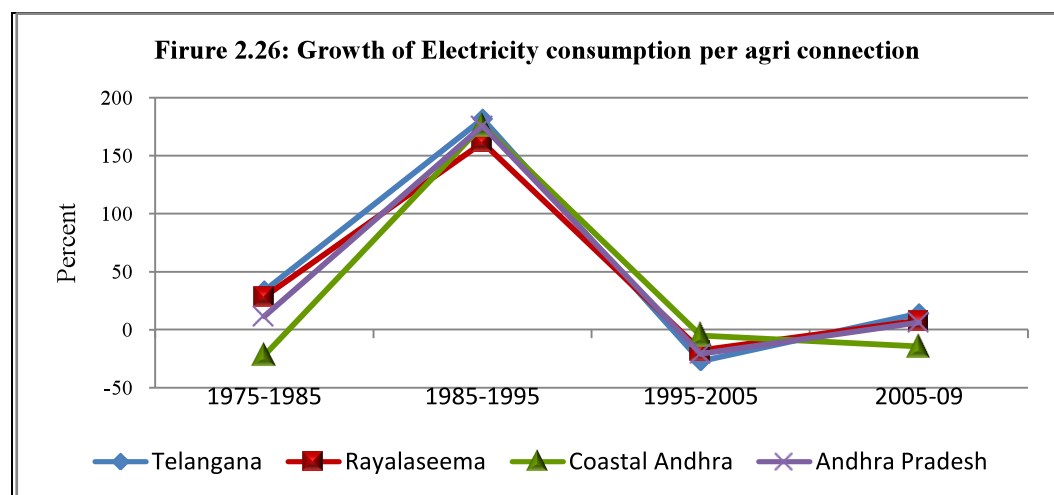
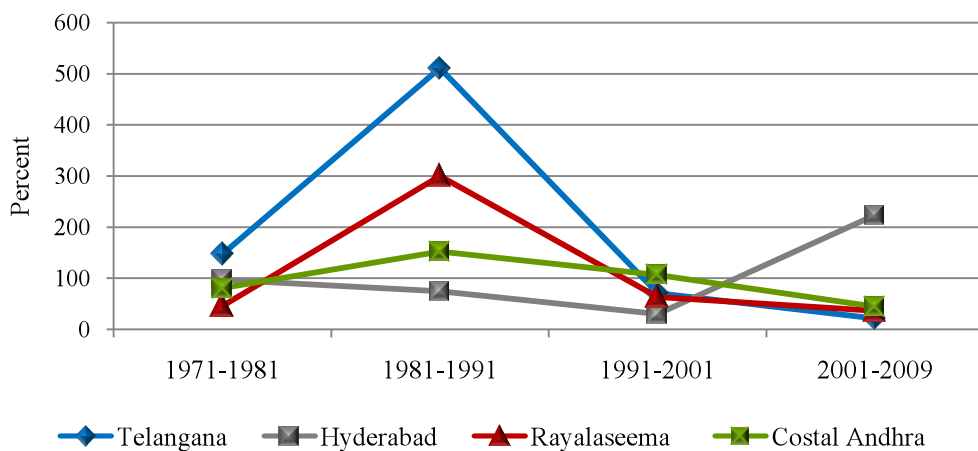
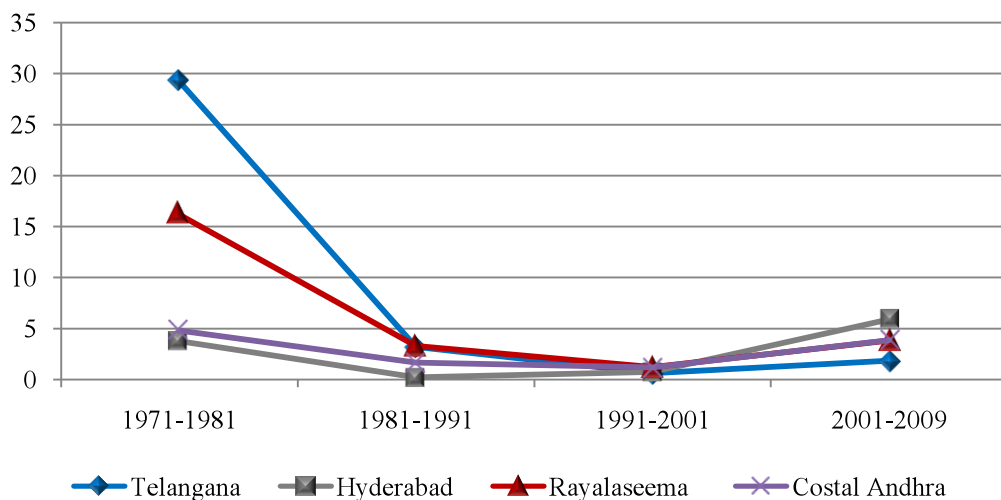
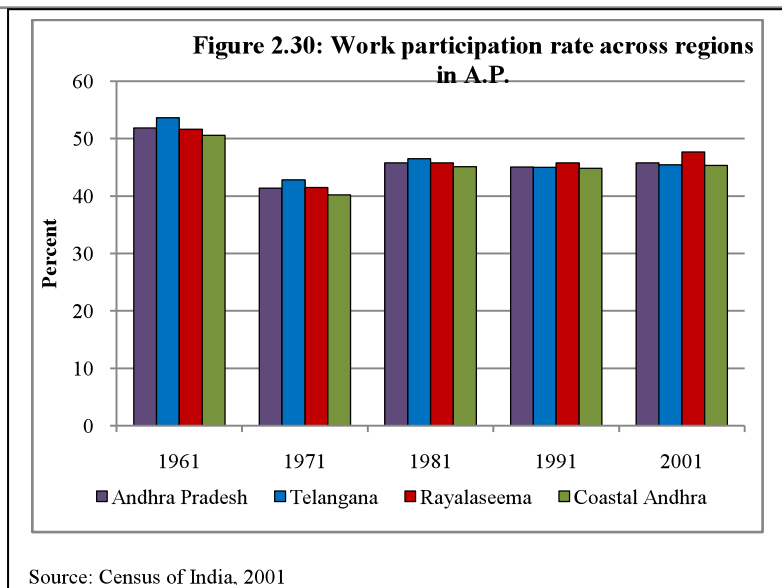
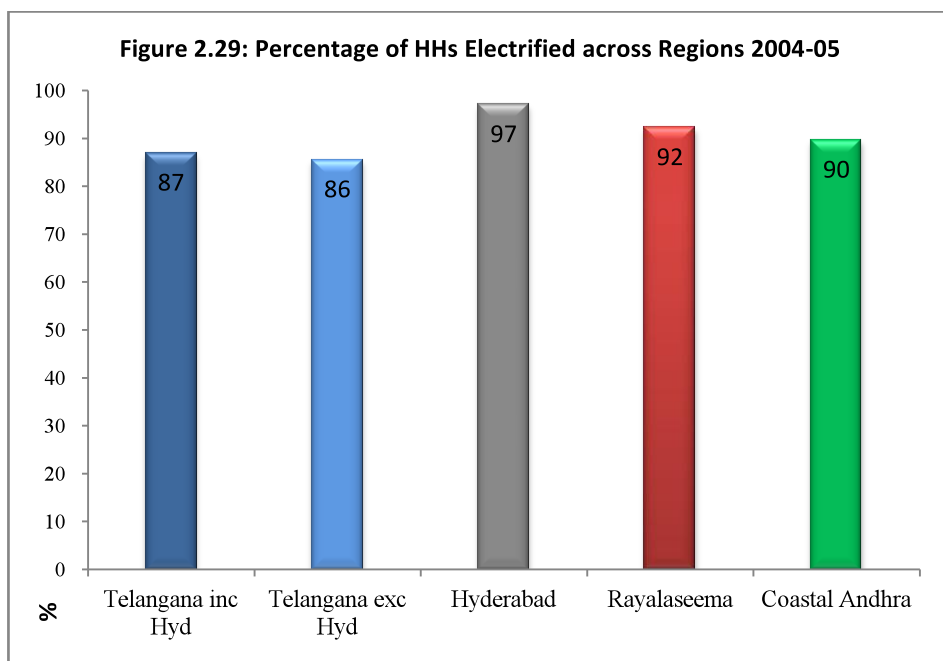


Figure 2.27: Growth rates in percapita electricity (LT) consumption**Figure 2.28: Growth rates in percapita electricity (HT) consumption**

Source: Directorate of Economics and Statistics, GoAP.



2.9 Work Participation Rates and Employment

2.9.01 Work Participation Rates (WPR): There is a general trend of declining work participation rates in India, and this gets reflected in all the regions in AP. Note that the WPRs do not reflect employment and unemployment conditions due

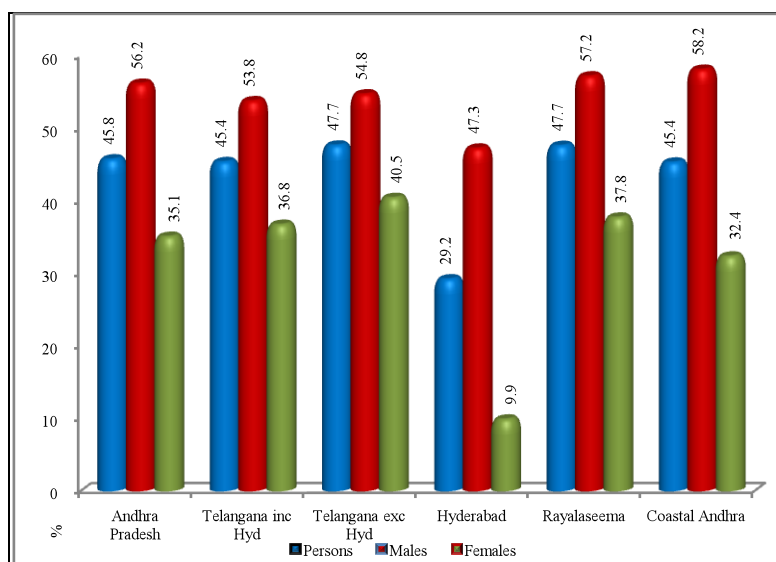
to definitional variations. For example, the WPR which was 54 per cent in 1961 has declined to 45 per cent level by 2001 in Telangana; and a similar decline has also occurred in the two other regions. However, in 2001 highest WPR is found in Rayalaseema at about 48 per cent and both coastal Andhra and Telangana have recorded WPR just at about 45 per cent each (See Figure 2.30). A

relatively higher WPR is generally considered a sign of distress rather than an indication of employment in India.

Generally the WPRs differ substantially between men and women. Customarily, in India, adult men are considered the primary bread earners and women earners are found either as educated employed or as family and / or distress workers in agricultural and manual wage earning activities. In Figure 2.31 one can clearly find out

large difference in WPRs 2001 between men and women in all regions and largest difference is in Hyderabad. In rural areas generally women work on own family farm or as wage laborers which is reflected in relatively higher WPRs of women especially in Telangana. However, the male WPR is highest in coastal Andhra followed by Rayalaseema and Telangana. Besides the largest gap between men and women WPRs is found in coastal Andhra region.

Figure 2.31: Work Participation Rate by Gender across regions in A.P. (2001)



Source: Census of India 2001.

2.9.02 Occupation profile of workers (15-65 years)

The NSSO 64th round data, with the reference years 2007-08, are good to understand the variation in occupations across the regions. Telangana has similar occupational distribution to coastal Andhra with slightly lower reporting in trade and other occupations (referred to as 'Others'), but higher reporting as farmers. Rayalaseema has a much larger share reporting farming and fewer percentages reporting agricultural

labour which is due to the inferior quality of land and relatively poorer communities also owning such land for subsistence survival. As expected, Hyderabad is dominated by professionals at 35 per cent of the labour force followed by another 35 per cent engaged in trading and other activities (See Figure 2.32). Compared to other regions, Hyderabad also employs craftsmen and those in elementary services such as urban manual labour and semi-skilled service providers.

2.9.03 Educated labour force / workers

The NSSO data allows us to analyse work status based on education levels. Of the total workforce 15-65 years of age, only 9 per cent are above matriculation in Telangana, yet it is slightly more than in coastal Andhra and Rayalaseema. Hyderabad workforce is the most literate as

expected which is closer to one half of all 15-65 years old. Share of illiterate workforce and women workers is almost similar in all the three regions with a slightly lower level in coastal Andhra.

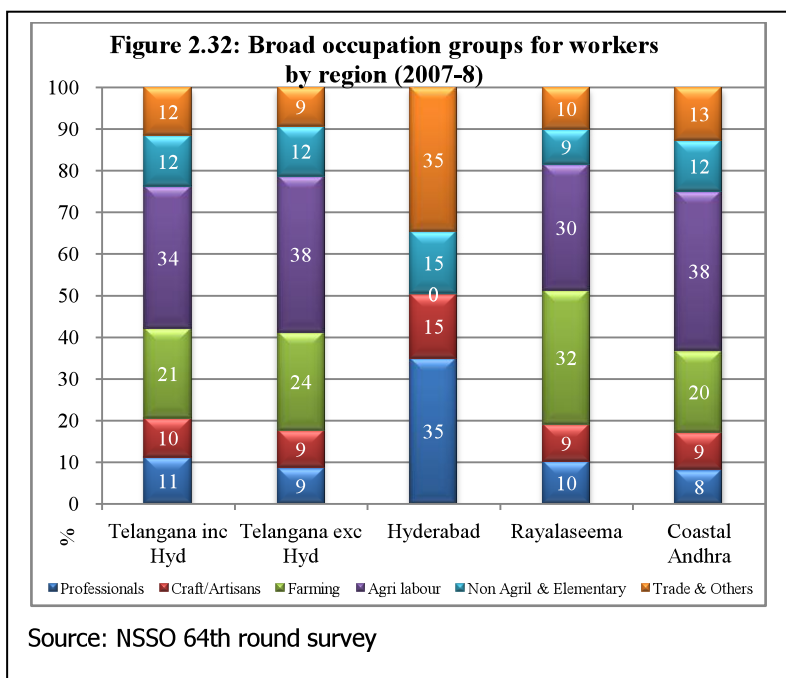


Table 2.6. Workers by level of education and gender by Regions 2007-8

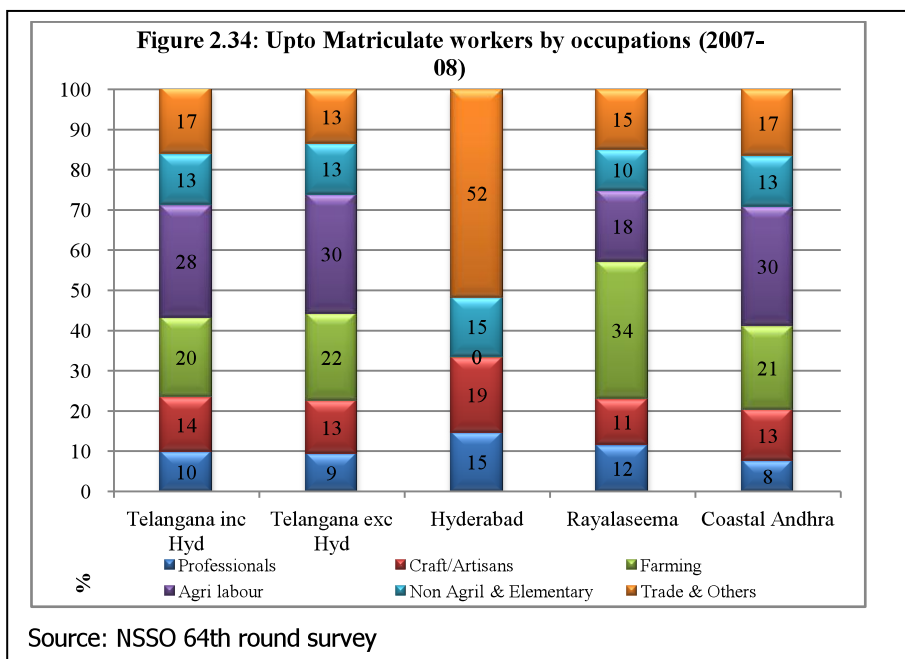
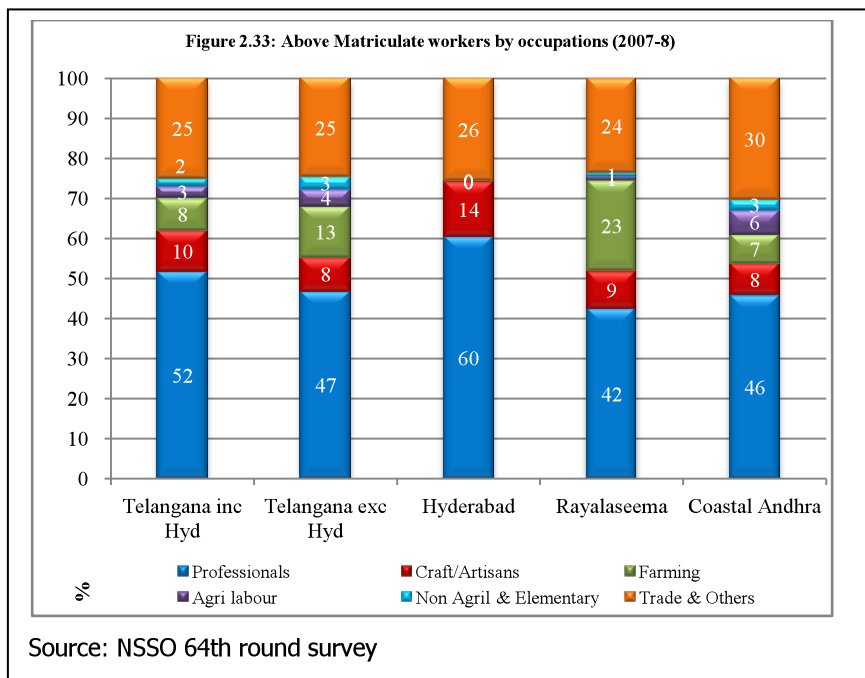
(Percent)

Region	Illiterate	Up to Matriculation	Above Matriculation	Women Workers
(1)	(2)	(3)	(4)	(5)
AP	48.3	41.6	10.0	37.6
Telangana inc Hyd	49.4	38.0	12.6	37.1
Telangana exc Hyd	52.6	38.4	9.0	39.2
Hyderabad	18.0	34.1	47.9	17.1
Rayalaseema	50.0	42.5	7.4	39.6
coastal Andhra	46.5	44.7	8.8	37.2

Source: NSSO 64th round Survey

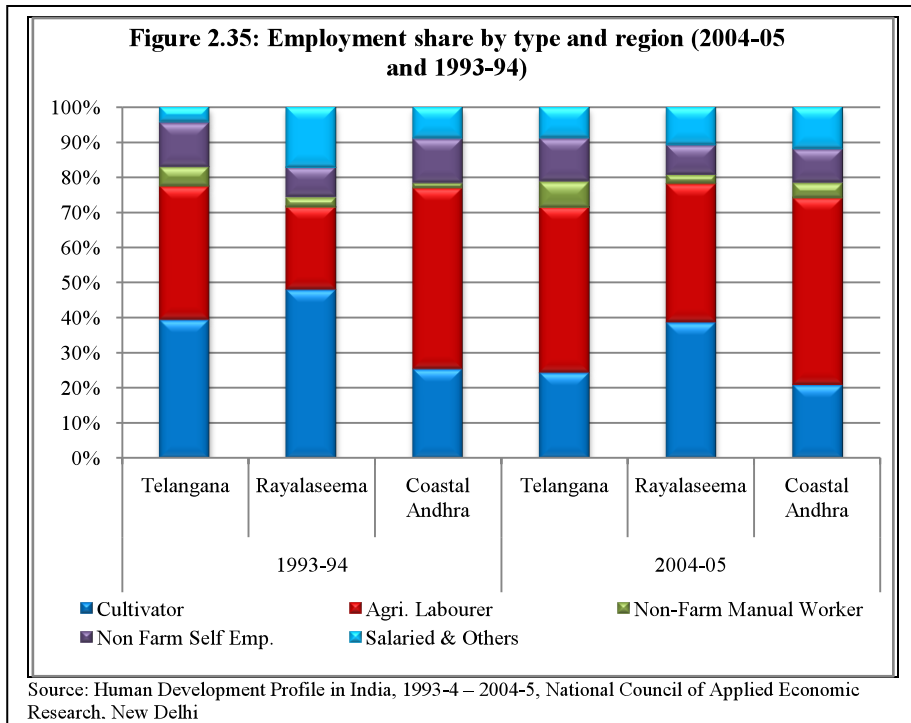
2.9.04 Education and Employment: To understand the impact of education on the nature of employment, an analysis was undertaken separately for the educated labour force, those up to matriculation and those above matriculation. One sees a clear impact of education in the choice of occupations but differentials between the

regions are minimal. For example, those educated above matriculation have clearly chosen to be professionals of various types across all regions with similar shares in Telangana and coastal Andhra, followed by trading and business with a slight edge in coastal Andhra (See Figure 2.33). It is only in Rayalaseema that the share of



educated is also as high as that of farmers at over 23 per cent. The share of educated in farming is only 10 per cent in Telangana and 13 per cent in coastal Andhra suggesting relatively better employment opportunities in non agricultural occupations in both Telangana and coastal And-

hra region compared with Rayalaseema. As educational levels increase, people do not undertake semi skilled non-agricultural professions as is reflected in low levels across all regions.



The work profile of those with less education than matriculation is similar to the general trends of occupational distribution undertaken above (See Figure 2.34). It appears that, at lower levels of education the labour force is trapped in traditional and low paid work, whereas at least matriculation and above matriculation level education grants them opportunities to move on to better paid employment and this trend is uniform across the regions with little disparity.

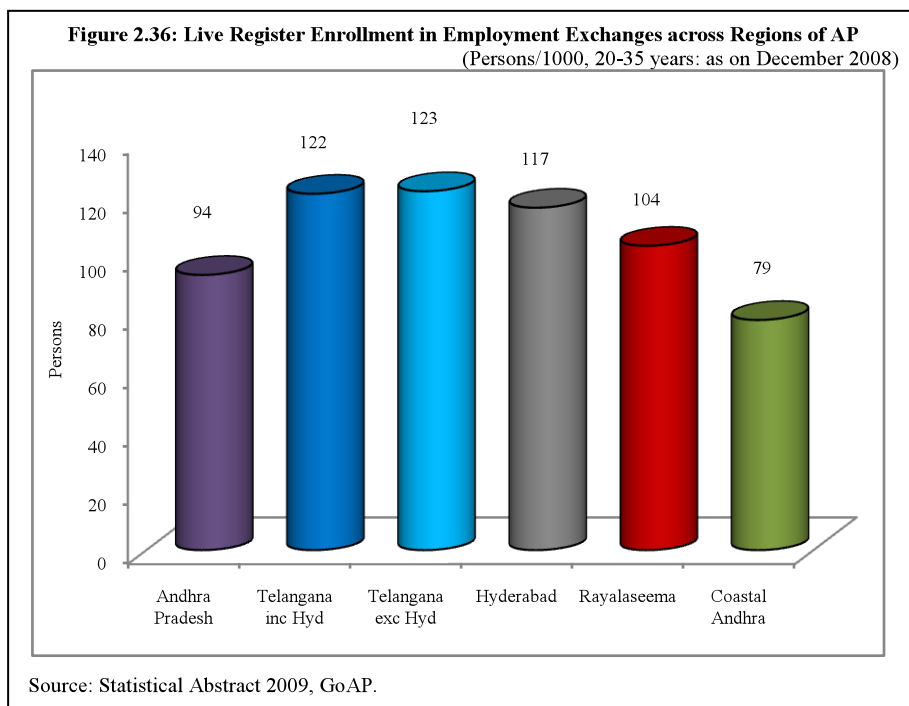
2.9.05 Occupation and Employment: The NCAER surveys are useful in finding out the share of labour force in a particular type of employment and how this has changed during a

12 year period - between 1993-94 to 2004-5. In the following is a two time period comparison of some rare data regarding employment shares in rural parts of the regions of AP. The identified occupational classifications are 'cultivator', 'agricultural labour', 'non-farm manual worker', 'self employed other than agriculture', and 'regular salaried workers'. The comparison periods are 1993-4 and 2004-5. Note that often households undertake multiple occupations and the above categories are formed on the basis of 'maximum annual income' drawn from a particular source. In all three regions, those reporting cultivation as their primary occupation have recorded a decline over the time period. For

example, in Telangana it declined from 39 per cent to 25 per cent; in coastal Andhra it fell from 25 per cent to 21 per cent and in Rayalaseema it declined from 48 per cent to 39 per cent (See Figure 2.35). Thus occupational diversification or movement away from cultivation has occurred in both Telangana and Rayalaseema; whereas this change in coastal Andhra region is small. But, what is revealing is the fact that considerably larger proportions have reported themselves as agricultural labourers in Telangana which has increased from 38 per cent to 47 per cent, and in Rayalaseema this share has increased from 24 per cent to 39 per cent. In coastal Andhra region, the share of agricultural labour has increased only by about one percent. Telangana and coastal Andhra have also experienced a small increase in non-farm manual work during this period. Rural

non-farm self employment has remained unchanged in Telangana and Rayalaseema regions and it has recorded a decline of 4 per cent percentage points in coastal Andhra.

Further, Telangana region has recorded a considerable increase in households with regular income, followed by a smaller increase in coastal Andhra; but Rayalaseema has shown a large decline in occupations reporting regular income. Overall, the review of occupational shifts suggests proletarianization of work force mostly in agriculture. So far as dynamism and diversification of labour is concerned, it is found mainly in Telangana compared with the two other regions, and this can be considered a positive condition for improving and sustaining household incomes.



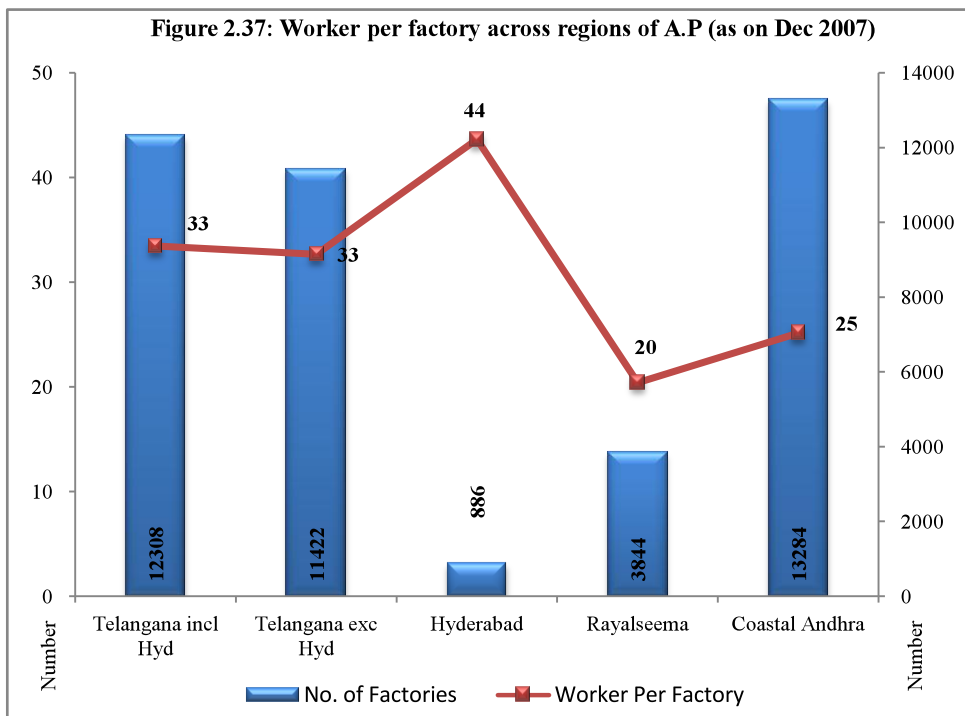
2.9.06 Employment Generation through Employment Exchanges:

It is common practice for the state governments to promote registration of names for those who are unemployed or searching for a higher level of employment. Generally all districts maintain an employment exchange centre, where such registrations are undertaken and information with respect to the level of education and social groups is recorded.

Telangana region (excluding Hyderabad) has recorded higher registration in the employment exchanges, 123 per thousand population compared with only 104 in Rayalaseema and 79 in coastal Andhra (See Figure 2.36). What is not clear is whether those registered are seeking new employment (with the current status of unemployed) or are pursuing higher level or better paid jobs. It may be emphasized that these data do not support the unemployment status of the candidates who have registered in the employment exchanges.

An analysis of the registered candidates according to education suggests the following distribution: Post graduate 3.7 per cent, Graduates 12.8 per cent, Intermediates 32.5 per cent, Matriculates 14.7 per cent, Technical/ITIs 11.4 per cent, Other Technical (typist etc) 14.4 per cent, Unskilled 10.5 per cent. Similarly, a social group distribution of those on the live register is SCs 26 per cent, STs 8.7 per cent, BCs 41 per cent, and Others 24.3 per cent.

The employment exchanges provide very small amounts of employment for those who have registered. For example total employment provided during 2008 was only 1045 of which 183 were SCs, 73 STs and 283 BCs. Note that total enrolled on the live register were 20.7 lakhs as on December 2008. Therefore, the employment exchanges hardly address the issue of unemployment, at least in AP.



Source: Statistical Abstract, GoAP

2.9.07 Industrial Employment: AP is one of the fast growing industrial and manufacturing states of India. There are 29436 industrial establishments registered under the Factories Act which employ a total of 8.24 lakh workers. It is useful to know that there are 13284 registered factories functioning in coastal Andhra (large number of rice mills) compared with 12308 in Telangana area including Hyderabad. However, per factory, workers are 33 in Telangana, 44 in Hyderabad city and 25 in coastal Andhra region. Thus from the point of view of industrial and manufacturing activity, so far as number of factories and workers is concerned, there is a degree of comparability between Telangana and coastal Andhra. It would be useful if total output or value added is studied to find out any real differentials between the regions of AP. Rayalaseema has less number of factories and it also employs a lower number of the workforce.

2.9.08 Migration: Migration is often considered as an opportunity to work and earn higher household income; it also facilitates social mobility, higher education and better quality of living. Often, migration occurs from smaller towns and rural areas to larger urban locations. In the following, we draw upon one of the most recent surveys of the NSSO which has rich data on migration; both outmigration and in-migration. Migration, which is not related to

marriage and family reasons, is considered as the one for employment and education. Further, it was possible to identify intra-district migration which is not included so as to get a better picture of inter-district or from outside the district in-migration and outmigration to places outside the district of residence.

It is interesting to note that it is the city of Hyderabad which has recorded least outmigration at 4.4 per cent of households or 1.8 per cent of population, whereas it has attracted about 11 per cent of all households as the new entrants to the city constituting 3.6 per cent of the population (See Table 2.7). Telangana (excluding Hyderabad) and Rayalaseema regions have similar percentage of 0.4 per cent migrant households, whereas coastal Andhra has slightly higher at 0.7 per cent. However, Rangareddy district which has been experiencing the spillover effect of the urban growth of Hyderabad has recorded the highest of all districts (excluding Hyderabad) at 2.8 per cent, of all its households being immigrants. Thus, it is the city of Hyderabad followed by Rangareddy district in Telangana region which is attracting large number of in-migrants; whereas out migration is comparable to the other regions. By and large, both coastal Andhra and Rayalaseema have recorded similar and relatively low levels of out-migration and in-migration.

Table 2.7. Distribution of Out of District Migrants by Regions in AP 2007-08

(Percent)

Region	OUT-MIGRATION		REASONS OF OUT-MIGRATION				IN-MIGRATION	
	HHs Reporting Migration	Migrant Persons	Job Search	Employment	Studies	Others	HHs Reporting In-migration	Person In-migrants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Andhra Pradesh	6.8	3.2	20.2	67.4	10.2	2.1	1.0	0.6
Telangana inc Hyd	6.7	2.9	23.2	66.8	9.1	2.7	1.7	0.7
Telangana exc Hyd	7.1	3.1	21.5	66.8	9.3	2.5	0.4	0.3
Hyderabad	4.4	1.8	20.2	67.7	7.1	5.1	10.6	3.6
Rayalaseema	7.8	3.3	22.7	64.1	11.0	2.2	0.4	0.3
Coastal Andhra	6.4	3.4	17.7	69.6	11.3	1.5	0.7	0.5

Source: Computed from NSSO 64th Round data. Note: HHs: Households. Marriage and family related migration is not considered in this analysis.

PART II: EQUITY AND SOCIO-ECONOMIC DIMENSIONS

2.10 Economic Inequalities

In this section, some qualitative evidence on income change and equity issues is discussed. As opposed to the unitary variable descriptions and analysis in the previous section, the empirical analysis below is based on bivariate and multivariate analytical techniques. In the following, empirical evidence is extracted from the NCAER's Human Development Surveys conducted about a decade apart and inequalities are presented in per capita income and cultivable land. Inequalities in per capita consumption expenditures are estimated from the NSSO's 64th round data for the reference year 2007-08.

2.10.01 Dynamics of Regional Rural Income inequalities

The following is qualitative information regarding income change over a period of over a decade in the rural parts of AP analyzed at regional levels. The data presented below is drawn from two large sample surveys conducted by the National Council of Applied Economic Research, New Delhi, about one decade apart. The first human development survey was undertaken across rural India in 1993-4 and a follow-up survey was conducted during 2004-5. This data is amenable for creating state profiles of human development, poverty and income change. In the following, we compare the direct per capita income change for the three identified regions of AP. Note that data for Hyderabad city is not used in this analysis. The income data discussed below are those reported /estimated through a comprehensive household questionnaire and therefore should not be compared with the per capita income extracted from the National Accounts Statistics reviewed in earlier sections.

However, one can compare broad trends emerging from these two independent sets of data so as to improve an understanding of the dynamics of income change and equity.

2.10.02 Per capita Income Change by Economic Class:

Figure 2.38 presents the rural per capita income change between the two periods for the three regions according to income class. The rural households are sub-divided into five categories based on per capita household income, namely, 'most deprived', 'deprived', 'lower middle', 'upper middle', and 'well off'. It is interesting to note that, relatively speaking, the rural incomes in coastal Andhra region have improved over the reference period amongst all income categories, excepting the well-off. But in case of Rayalaseema, income growth has occurred amongst the most-deprived and the deprived whereas the relatively richer have experienced a decline in relative income over the reference years. On the other hand, in case of Telangana, the relative income growth is experienced only amongst the richest; whereas the poorer and the most deprived have suffered considerably large decline in relative income over the reference period. Note that for the purpose of this discussion, important is the distribution and the direction of change in income and not the absolute size of income. It appears that, coastal Andhra is experiencing a considerable broadening of income growth where over 80 per cent of rural households, especially those in the bottom of the income pyramid, are experiencing relatively better income growth, although as we have seen in the earlier section, overall income change is relatively slow compared to Telangana. On the other hand, the Telangana region is experiencing a considerable erosion of relative income amongst the relatively poorer sections, although the richest seem to have gained during the reference period. These contrasting dimensions of income change suggest that the relatively poorer in Telangana are vulnerable for mass mobilization so as to demand better opportunities for their

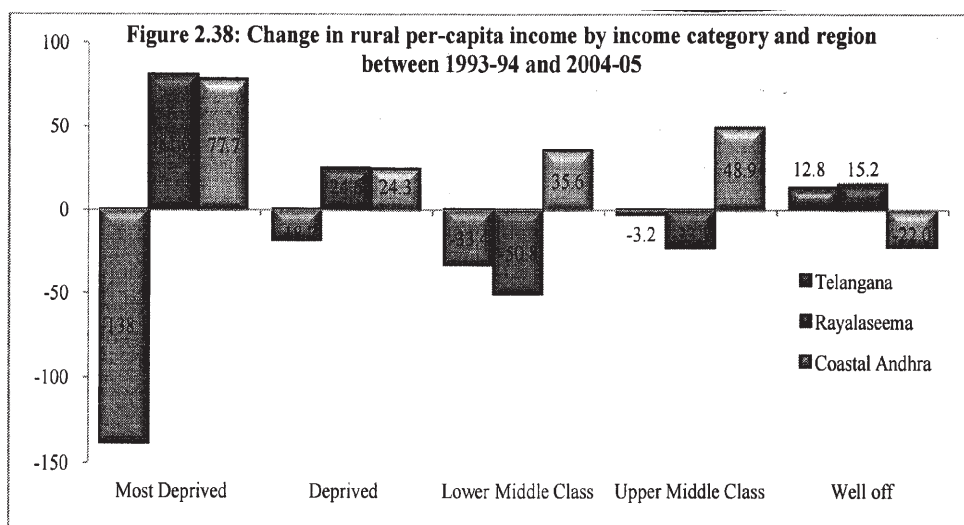
economic living. Note that, concurrently, the relatively richer have a firm standing and are reaping the fruits of economic vibrancy as well as through traditionally feudal forms of ownership and also that the relatively richer are able to access the benefits from innumerable government programmes and schemes of affirmative action.

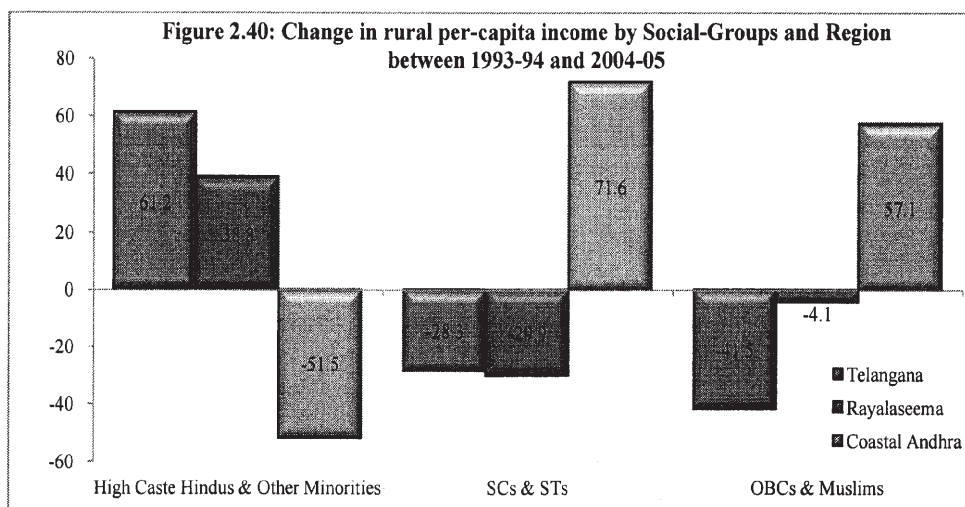
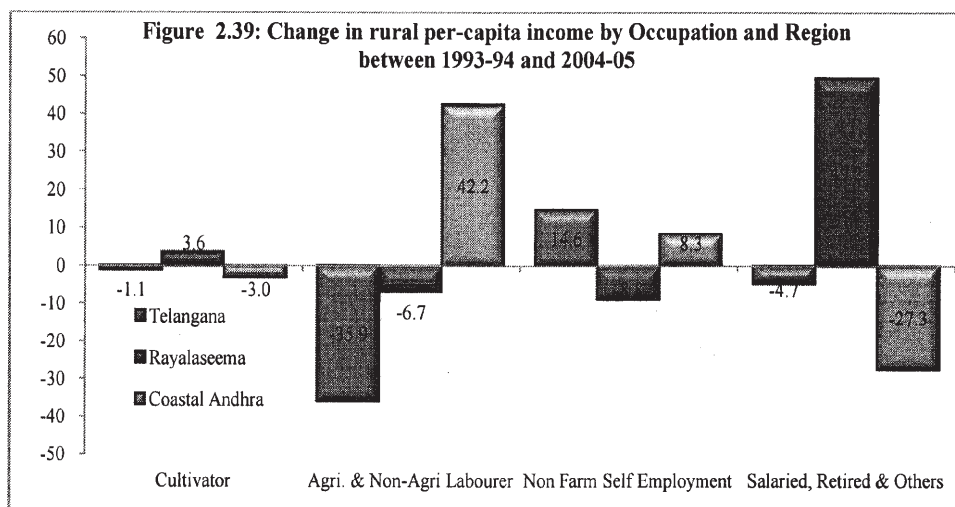
2.10.03 Income Change and Occupations: This income differentiation between Telangana and coastal Andhra region is reinforced by analysis of income change according to occupation. While the farmers in all regions have shown stable income or income which has hardly changed; the real income of the agricultural wage labour has declined considerably in Telangana, whereas it has increased considerably in coastal Andhra region (See Figure 2.39). The selfemployed in non-farm activities, mostly small business and artisans, have shown an increase in income, both in Telangana and in coastal Andhra whereas in Rayalaseema they have suffered during the reference period.

2.10.04 Income Change and Social Identify: Another dimension in which the above trend gets

corroborated is in income change by caste and religion (See Figure 2.40). It is clear that the SCs, STs and minorities in Telangana region have suffered decline in income whereas these communities have gained substantially in coastal Andhra. In fact in the coastal Andhra region, relatively speaking, the higher castes have experienced negative income change during the reference period.

2.10.05 All the above analysis suggests that, so far as the income change dynamics is concerned, the coastal Andhra region has moved over to a more equitable distribution of income where the deprived, the wage labourers, and the SCs/STs/minorities have gained income during the decades of 1990 and 2000; whereas these communities were not able to improve their household income and living conditions in Telangana. This analysis provides credence to the fact that the most of the deprived communities in Telangana are facing hardship and therefore are vulnerable to mass mobilization on one pretext or the other, including political mobilization with promises which may or may not be met.





Source: Estimated from NCAER-Human Development Surveys, 1993-4 and 2004-5.

2.11 Inequity Assessed through Estimates of Gini Coefficients

2.11.01 Income inequality: Inequality measured in terms of the Gini coefficients reflects the state of cohesiveness in a particular group's economic condition which can be compared across the

social group categorization. Three broad groups created are the 'SCs, STs & Muslims', 'Hindu OBCs' and 'High Castes & Other Minorities'. Note that the Gini coefficient has increased substantially in Telangana, followed by Rayalaseema whereas it has declined in coastal Andhra. But largest increase in Gini is found amongst the SCs,

STs & Muslims in Telangana. Interestingly, the Gini has declined amongst the Hindu OBCs who are most likely to be the farming community, suggesting gains from reforms in agriculture and irrigation in Telangana. Interestingly, the income inequity amongst the high caste communities in Telangana has increased. On the other hand, in case of coastal Andhra, the inequality has

increased amongst the OBCs compared to the high castes whereas the poorer groups are able to maintain the income disparity at the original level. Rayalaseema is a region where income inequality has increased amongst all communities but the deepest in the region is amongst the poorer sections.

Table 2.8. Income Inequality (Gini coefficient) by Rural Socio-Religious Category

Region	Period	All	High Caste Hindus & Other Minorities	SCs, STs & Muslims	Hindu OBCs
(1)	(2)	(3)	(4)	(5)	(6)
Andhra Pradesh	1993-94	0.42	0.47	0.34	0.37
	2004-05	0.44	0.48	0.39	0.40
	% change	6	1	14	9
Telangana	1993-94	0.38	0.44	0.31	0.37
	2004-05	0.48	0.53	0.45	0.35
	% change	25	21	43	-6
Rayalaseema	1993-94	0.38	0.39	0.35	0.39
	2004-05	0.43	0.40	0.39	0.42
	% change	13	2	13	8
coastal Andhra	1993-94	0.47	0.52	0.31	0.33
	2004-05	0.40	0.47	0.31	0.38
	% change	-15	-10	-1	16

Source: Estimated from NCAER-Human Development Surveys, 1993-4 and 2004-5.

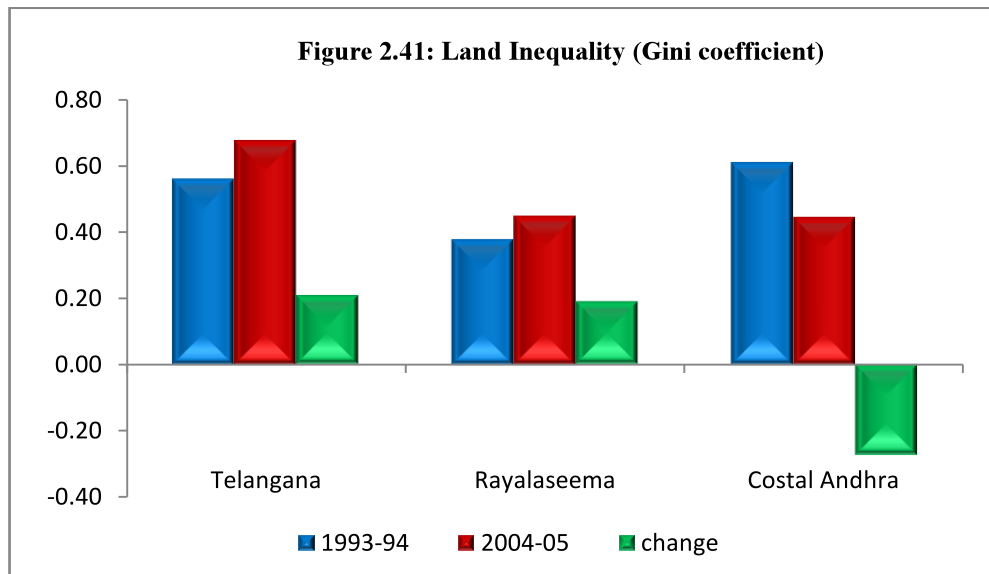
Note: The Gini coefficient, invented by the Italian statistician Corrado Gini, is a number between zero and one that measures the degree of inequality in the distribution of income in a given society. The coefficient would register zero (0.0 = perfect equality) for a society in which each member received exactly the same income and it would register a coefficient of one (1.0 = maximum inequality) if one member got all the income and the rest got nothing. Gini Coefficient takes the difference between all pairs of income and simply totals the absolute differences. It is calculated as below:

$$G = \frac{\sum_{i=1}^n \sum_{j=1}^n |x_i - x_j|}{2n^2 \bar{x}}$$

where x_i & x_j are different income classes, n is the number of values observed and \bar{x} is the mean income.

2.11.02 Inequity in Ownership of Cultivable Land: The data collected by NCAER for the HDPI project during the years 1993-94 and 2004-05 throws light on the pattern of landholding by households across the regions of AP. The percentage of households not having land

holdings has increased both in Telangana and Rayalaseema regions, whereas in coastal Andhra region, it has decreased. This can be clearly seen by a decline in Gini coefficients in coastal Andhra whereas there is a net increase in these coefficients in Telangana and Rayalaseema.



Source: Estimated from NCAER-Human Development Surveys, 1993-4 and 2004-5.

2.12 Consumption Expenditure differentials by population groups

Consumption expenditure differential is a good indicator to highlight inequity in standard of living across social groups. The NSSO's 64th round data for the reference year 2007-08 is analyzed to estimate monthly per capita consumption expenditures (MPCE) across regions and for various social groups identified using the

caste and religion information. Overall, for AP as a whole, the MPCE has worked out to be Rs 971 during 2007-08. The MPCE is rather low in Telangana Rs 895 compared with coastal Andhra at Rs 1003 but much higher than Rayalaseema which is rather low at Rs 788. Citizens living in Hyderabad, indeed, have very high levels of MPCE, but they are not highlighted in this analysis.

Table 2.9. Monthly Per Capita Consumption Expenditure (Rs) Regions and Social Groups (2007-08)

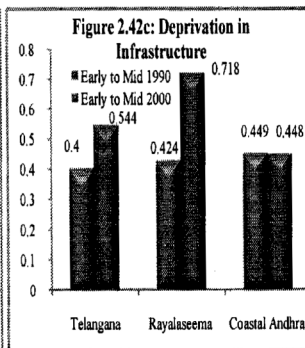
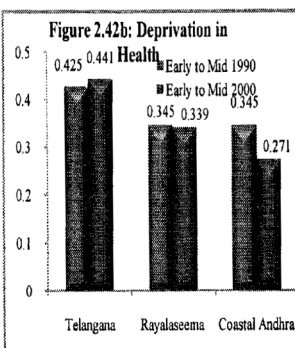
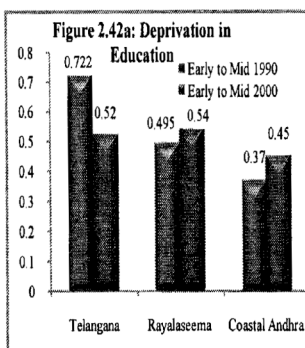
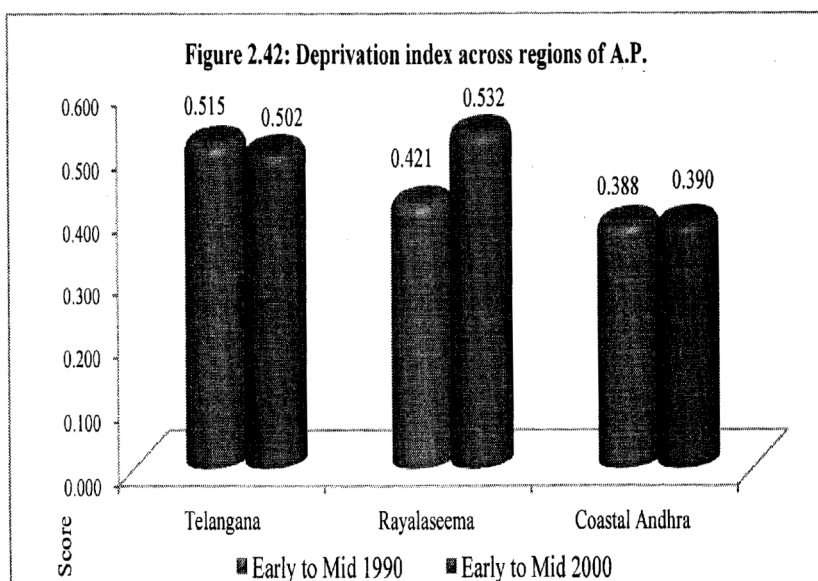
Region/Group	All Groups	SCs	STs	OBCs	Other Hindus	All Minorities	Muslims
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Andhra Pradesh	971	719	680	860	1484	969	892
Telangana inc Hyd	1025	734	734	889	1846	1101	876
Telangana exc Hyd	895	710	726	836	1450	898	855
Rayalaseema	788	590	803	707	1099	755	937
Coastal Andhra	1003	759	570	902	1427	934	841

Source: Estimates from NSSO's 64th round survey, 2007-08.

Note: Hyderabad excluded due to small sample size

A review of MPCE according to caste and religious category suggests that the STs have recorded lowest consumption expenditures amongst all the social groups and those living in coastal Andhra have the least at ₹570. SCs have the second lowest MPCE and have similar levels in Telangana and coastal Andhra but are very low in Rayalaseema at ₹590. The OBCs have middle level of consumption whereas the high castes have recorded high levels of expenditures at ₹1846 in Telangana including Hyderabad, ₹1450

in Telangana excluding Hyderabad, ₹1427 in coastal Andhra and ₹1099 in Rayalaseema. The Muslims have levels a bit above the Hindus OBCs but considerably lower than the other minorities. Generally speaking, the consumption levels are lower in Rayalaseema; and the levels between coastal Andhra and Telangana are not very much different. This finding corroborates our discussion in Part I of this chapter relating to the GDDP and other economic indicators.



2.13 Human Development: Deprivations Index

The NCAER, a respected independent think tank and research institution, has undertaken two human development surveys about a decade apart; the first one in 1993-4 and the second in 2004-5. In the following are the results of an elaborate exercise using multiple variables to compute and compare change in human development by regions in AP.³ The concept of human development is expanded so as to include infrastructural variables as well, and thus, one can compare deprivation in human development (including access to infrastructure) across the regions in AP. There are variations between regions in such deprivations which are the components of human development.

Telangana has fairly high level of deprivation but it has recorded a decline in deprivation during the reference decade. Coastal Andhra has relatively low level of deprivation compared with other regions and it continues to sustain that level during the reference period. It is Rayalaseema region which has recorded an increase in deprivation from an already low level to considerably higher level during the reference period. Broadly speaking, this trend in human development deprivation corroborates a number of independent factors and parameters already discussed in this chapter. In many ways, this deprivation alone comprehends the relative development scenario of the regions in AP.

2.14 Social Profile

Caste and religious composition is an important indicator of the social value structure and

political power equation in an area. In the context of the separate demand of Telangana, it is useful to know the distribution of the shares of the socio-religious groups which are normally so identified in the day-to-day socio political discourses for various combinations of regions. The population shares of the following caste/social/religious categories are estimated for this discussion - SCs, STs, Hindu OBCs, Hindu High Castes, Muslims and other Minorities.

The primary difference between regions is with respect to the shares of STs and Muslims. For example, while the share of SCs is around 16 per cent across all regions in various combinations (excepting Hyderabad); the share of STs varies substantially. Ten percent of Telanganites are STs, which is the largest share compared to any other region or regional combination; whereas they constitute less than 3 per cent in Rayalaseema and 6 per cent in coastal Andhra. The other category, which has variation between regions, is the share of Muslims. In Telangana, they constitute 8.4 per cent, but they are 12.5 per cent in Rayalaseema and much less in coastal Andhra at only 4.5 per cent. Due to historical reasons 41 per cent of the population of Hyderabad is Muslims. A look at the social differentiation amongst the Hindus suggests that 24 per cent of all citizens in Rayalaseema are identified as high caste, but a higher share of OBCs is found in Telangana at 53 per cent. Due to dominant presence of Muslims in Hyderabad, the share of OBCs is much lower while the share of high caste Hindus is slightly more than in Telangana region. The population share comparisons are presented for additional combinations such as Telangana, Hyderabad and Rayalaseema all together; Telangana and Rayalaseema together and coastal Andhra and Rayalaseema together.

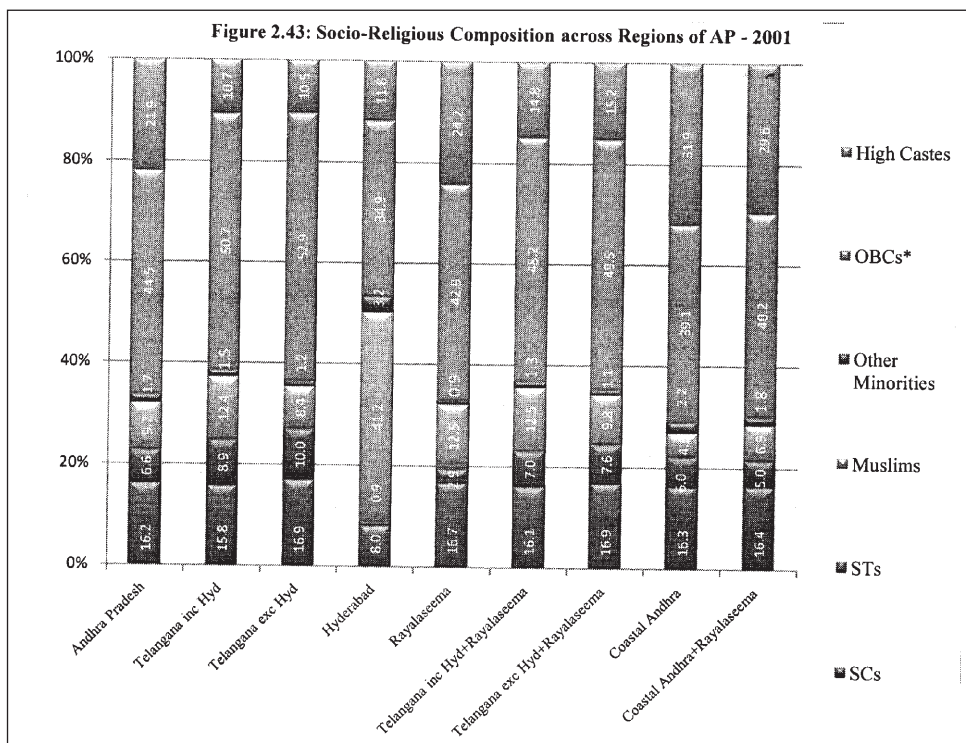
3. Note: Deprivation Index is an aggregate of deprivation in education, health and infrastructure for both the rural and urban areas of the respective regions. Each dimension incorporate a number of relevant variables listed below. All variables have been normalized by using the UNDP methodology: $\text{actual value} - \text{min. value} / \text{max. value} - \text{min. value}$. Hyderabad is excluded from the analysis. Region scores are the weighted averages.

Variable Description and the Source:

1) *Deprivation in Education*: a) per cent Illiterate population, b) per cent Female Illiterate, c) per cent ST Female Illiterate, d) per cent SC Female Illiterate, e) per cent Children 5-14 Age group not enrolled in School, from the 1991 and the census 2001 respectively.

2) *Deprivation in Health*: a) Infant Mortality Rate (IMR) 1991 & 2001, b) per cent women currently using Family Planning Methods (CUFP) 1998-99 & 2003-04- reciprocal, c) primary health centre (PHCs) available per ten lakh population 1998-99 & 2004-05- reciprocal, d) doctors available per ten lakh population 1993-94 & 2004-05-reciprocal

3) *Deprivation in Infrastructure*: a) gross un-irrigated area as a percent to gross cropped area 1992-93 & 2004-05, b) per cent households without dwelling, electricity, tap water, and toilet 1991 & 2001, c) per hectare agri. output- reciprocal 1990-93, d) population per bank 1992 & 2005- reciprocal.

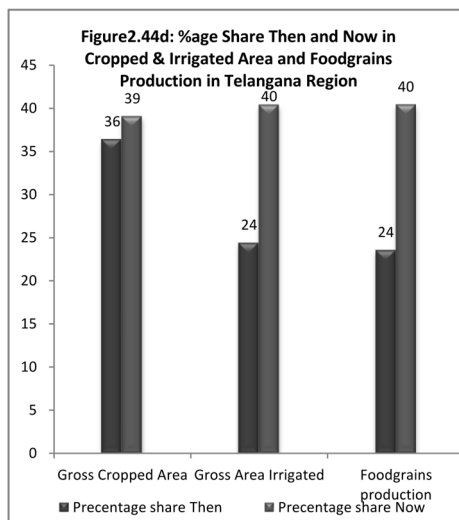
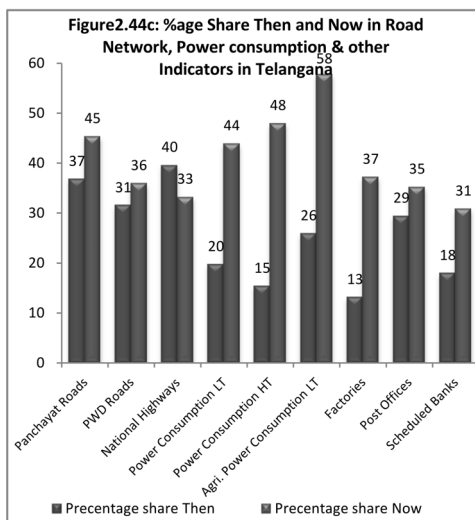
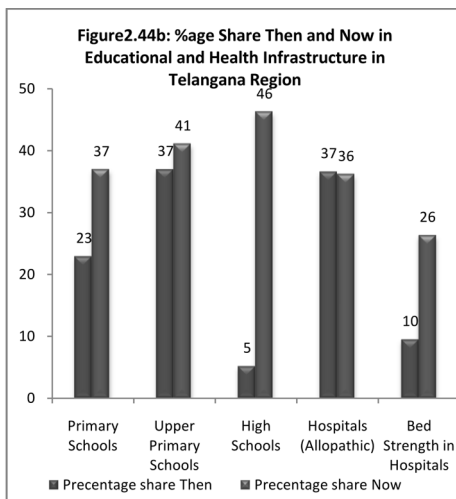
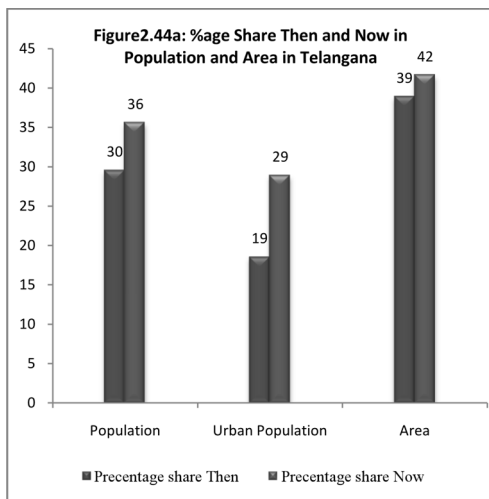


Source: Census of India, NSSO

2.15 Summary and Discussion

2.15.01 One of the major arguments for a separate state of Telangana has been that since the formation of the state of AP, this region has been neglected and even discriminated against, resulting in economic and social hardship. Compared with coastal Andhra, it is alleged that Telangana has low per capita income, lower access to employment, lower business opportunities and low access to education and so on. It is also alleged that most of the higher level economic opportunities are appropriated by those belonging to coastal Andhra. At the outset, some or all such allegations appear true when absolute amounts, numbers and percentages are reviewed. Yet, when a study of rate of change, growth rate and shares in the state economy is evaluated, nothing unusual emerges. Telangana excluding

Hyderabad, currently has a share of 36 per cent in state population and 41 per cent in state land mass. Any development parameter that is consistent with these shares can be considered on par or at parity with the population / share of land mass. Indeed, one finds that at a reference point in the past, such as the census 1961 or 1956 or 1974 since when factual data are available, the shares for Telangana were far too low (refer to Figure 2.44). In recent years, however the shares of Telangana for many common development parameters are in league with the share of population / area, often being higher. There are a few crucial indicators on which Telangana is lagging behind, and they appear to have occurred due to structural causes of the economy and also due to concentration of economic activity in Hyderabad district/urban agglomeration.



Source: Statistical Abstract of AP, Note: Reference years for 'Then' and 'Now' for each indicator is given in Appendix 2.24

2.15.02 Overall, in spite of 50 plus years of policy protected planning and execution, one finds regional variations in the economic development of AP. The rate of growth in the development parameters summed up below is found to be robust both in Telangana (even after excluding Hyderabad) and coastal Andhra. Disturbing, however, are the growing levels of inequity within Telangana and Rayalaseema, and within the deprived population groups. Contrastingly, the evidence suggests that the inequity in income has, in fact, declined in coastal Andhra. It is essential, therefore, to take a note of inequity differentials between the haves and have-nots in Telangana, especially amongst the SCs, STs and minorities. Such deepening inequity in Telangana can not only sustain the separatist agitation but it can also carry it further and increase its intensity. The masses, therefore, can be easily used as tools of agitation by motivated groups and even political parties.

2.15.03 Further, is important to take a medium to long-term perspective so far as the future development of the state or its constituencies is concerned. An understanding of the perspective of the Telangana issue within a poverty, deprivation and empowerment framework does not compulsorily support partitioning of the state. It is a fact that most of the economic and developmental parameters show that Telangana (excluding Hyderabad) is either on par with or a shade lower than coastal Andhra; but once Hyderabad is included, the situation in Telangana is far better. Additionally, the rate of growth of most of the parameters of development has shown robust growth in Telangana. Coastal Andhra has natural advantages and a long history of development in agriculture, but it is the Telangana region which has shown commendable growth in agriculture during the past three-four decades. Thus, on the whole, it would appear that the deprived region is Rayalaseema not Telangana. Telangana region is found to be relatively less serviced by commercial banks and associated credit, and this region is found to have had relatively low levels

of financial and fiscal devolution at the panchayat level. Due to concentration of services such as education and health facilities, and services sector employment in Hyderabad city, other parts of Telangana are under-serviced. There is an urgent need to remove these anomalies from Telangana.

2.15.04 Economic inequality within the region is an important indicator of the unrest within communities. This analysis of income change in rural areas over a period of one decade suggests that, in Telangana, the relative income growth has occurred only amongst the richest; whereas the poorer and the most deprived have experienced considerably large declines in relative income over the reference period.

2.15.05 While the farmers in all regions have shown stable income or income which has hardly changed; the real income of the agricultural wage labourers has declined considerably in Telangana whereas it has increased considerably in coastal Andhra region. Similarly, the SCs, STs and minorities in Telangana region have suffered a decline in income during the past about decade or more, whereas these communities have gained substantially in coastal Andhra. The high caste / communities have gained considerably in Telangana while there is erosion of relative income amongst the rich in coastal Andhra. These trends and intra-regional differentials in income distribution are corroborated by an advance analysis by estimating Gini coefficients. However, of all the regions, it is Rayalaseema which has experienced broad based decline in living standards in AP during the reference period. This fact gets support from the measurement of 'monthly per capita consumption expenditure' which is far too low in Rayalaseema.

2.15.06 Human development is a comprehensive measure of deprivation in communities. Overall, the evidence suggests that coastal Andhra is successful in maintaining the levels of human development compared with Telangana and Rayalaseema where there is a decline during the

reference period. But the decline is far steeper in Rayalaseema. This result further supports the above highlights of broadening of inequality in income and consumption.

2.15.07 Economic Viability: There are a number of queries and doubts which emerge in the minds of policy makers and people at large as to what would be the economic viability of the states which may come into being if the state of AP is bifurcated or split. Literature on the linkages between size of geographic area, population size and economic standards of a nation or state is scarce, at least in case of India. However, without getting into technical debates due to want of time and space; a discussion on the implications of division of AP is presented below. There are compelling arguments available favouring both united and divided (bifurcated) Andhra Pradesh.

2.15.08 Economic Size of a State Argument: Consider the status of the regions (various combinations) within AP in terms of the GDP and per capita income. AP is the 4th largest state in India in terms of area and 5th largest in population; and it is ranked 3rd in terms of the absolute size of GDP in the year 2007-08. In terms of per capita income, however, AP is just above the all India average and occupies 11th position.

An interesting scenario emerges if various regions of AP are compared between themselves and with the other states in India. For example, Telangana region (excluding Hyderabad) ranks 15th in the list of 28 states (excluding AP) in terms of the absolute amount of GDP, and is listed above the states of Chhattisgarh, Jharkhand, Uttarakhand, Himachal Pradesh, Goa and all the North eastern states (Appendix 2.25). In terms of per capita income, Telangana (excluding Hyderabad) is a notch higher than the all-India average. Telangana (including Hyderabad) ranks 13th in GSDP as well as in per capita terms. The relatively deprived region of AP is Rayalaseema; but it ranks just a notch below the all-India average in

per capita income and its overall GDP is higher than Uttarakhand, Himachal Pradesh, Goa and northeastern states excepting Assam.

Coastal Andhra stands out as a superior economic entity within AP; and its GDP will be 13th largest compared with the states of India. In terms of per capita GDP, it is much higher than the national average and stands 10th in ranking amongst the states of India. Thus, from the point of view of sheer size of economy, Telangana as a new state can sustain itself both with and without Hyderabad. The other combination of regions - coastal Andhra and Rayalaseema together can also sustain themselves as a state; in fact they can also sustain themselves separately. The size of the state GDP can be considered a neutral factor in the decision making relating to Telangana.

2.15.09 Economic Reforms and the States:

These are the days of economic reforms and globally a period when economic blocs consisting of many smaller nations are being formed in the interest of enhancing economic opportunities, markets and employment. It is normally believed that formation of smaller states additionally contribute to pre-existing barriers to the inter-state and intra-state trade and movement of goods and services. For example, a variety of local entry taxes and cess will scuttle free trade and enhance cost of business and increase prices of the goods and services. There can also be local laws restraining physical movement of goods and services between neighbouring regions and between states. Such fears are very strong in Rayalaseema and they are apprehensive that Hyderabad city, as a market destination and also a source of supply, will be out of bonds after the creation of Telangana as a separate state. Coastal Andhra will also lose a major market inherent in huge population, business and market concentration of the city of Hyderabad. On this count, separation of AP can be a negative factor which inhibits economic growth of newly formed states.

2.15.10 Governance Related Arguments: On

the other hand, there are a number of arguments that favour smaller states with respect to governance and inclusive development. Smaller states can give greater representation and access to governance of the state. For example, it is possible that the ST community and the Muslims in AP may get a relatively better say in governance on separation in the state of Telangana. However, this will not be the case in coastal Andhra due to relatively smaller share of these communities in this region. Therefore, the argument in favour or against separation on the issue of governance and representation can work both ways and the impact will not be uniform on all the segments of the newly formed states. Generally, it is believed that larger states are difficult to govern due to large expanse and distance especially when governance is centralized in the state capital. These are the days of decentralization of governance through the 73rd and 74th amendments; and AP has resorted to the Mandal (a unit smaller than district consisting of a set of gram panchayats) system of governance since long. Therefore, this maturing process of decentralization of governance does support sustenance of a unified AP.

2.15.11 City Economy of Hyderabad: There is a large concentration of economic activity, employment generation and markets in the district/urban agglomeration of Hyderabad. For example, the district of Hyderabad has a share of 8 per cent in the total GDP (constant prices) of AP. The share of urban agglomeration- Hyderabad is expected to be much higher. Similarly, the share of Hyderabad district GDP in the region of Telangana (including Hyderabad) works out to be 18 per cent. Therefore, it is important to keep the city/district/urban agglomeration of Hyderabad accessible to people and businesses from any of the regions of AP or for that matter from any part of India and abroad. This can be accomplished irrespective of whether the political control over Hyderabad is wielded through a united AP or otherwise.

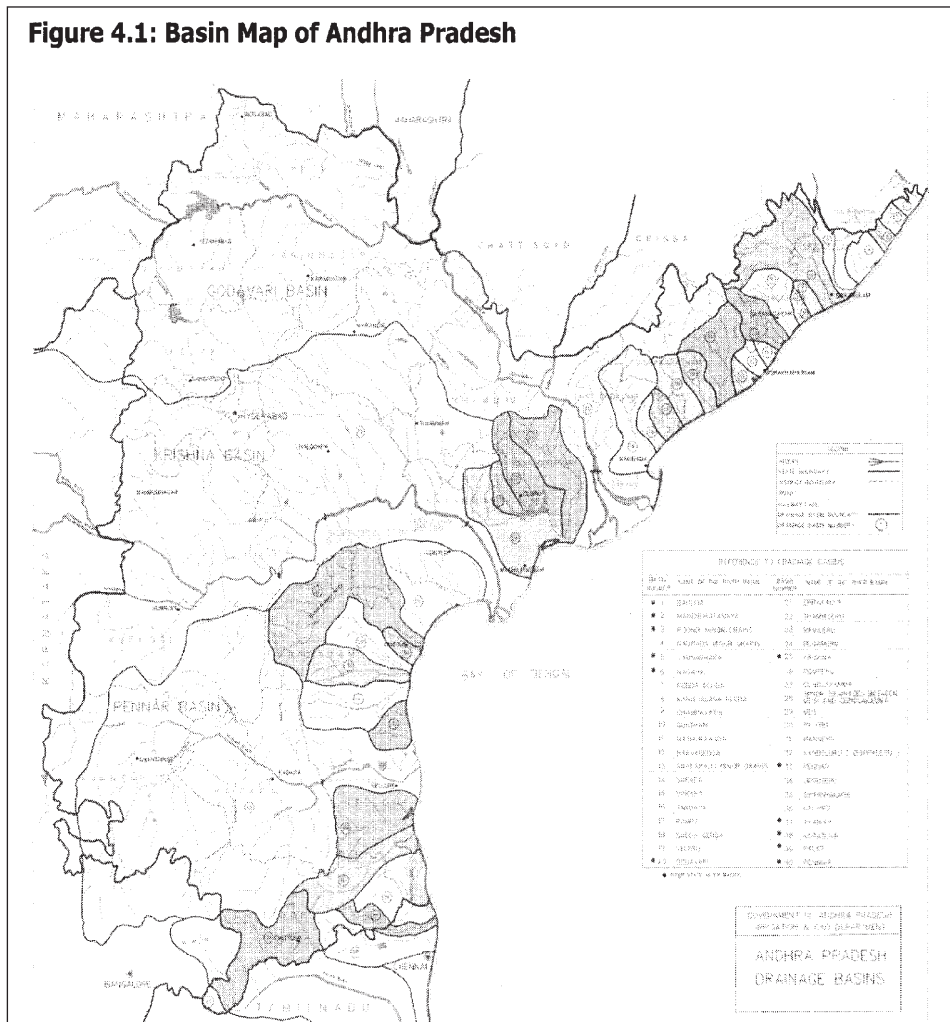
Chapter 4 WATER RESOURCES, IRRIGATION AND POWER DEVELOPMENT PART I: WATER AND IRRIGATION

4.1 Introduction

4.1.01 Andhra Pradesh has a total geographical area of 2,75,100 square kilometers with a coastline of 960 kms running from Ichapuram in the north to Srikakulam District to Pulicat Lake in the south in Nellore district. The state comprises three regions, coastal Andhra, Rayalaseema and Telangana with twenty three districts and has a population of over 76.21 million (Census 2001). The current estimates peg the state's population at over 80 million. Geographically, Andhra Pradesh is in peninsular India consisting of what is commonly known as the Deccan Plateau in the north-west, coastal belt in the east and Rayalaseema in the south-west. Andhra Pradesh, therefore, has the advantage of having most of the east flowing rivers in the heart of the state bringing in copious supplies from the Western and Eastern Ghats and the Deccan Plateau upto Bay of Bengal.

4.1.02 Andhra Pradesh is a riverine state with forty major, medium and minor rivers. Godavari, Krishna and Pennar are three major inter-state rivers which flow through the heart of the state. Besides these, there are five interstate rivers north of Godavari which flow through Orissa and Andhra Pradesh and four rivers south of Pennar that flow through Andhra Pradesh and Tamil Nadu. Apart from the above twelve rivers, twenty eight medium and minor rivers flow within Andhra Pradesh. (Figure 4.1)

4.1.03 The dependable yield from Godavari, as allotted by Godavari Water Dispute Tribunal (GWDT) to Andhra Pradesh, has been estimated by the Andhra Pradesh Government to be 1480 Thousand million cubic feet (TMC). From Krishna, the Krishna Water Dispute Tribunal (KWDT) has allotted 811 TMC, from Pennar as per Andhra Pradesh Government 99 TMC, is available. After including some additional yield from the other small rivers, the total comes to 2769 TMC. The water utilization, so far, is only 1933 TMC irrigating 61.66 lakh hectares against the possible cultivable area of 157.78 lakh hectares. About 70 per cent% of the population of Andhra Pradesh depends upon agriculture.



4.1.04 Andhra Pradesh has a heritage of cultivation and irrigation dating back to several centuries. Earlier rulers paid a good deal of attention to the development of irrigation in their kingdoms for the benefit of their subjects. Big 179 lakes like Ramappa, Pakhal, Laknavaram are still remembered. Cumbhum Tank, Kanigiri Reservoir, Anantapur Tank, Porumamilla Tank, Mopad Tank, Nandyal Tank and anicuts across Tungabhadra River such as Koregal, Vallabhapur,

Raya and Basavanna are some of the major irrigation works inherited by the state from the Vijayanagar kings. The anicut across river Godavari at Dowlaiswaram, across Krishna at Vijayawada, across Pennar at Nellore Sangam, K.C Canal System and others are the legacy of British engineers like Sir Arthur Cotton, Sir Charles Alexander Orr and Col. J John Penny, who transformed lakhs of hectare of barren lands in coastal Andhra into a big rice bowl during the

19th Century.

4.1.05 Since independence, impressive strides have been made in irrigation development in India. The Government of India has accorded high priority to the harnessing of river waters for overall economic development in the country. Several reservoirs have been constructed across rivers and their tributaries to store and regulate river flows under multi-purpose, major, medium and minor irrigation projects for optimal beneficial use of water. Accordingly, Andhra Pradesh has also been a beneficiary of this overall developmental process.

4.1.06 River Basins

(i) Andhra Pradesh can be divided into 40 big and small river basins which have been categorized into 5 groups:-

- (a) Krishna River Basin
- (b) Godavari River Basin
- (c) Pennar River Basin
- (d) Vamsadhara River Basin
- (e) Other River Basins

(ii) The State Irrigation Department has taken up the construction of some major projects namely Nagarjunasagar Project, Kaddam Project, Sriramsagar Project Stage-I, Vamsadhara Project Stage-I, Somasila Project, Tunga-Bhadra Project, High Level and Low Level Canal Projects and Rajolibanda Diversion Scheme. Further, Godavari and Prakasam Barrages have been constructed in place of the old anicuts across rivers Godavari and Krishna.

4.2 Major Issues raised in Memoranda and Meetings

4.2.01 The Committee heard several political parties, organizations and groups belonging to all the three regions about the issues relating to water and irrigation. During its field visits also, the Committee interacted with individuals/groups

from different sections of the society in rural and urban areas. The Committee gathered information during these interactions, on the grievances, differing perspectives and aspirations of the people of the state. Besides the interactions, the Committee also visited some project sites.

4.2.02 One of the major grievances of the people of Telangana is regarding allocation and utilization of river waters. Various issues have been raised in the memoranda/representations and during oral submissions to the Committee, alleging discrimination against Telangana in the distribution of river waters, inadequate mechanisms to address inter regional disputes over river water sharing and water use and part diversion of river Godavari to coastal Andhra and river Krishna to Rayalaseema to the detriment of the Telangana region. It has also been alleged that injustice has been done to Telangana in the implementation of various projects. Another allegation is that unviable projects were formulated for Telangana like Ichampalli Devadula Lift Irrigation Scheme etc. which were unlikely to succeed. The Polavaram project has been planned to benefit coastal Andhra at the cost of Telangana and the projects inherited from the erstwhile Hyderabad state have been abandoned.

4.2.03 Issues have also been raised about neglect of tanks, pointing out that the area irrigated by tanks in Telangana has gone down from 12 lakh acres to 5 lakh acres compelling the farmers to depend on ground water for their survival. Telangana groups have argued that while canal irrigation is with public investment, ground water development is with the farmers' own resources which are impoverishing the farmers of Telangana, even leading to suicides in some cases. Some groups have pointed out that despite the largest catchment area amongst the three regions of Andhra Pradesh, Telangana has less irrigated land than coastal Andhra and that, if a separate Telangana is created the waters of Krishna and

Godavari will be better utilized for agricultural production and creation of employment opportunities.

4.2.04 On the other hand, the delegations and groups from coastal Andhra and Rayalaseema regions have put forth enough evidence, both orally and through several presentations and memoranda, to suggest that the support for irrigation systems in Telangana region, keeping in mind that the region is on a higher plateau, has been substantial and that there should be no cause for complaint on this front. The result has been, as per these groups, that the growth of agriculture in Telangana region has been comparable, if not better and that if at all, it is Rayalaseema region which is lagging far behind. These organizations as well as the public at large from coastal Andhra and Rayalaseema regions also expressed strong apprehensions that such statements by Telangana leaders are misleading and that any consequent action based on presumptions will create serious water availability problems for them in future, if the state is bifurcated.

4.3 Appointment of Technical Expert

4.3.01 As water/irrigation has been a contentious subject in the state and considering that the issues raised were highly technical in nature, the Committee decided to appoint a knowledgeable, senior and well-known expert from outside the state to carry out an exhaustive study on the issue. Accordingly, Shri A.D. Mohile, former Chairman, Central Water Commission, was appointed to examine these issues and to enquire whether there has been any neglect or discrimination of any particular region in the state, as well as to suggest remedial measures for improving the situation related to water/ irrigation in the state.

4.3.02 The technical expert scrutinized the voluminous data as available from the Central and state Government departments and other sources,

and examined the issues raised by various delegations. He also held a number of meetings with different groups/organizations in Delhi and Hyderabad and undertook field visits in the state including visits to Sunkesala Barrage on Tungabhadra and Mahbubnagar side, Kurnool, Pot-hirepadu Head Regulator, Rajolibanda Canal, Ganapur and Nizampur, Singur Dam, Srisailem Left Bank Tunnel, Nagarjuna Sagar and Lower Manair Dam at Karimnagar. During these visits he interacted with different persons and discussed technical issues related to barrages/dams etc.

4.3.03 After detailed analysis of the available data regarding water and irrigation in the state as well as the overall assessment made during the visits, meetings and interactions, the technical expert submitted a comprehensive report covering various aspects of the situation of water and irrigation in Andhra Pradesh. The Committee found the report of the technical expert extremely useful in its inputs which have helped to create a better understanding of the water situation and irrigation problems in Andhra Pradesh.

4.4 General Findings

4.4.01 The general findings of the Committee on some of the major issues and aspects relating to development and management of water and irrigation resources in the three regions and the state as a whole are given below. These findings are based on the (i) examination of memoranda received by the Committee from various political parties/organizations, (ii) oral presentations made by representatives of the parties/groups, (iii) district and village level field visits by the Committee and inputs received from the local leaders and public etc., and (iv) the report of the expert. Besides, further information and clarifications wherever needed were obtained from the state Government and the Ministry of Water Resources, Government of India.

4.4.02 Land Utilization

(i) The region wise land utilization pattern for the year 2007-08 which gives the comparative position is given below:

Table 4.1. Land under cultivation in Andhra Pradesh and the Three Regions in 2007-08

(area in lakh hectares)

Region	Geo-graphical Area	Cultural Waste	Other Fall-lows	Current Fallows	Net Area Sown	Net Irrigated Area (2007- 08)	NIA as percentage of NSA	Gross Irrigated Area (2007- 08)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Telangana	114.84	1.74	8.01	18.34	40.57	17.08	42.1	24.14
Rayalaseema	67.30	1.92	3.62	5.45	27.65	5.66	20.5	6.85
Coastal Andhra	92.91	2.93	3.37	3.40	39.34	21.80	55.4	29.72
Andhra Pradesh	275.05	6.59	15.00	27.19	107.56	44.54	41.4	60.71

Source: Compendium of Area and Land Use Statistics of Andhra Pradesh - Directorate of Economics and Statistics, GoAP

4.4.03 Groundwater Irrigation

(i) The region wise area under groundwater irrigation is given in Table 4.2 below. It would be

seen that Telangana has the largest area underground water irrigation followed by coastal Andhra and Rayalaseema.

Table 4.2. Region Wise Area under Groundwater Irrigation 2007-08

(in hectares)

Region	Telangana	Rayalaseema	coastal Andhra	Andhra Pradesh
(1)	(2)	(3)	(4)	(5)
Area	1314243	424303	548638	2287184

Source: Statistical Abstract, Directorate of Economics and Statistics.

(ii) Any block, in which the estimated exploitation of groundwater exceeds the estimated availability, or where ground water levels are showing a falling trend, is considered "overexploited". Any block, in which the estimated exploitation of ground waters is between 90 to 100% of the estimated availability, is

classified as "critical". Any block, in which the estimated exploitation of groundwater is between 70 to 90% of the estimated availability, is classified as "sub-critical". The region-wise information about over-exploited, critical, sub-critical and safe blocks is given below:

Table 4.3. Overexploited, Critical, Sub-critical and Safe Blocks (2007)

Region	Over exploited	Critical	Sub critical	Safe blocks	Total Watersheds
(1)	(2)	(3)	(4)	(5)	(6)
Telangana	49	42	90	313	494
Rayalaseema	72	41	65	153	331
Coastal Andhra	11	6	20	367	404
Andhra Pradesh	132	89	175	833	1229

Source: State Ground Water Directorate along with CGWB.

Information about the geographic area, net irrigated areas and number of wells is indicated below in Table 4.4:-

Table 4.4. Well densities and area irrigated per well (2008-09)

Region	Number of wells	Geographic Area, Lakh hectares	Net Well Irrigated Area, Lakh hectares	Wells per km ²	Net Well/borewell Irrigated Area (hectares) per well
(1)	(2)	(3)	(4)	(5)	(6)
Telangana	1567000	114.84	13.11	13.65	0.84
Seemandhra	1114000	160.21	10.13	6.95	0.91
Total State	2681000	275.05	23.24	9.75	0.87

Source: Andhra Pradesh Transco/Andhra Pradesh Genco and Statistical Abstract, Directorate of Economics and Statistics, GoAP

This table shows that the density of wells/bore-wells is much higher in Telangana as compared to Seemandhra, but irrigation per well/bore-well is slightly less in Telangana as compared to Seemandhra.

4.4.04 River Lifts

(i) Andhra Pradesh is planning river lifts in a very major way, particularly from river Godavari. Some details in this regard, as indicated by the state Government are as follows:

Table 4.5. River lifts being planned

Sl. No	Name	Design Pumping Head (m)	Pumping Quantity TMC	Days of Pumping	Rated Power Demand MW	Area Irrigated Lakh Acres	Cost of Irrigation Rs/Acre
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Kalwakurthy	298	30	90	388	3.75	3274
2	Bheema-I	67	11	98	40	1.1	1408
3	Bheema-II	61	10	78	76	1.0	1179
4	Nettupad	112	14	80	76	2.1	1272
5	Kolisagar	116	4.5	125	12.3	0.66	1767
6	AMRP Single Stage	81	22	160	63.7	2.2	1819
7	AMRP Low Level	25	5	90	9.2	0.75	2184

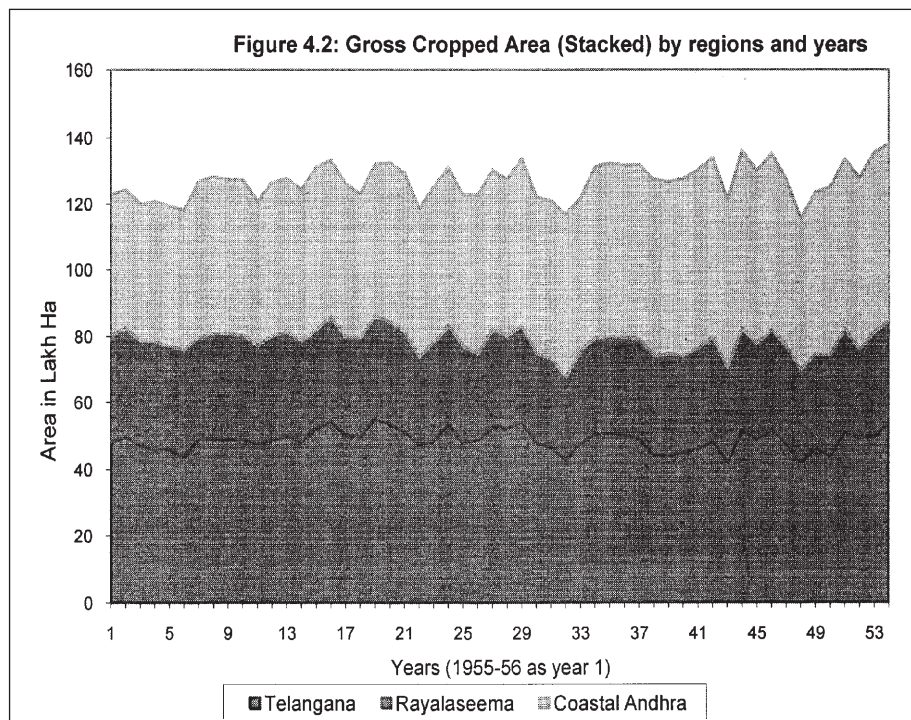
Source: Government of Andhra Pradesh, Information compiled by ENC (IW), I&CAD Dept.

(ii) From the Kalwakurthy high lift approximately, as per the data given, 30 TMC ($849.5 \times 10^6 \text{ m}^3$) of water is to be lifted in 90 days. The average flow over this period comes to $109.25 \text{ m}^3/\text{s}$. The lift involved is 298 m adding for friction losses assumed as 30m, the gross head will be 328 m. The theoretical power requirement will be 351.9 MW, and assuming a reasonable pump efficiency of 0.85, the actual average energy requirement will be 894195336.5 KWh. At an economic power cost of Rs 6 per KWh, the

annual energy cost per year would be Rs 536.5 crores per year. This annual pumping cost is over 3.75 lakh acres or 151763 hectares. Thus, the annual electricity cost would be Rs 35352 per hectare. To this, an annual civil maintenance of Rs 1000/hectare, and an annual electro-mechanical maintenance of Rs 4000/ hectare, needs to be added, giving the total annual operation and maintenance cost of Rs 40,352 per hectare. Besides this, there is the capital construction cost of the civil and electromechanical

works and equipment. This, at current prices would be at least Rs 2 lakhs per hectare. At 10% per year interest, this cost would be Rs 20,000 per hectares per year. Thus, the total annual charges, including the interest on capital, operation, and maintenance would be of the order of Rs 60,000 per hectare per year. This annualized cost is likely

to be higher than the additional benefits from irrigation. Thus, all such schemes require a much closer scrutiny. 186 Even the purely technical viability, of water availability, and pumping possibilities, has not been proved through a detailed analysis.

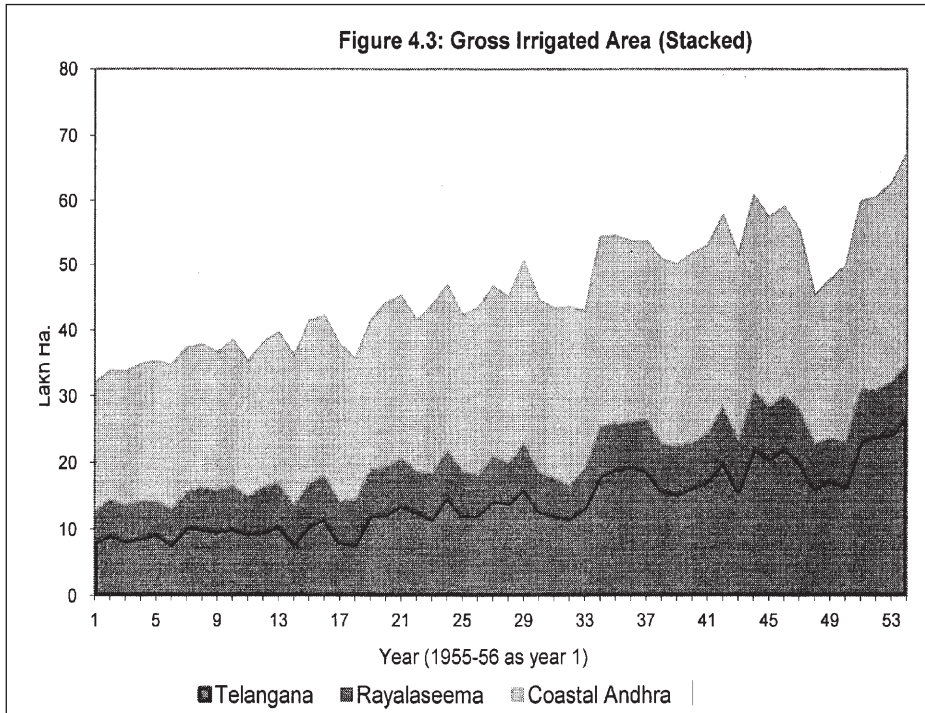


Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

4.4.05 Jalayagnam Programme

(i) The Government of Andhra Pradesh has taken up a number of major, medium and minor irrigation projects under the programme "Jalayagnam" for utilizing the available water to the

maximum. This programme was initiated with the aim of completing 86 major and medium irrigation projects (including flood banks and modernisation of delta systems) to create new irrigation potential of 39.54 lakh hectares. The programme is focused on bringing benefits of



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

irrigation to backward tribal and drought prone areas of the state and for industrial and drinking water in adequate quantity as well as to promote conjunctive use of ground water with surface water. Jalayagnam projects also provide drinking water to a population of 2.11 crore population covering 6310 villages in 425 mandals utilizing 65.14 TMC of water.

(ii) Between 2004-05 and 2009-10, 12 major and medium projects were completed and water released, while another 20 projects were completed creating partial irrigation potential. Thus new irrigation potential of 6.15 lakh hectares has been created besides stabilization of 1.32 lakh

hectares during this period under major and medium projects. Similarly, irrigation potential of 2.30 lakh hectares has been created under minor irrigation (including APSIDC lift schemes) besides stabilization of 4.13 lakh hectares with an investment of Rs 2705 crores. Another 561 minor irrigation works at a cost of Rs 2445 crores are under execution to create further irrigation potential of 2.23 lakh hectares.

(iii) In addition, restoration of flood banks has been taken up at a cost of Rs 2313 crores for a length of 670 km along Krishna, Godavari, Vamsadhara and Nagavali rivers to the required standards to protect habitations and ayacut from

submersion. Modernization of Krishna, Godavari and Pennar Delta Systems, Nagarjuna Sagar Project, Tunga-Bhadra Project - HLC & LLC and Nizamsagar Projects are also being taken up at an approximate cost of Rs 15001.45 crores to modernize the existing ayacut system of 21.75 lakh hectares.

4.4.06 Gross Cropped Area

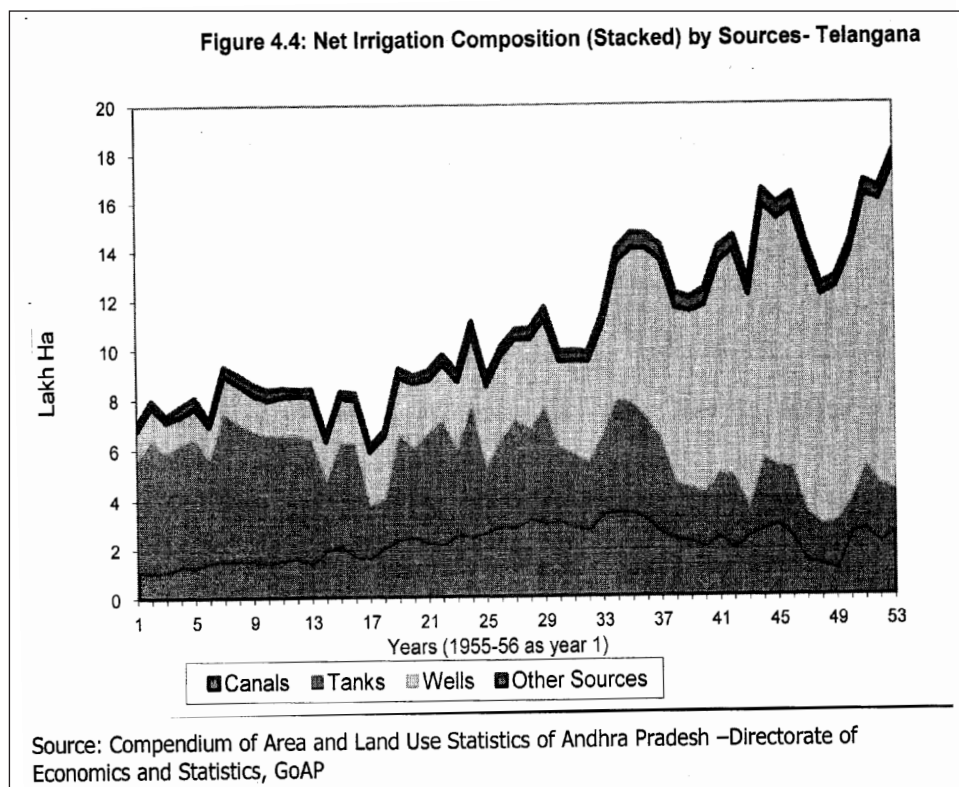
The variations in Gross Cropped Area (GCA) for the three regions are given in Figure 2. It would be seen that the GCA does not indicate any marked increasing trend.

4.4.07 Gross Irrigated Area

Variations in Gross Irrigated Area (GIA) are given in Figure 3. The figure shows that there is a large increasing trend during this long period in both Telangana and coastal Andhra regions. However, the GIA in Rayalaseema does not exhibit any large increasing or decreasing trend.

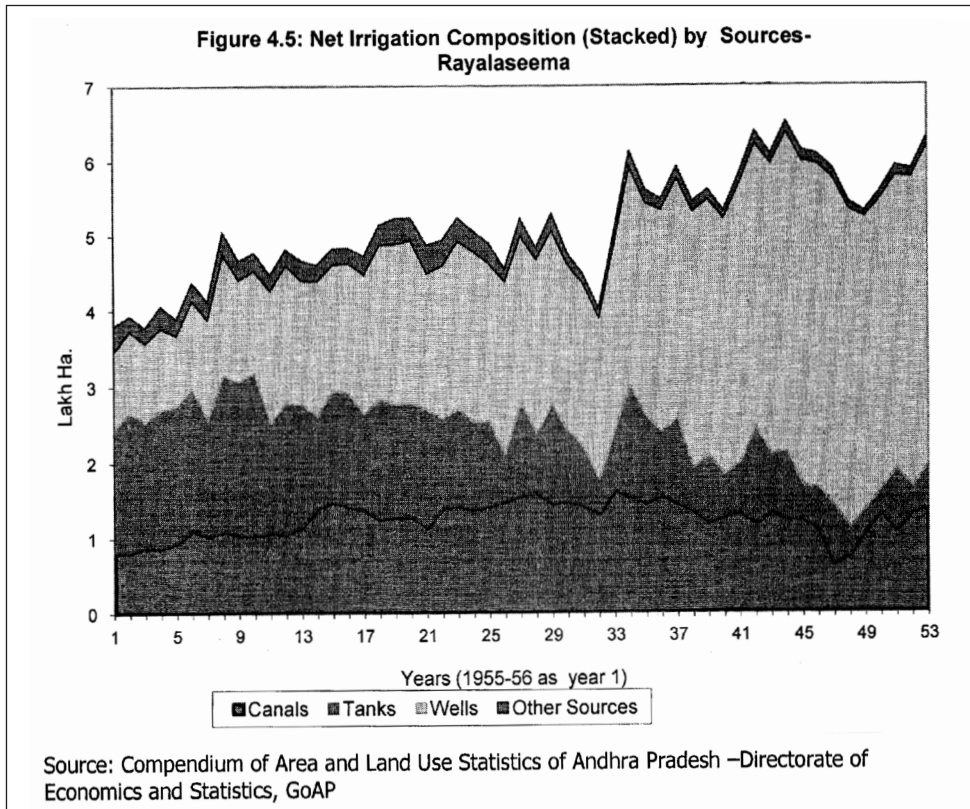
4.4.08 Net Irrigated Area

The variations in Net Irrigated Area (NIA) for the three regions are given below in Figures 4.4, 4.5, 4.6.



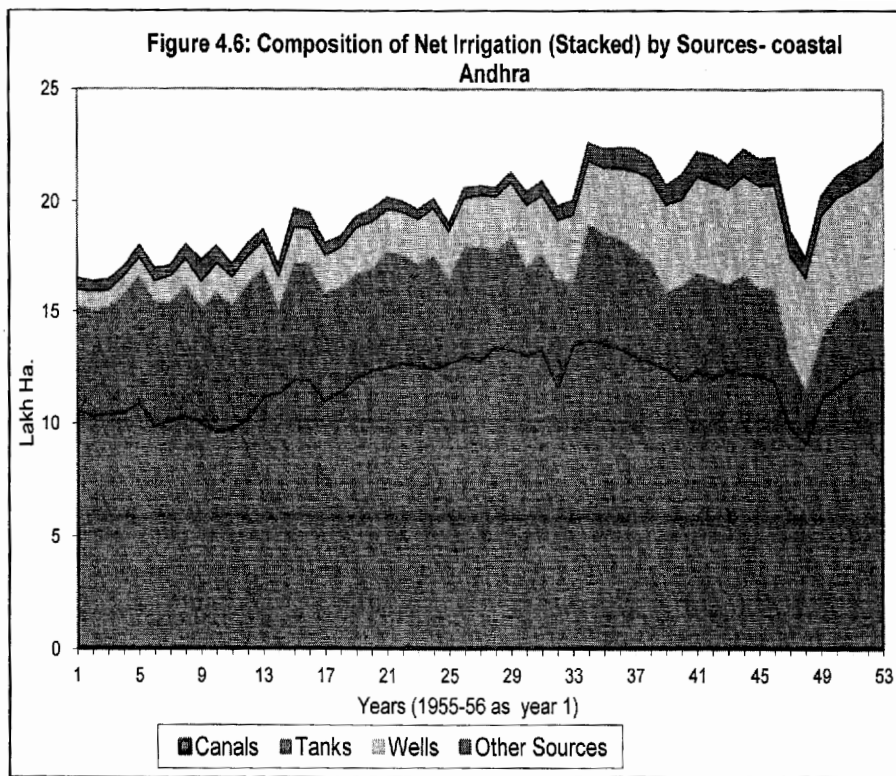
The above figure indicates that net irrigation by canals has increased only slightly from about 1 lakh hectare to around 2.5 lakh hectares. Tank irrigation has reduced from 4 lakh hectares in 1955-56 to around 2 lakh hectares at present. However, well irrigation has shown a marked

increase and today forms the bulk of the total irrigation (14 lakh hectares out of the total of 18 lakh hectares). In a nutshell, considering all sources together, the net irrigation in Telangana has increased from about 7 lakh hectares in 1955-56 to around 18 lakh hectares in 2008-09.



In Rayalaseema, the situation is somewhat similar to Telangana region. Canal irrigation has increased marginally from about 0.8 lakh hectares to about 1.3 lakh hectares. Tank irrigation shows a decrease from 1.7 lakh hectares to around less than 1 lakh hectares. Well irrigation has increased

from about 1 lakh hectares to more than 4 lakh hectares. The net irrigation from all sources, in Rayalaseema, has increased from about 3.8 lakh hectares to about 6.3 lakh hectares in the last 54 years.

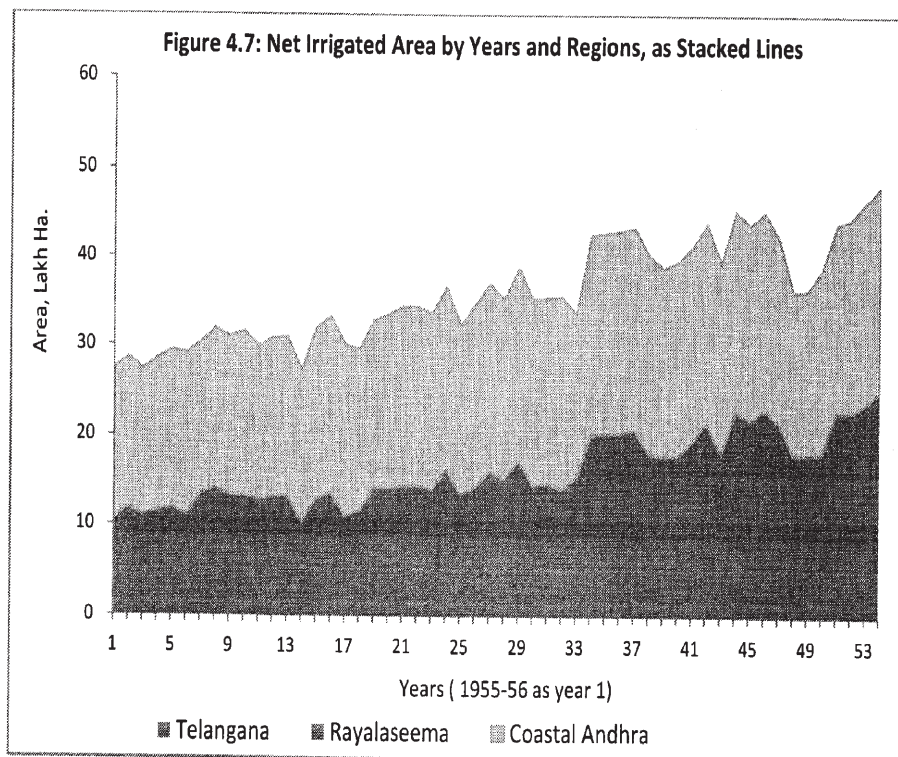


Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

(i) The growth of irrigation in coastal Andhra is quite different to the other two regions. In this region, canal irrigation has been the pre-dominant source right from 1955-56 up to the present time. Canal irrigation has increased from 11 lakh hectares to 13 lakh hectares. Tank irrigation has shown some reduction from 4 lakh hectares to around 2.5 lakh hectares, and there is also con-

siderable increase in well irrigation from a negligible value in 1955-56 to around 5 lakh hectares. The total net irrigation in this region is around 23 lakh hectares.

(ii) A comparison of the changes in net irrigated area, in the three regions, irrespective of the sources, is shown below:



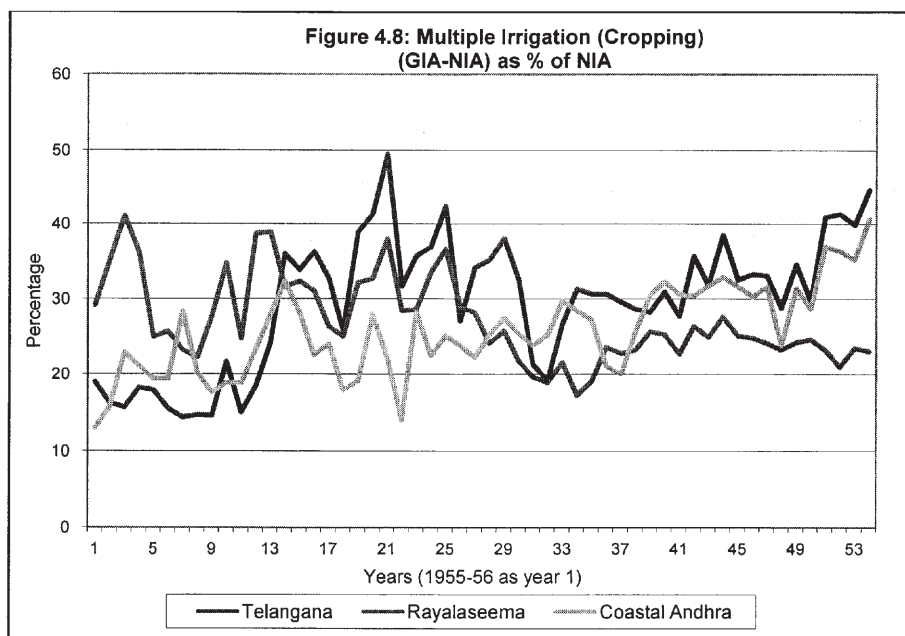
Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

(iii) The irrigation potential created through major and medium projects after the formation of the state increased by 713% in Telangana, 390% in Rayalaseema and 101% in Andhra region.

4.4.09 Multiple Irrigation (Cropping)

(i) The incidence of area cropped more than once in the three regions may be seen below. It shows large year to year fluctuations.

(ii) Multiple irrigation has shown reduction in Rayalaseema from 30% in 1955-56 to about 22% at present. In Telangana it has shown an increase from around 18% in 1955-56 to about 50% in 1975. In 2008-09 it is approximately 40%. In coastal Andhra multiple irrigation was being practiced on only about 13% of the irrigated land but with increased surplus and ground water irrigation, this has now increased to about 40%.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

4.4.10 Tank Irrigation

(i) Regarding the decrease in the number of tanks, it is seen that tank irrigation is a part of the Surface Minor Irrigation, which includes, apart

from the tanks, small diversions and small river lifts. The importance of the Surface Minor Sub-Sector in the total utilized irrigation potential is decreasing. This is clear from the following table, showing the all India data.

Table 4.6. Comparison of Total & Surface Minor Irrigation Potential Utilised

(all area figures in 000 hectare)

Year	Total Potential Utilised	Minor Surface Potential Utilised	% share of Surface Minor in Potential Used
(1)	(2)	(3)	(4)
1951	22606	6401	28.32
1956	25045	6430	25.67
1961	27783	6454	23.23
1966	32283	6480	20.07
1969	35833	6512	18.17
1974	42150	6962	16.52
1978	48525	7500	15.46
1985	54703	8511	15.56
1990	64467	9468	14.69
1992	68733	9789	14.24
2002	76356	9789	12.82
2007	83637	10955	13.10

Source: Central Water Commission, MOWR, and Planning Commission

(ii) The changes in the area irrigated by tanks in Andhra Pradesh, is shown below:

Table 4.7. Net Area under Minor Tanks

(lakh hectare)

Year	Telangana	Rayalaseema	coastal Andhra	Total
(1)	(2)	(3)	(4)	(5)
1955-56	4.48	1.62	4.58	10.68
1960-61	4.11	1.86	5.53	11.50
1965-66	4.95	1.43	5.50	11.88
1970-71	4.49	1.48	5.16	11.13
1975-76	4.35	1.54	5.13	11.02
1980-81	3.49	0.61	4.90	9.00
1985-86	2.91	0.77	4.19	7.87
1990-91	3.92	0.83	4.93	9.68
1995-96	2.51	0.65	4.33	7.49
2000-01	2.70	0.55	4.02	7.27
2005-06	2.53	0.81	3.27	6.61

Source: Central Water Commission, MOWR. and Planning Commission

(iii) Thus, although the decline is sharper in Telangana, decline has also taken place in Rayalaseema, and to some extent, in coastal Andhra. The 2nd Minor Irrigation Census (1993-4) gives the following data about Andhra Pradesh.

Table 4.8. Status of Tanks in Andhra Pradesh (1993-94)

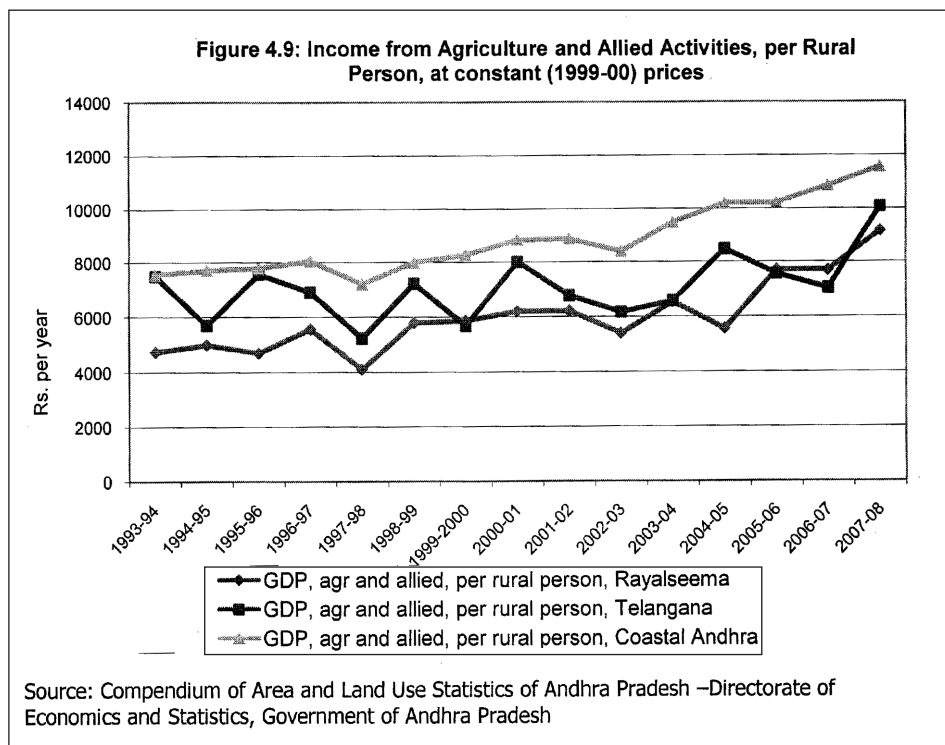
Total Storages	79953
Schemes temporarily not in use	24170
Abandoned due to salinity	448
Dried up	2384
Destroyed	982
Others	1203
Total not in use	29187
Total in use	50776

Source: Second Minor Irrigation Census, MoWR

(iv) The 3rd Minor Irrigation Census of the Ministry of Water Resources (MoWR), conducted around 2001 notes that out of 5.56 lakh tanks in India, 4.71 lakh are in use. The remaining 0.85 lakh tanks are not in use due to one reason or the other. It further notes that although the minor tanks have enabled the use of a potential of

34.3 lakh hectares, a potential of 18.5 lakh hectares is lost due to underutilization, and another 9.8 lakh hectares is lost due to non-use of the tanks. The Census also mentions that in 2001, Andhra Pradesh had 43138 tanks and 7153 other storages in use.

(v) Tanks are declining due to various causes, which include sedimentation, costly and ineffective removal of sediments, increase in urbanisation, reduction of inflows due to more intense agriculture in tank catchments and increasing land cost. Minor shallow tanks have larger water spread and, consequently, larger percentage of evaporation loss, as compared to deeper reservoirs. Thus, any suspicion of deliberate neglect of tanks in Telangana appears misplaced. Nevertheless, efforts should be made to revive the tanks in Telangana, wherever these can be effectively revived, either for direct local use or as percolation tanks. This would have a particular relevance to the Godavari basin part, which can afford extra evaporation.



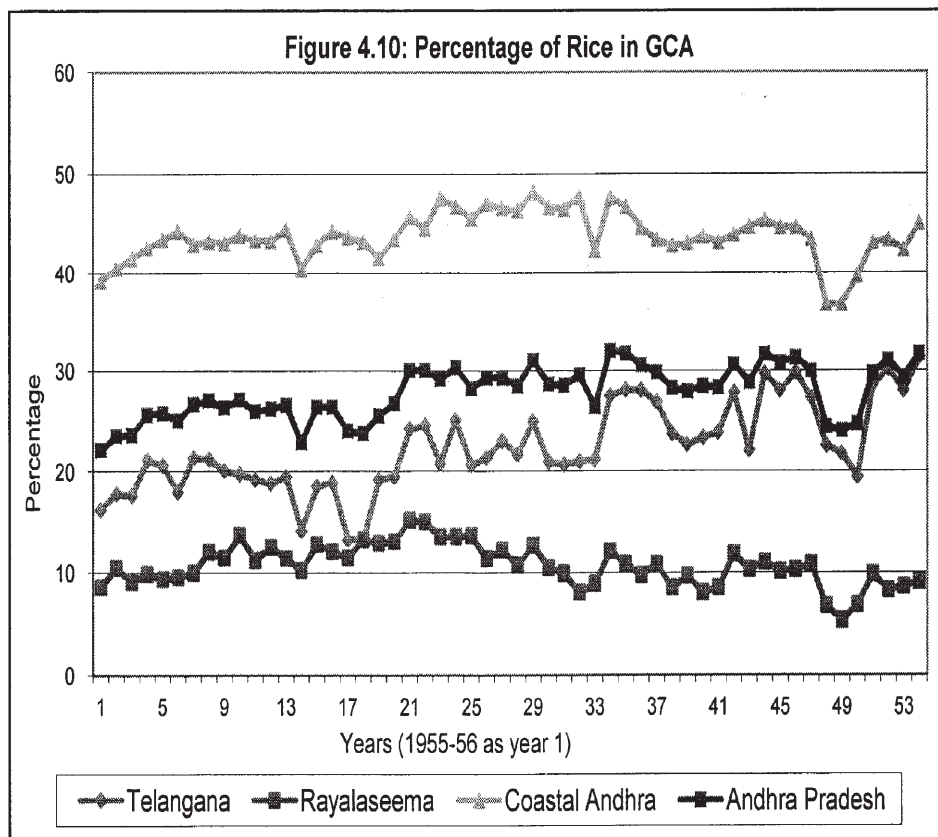
4.4.11 Income from Agriculture and allied activities

(i) The incomes from agriculture and allied activities per rural person will be a crude indicator of rural incomes. This is shown in (Figure 4.9)

(ii) The Rayalaseema rural population is perhaps the poorest, but is catching up with Telangana. The coastal Andhra farmer even with stagnating irrigation and agriculture may still be significantly better off.

4.4.12 Rice

Rice is the main food crop in Andhra Pradesh. It is seen that in coastal Andhra about 40-45% of the gross cropped area is made up of rice. In Telangana, it has increased from 20 to 30%. In Rayalaseema, less than 10% of the crop area is currently devoted to rice, although, the percentage was more in the earlier period, the focus having shifted to cash crops (Figure 4.10)



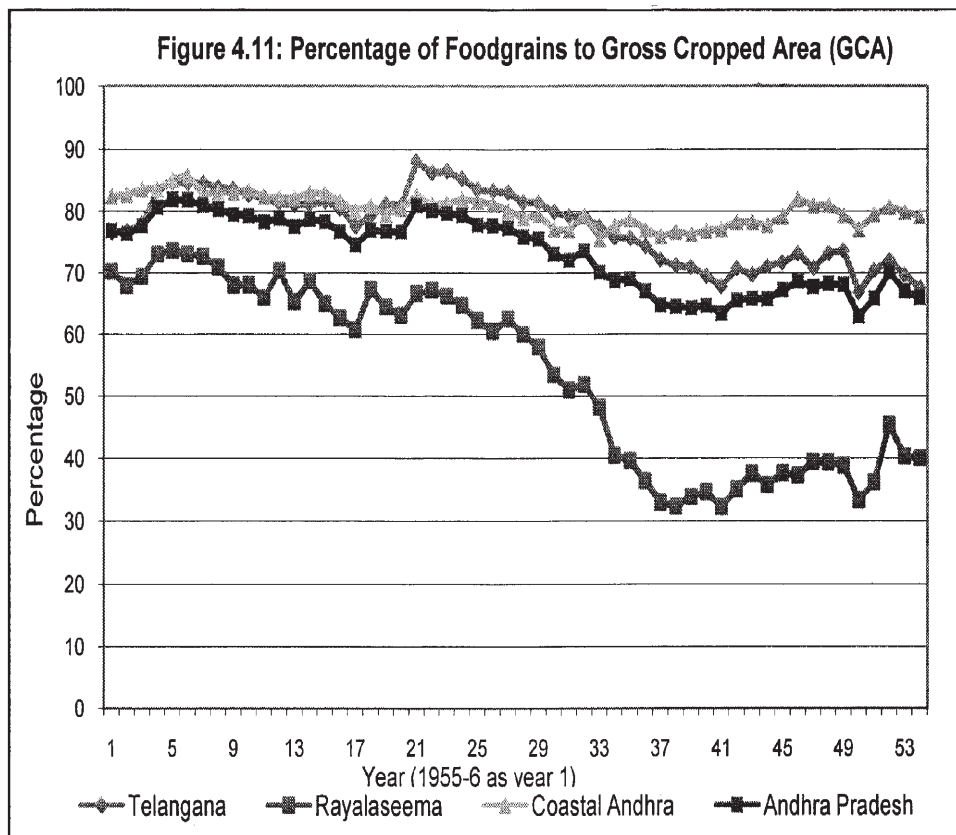
Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

4.4.13 Food grains

(i) The percentage of food grains to gross cropped area may be seen in (Figure 4.11).

(ii) In coastal Andhra, food grains have con-

tributed around 80% of the Gross Cropped Area (GCA). In Telangana, this proportion has reduced over time, from 80% to around 70%. In Rayalaseema region, the proportion has markedly reduced from around 70% in 1955-56 to around 40% currently.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

The food grain productivity has been increasing over the last 55 years but is much higher in coastal Andhra, as compared with Rayalaseema and Telangana.

4.4.14 Agriculture

(i) While agriculture is still the primary

occupation for farmers in Andhra Pradesh, its importance is reducing comparatively due to the development of other sectors. The importance of fisheries, animal husbandry, etc., which are allied to agriculture, has increased. The region wise contribution of agriculture, industry and services to Gross District Domestic Product (GDDP) is given in Table 4.9:

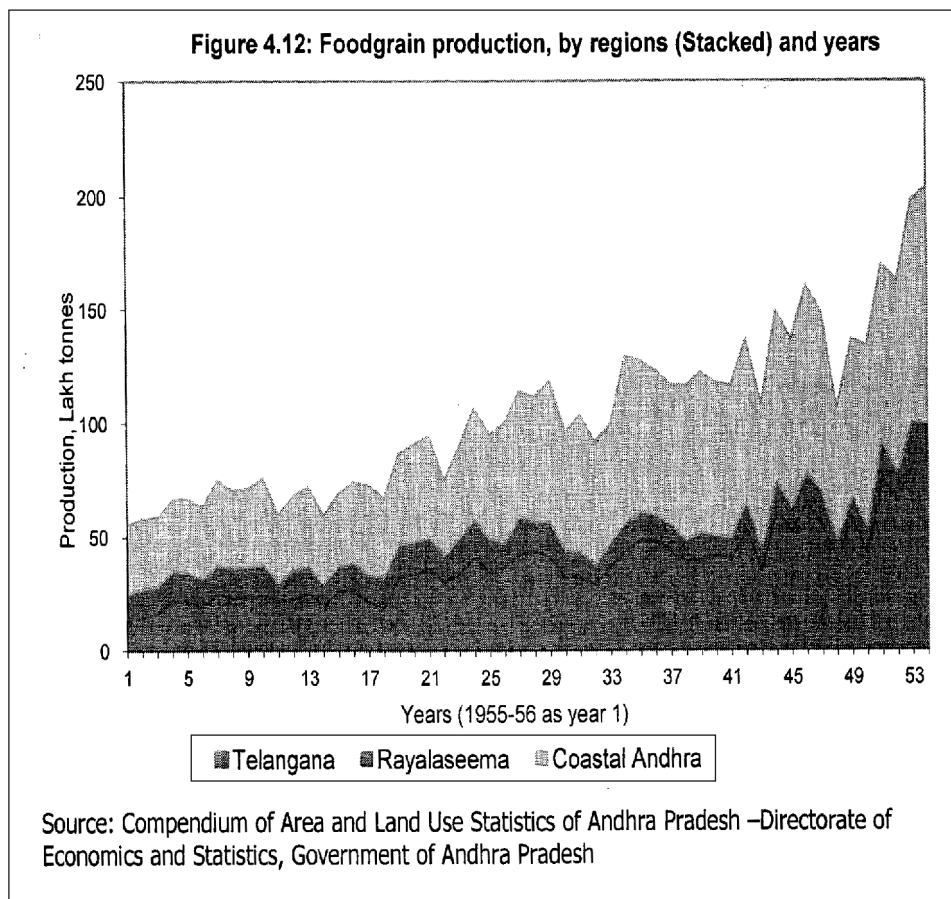


Table 4.9. Regionwise Sectoral Contribution to Gross District Domestic Product at Constant (1999-2000) Prices in Andhra Pradesh

(Percentage)

Year	Region	Agri. & Allied	Industry	Services
(1)	(2)	(3)	(4)	(5)
1993-96	Telangana	27	30	43
	Hyderabad	4	31	65
	Rayalaseema	39	20	42
	coastal Andhra	38	18	43
2005-08	Telangana	24	30	46
	Hyderabad	1	18	82
	Rayalaseema	27	26	46
	coastal Andhra	29	23	47

Source: GoI, Ministry of Statistics and Program implementation.

Note: Telangana excludes Hyderabad

(ii) It would be seen that, in coastal Andhra, the contribution of agriculture/allied sectors to GDDP has reduced from 38% in 1993-96 to 29% in 2005-08. In Telangana, it has reduced from 27% to 24%, and in Rayalaseema, from 39% to 27% during the same period.

4.4.15 Population

Growth in population, both in rural and urban areas, in all the three regions facilitates an understanding of the differences in the economy, agriculture and irrigation in these regions.

Table 10. Rural and Urban Population

Rural Population (in lakhs)					
Region	1961	1971	1981	1991	2001
(1)	(2)	(3)	(4)	(5)	(6)
Telangana	102.63	124.97	150.82	182.15	211.34
Rayalaseema	58.62	66.51	76.69	89.79	103.82
coastal Andhra	135.85	159.53	183.11	214.27	238.85
Total	297.09	351.00	410.62	486.21	554.01

Urban Population (in lakhs)					
Region	1961	1971	1981	1991	2001
Telangana	24.49	33.21	50.99	78.74	98.53
Rayalaseema	10.71	13.09	19.57	27.07	31.36
coastal Andhra	27.54	37.72	54.31	73.06	78.20
Total	62.75	84.03	124.87	178.87	208.09

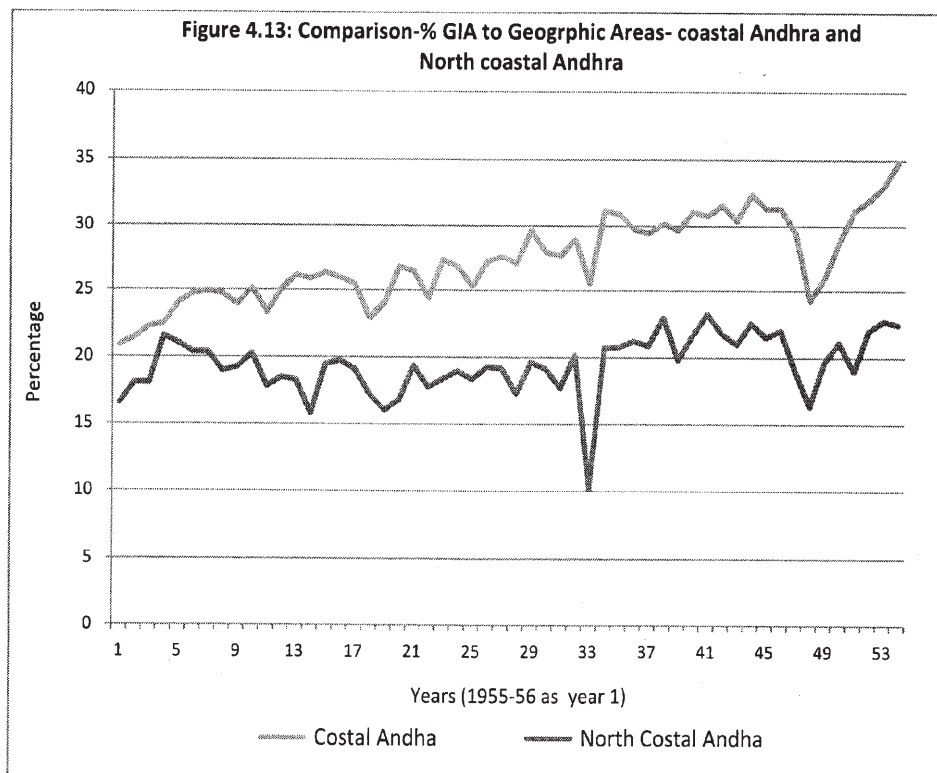
Source: Compendium of Area and Land Use Statistics of Andhra Pradesh - Directorate of Economics and Statistics, GoAP

As per 2001 statistics, coastal Andhra had the highest rural population with 238.85 lakh, followed by Telangana with 211.34 lakh, and Rayalaseema with 103.82 lakh. In the 1961-2001 period in Telangana, the urban population has grown from 24 lakhs to nearly 100 lakhs in the last 55 years, while the total Telangana population increased from 125 lakh to 311 lakh. The data shows a slowdown in the percentage of the population growth since 1991. In Telangana, considerable urbanization is seen, primarily due to the growth of Hyderabad city. In Rayalaseema, out of a population of 135 lakh in 2001, about 31 lakh people lived in urban areas. Thus, urbanization is seen to be somewhat slow. In coastal Andhra also, the percentage of population growth, has shown a decreasing trend since 1991. This trend is also seen markedly in the urban population, in spite of large urban centres like Visakhapatnam, Rajahmundry, Vijayawada,

Machhalipatnam etc. The population of the state, at present, is estimated to be above 8 crores and has grown in both urban and rural areas.

4.4.16 Comparison of north coastal Andhra with coastal Andhra

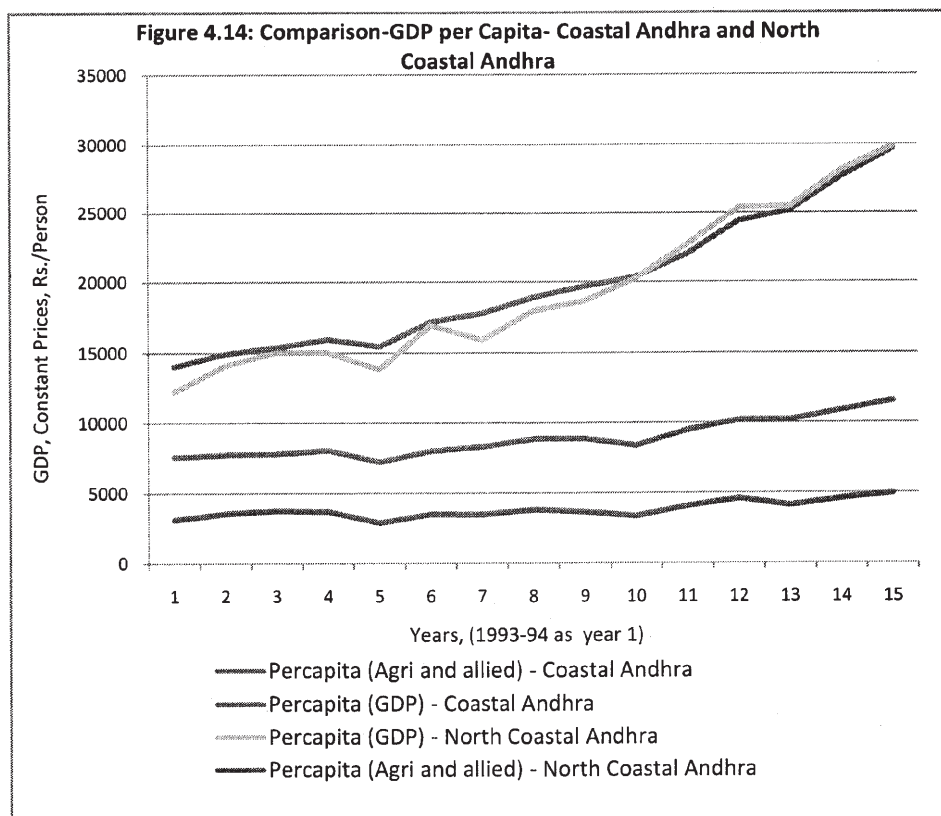
There is a demand from some sections that the northern coastal region of Andhra Pradesh is different from the coastal Andhra Pradesh region and requires a special treatment where irrigation requirements are concerned. This region has the districts of Visakhapatnam, Vizianagaram and Srikakulam. It has numerous rivers of comparatively smaller length (as compared to Pennar, Krishna or Godavari), mostly originating in Orissa, and flowing into the Bay of Bengal. A comparison of this part with the total region of coastal Andhra is given below (Figure 4.13)



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh – Directorate of Economics and Statistics, GoAP

This shows that, the GIA as a percentage of the geographic area is high and increasing in the coastal Andhra region. However, in its north coastal part, the percentage is lower and comparatively stagnant.

Figure 4.14 below shows that in terms of total per capita GDP, the northern part of coastal Andhra is at par with the whole region, but in regard to the sector of agriculture and allied activities, its per capita income is less than half of that of the total coastal Andhra.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh – Directorate of Economics and Statistics, GoAP

4.4.17 The Potherreddypaddu regulator and the downstream canals on the right of the Srisailem reservoir have been built very fast. These will irrigate large areas in Rayalaseema and coastal Andhra. The Srisailem MDDL is increased to facilitate the diversion. On the left bank, another diversion with the 40 km. long tunnel which will irrigate Telangana areas is coming up slowly. This work needs to be accorded higher priority to ensure its early completion.

4.4.18 Telangana engineers and public representatives are placing very high importance on

major surface and tank projects, with irrigation being equated with canals and tanks. Realising this situation, the large development of bore wells in Telangana region, with free power, has already been discussed earlier in the Chapter. The emphasis, thereafter, should be on recharging declining groundwaters in the blocks where the decline is observed. (Another problem, that has not been addressed sufficiently, is to provide piped domestic water to the areas affected by fluorosis, e.g., in Nalgonda district).

4.4.19 The data about incumbency of Ministers

in charge of major and medium irrigation, and data about Engineers in Chief, as available from the Government of Andhra Pradesh, was also seen. The Ministers for Major Irrigation were mostly from Telangana (55%). The Engineers-in-Chief were mostly from coastal Andhra (56%) but those from Telangana were also incumbent for a considerable period (43%). This does not indicate that those in charge of this sector were mostly from outside Telangana.

4.4.20 Polavaram Project

Indira Sagar (Polavaram) project is located on river Godavari near Ramayyapet village of Polavaram Mandal of West Godavari district in coastal Andhra. The project is a multipurpose major terminal reservoir project on river Godavari for development of irrigation, hydropower and drinking water facilities to East Godavari, Visakhapatnam, West Godavari and Krishna districts of coastal Andhra. The project will provide irrigation to 2.91 lakh hectares and hydropower, with installed capacity of 960 MW, apart from 23.44 TMC drinking and industrial water supply to Visakhapatnam township and steel plant and diversion of 80 TMC waters to river Krishna. The ultimate irrigation potential of the project is 4.36 lakh hectares and annual power generation will be 2369.43 million units. In addition, 540 villages will also be provided with drinking water facilities in the command area. The project implements Godavari-Krishna link under interlinking of rivers project. The project envisages transfer of 80 TMC of surplus Godavari water to river Krishna which will be shared between AP, Karnataka and Maharashtra in proportion of 45 TMC by AP and 35 TMC by Karnataka and Maharashtra, as per the decision of the GWDT award. However, it is to be noted that, the project will affect about 277 habitations, of which, 119 habitations will be fully submerged and 158 habitations will be partially submerged. Of these, 47 habitations in Telangana would be fully submerged and 158 habitations would be

partially submerged. Thus, the affected habitations in Telangana would be 205. It is estimated that, the number of families affected will be 44,574 and the number of persons affected will be over 1,75,000. It is important that full measures are taken by the Government towards their resettlement, rehabilitation and livelihood. This is one of the main concerns for which the project is being opposed in Telangana region, besides, of course, their general grievance that Godavari waters will be utilized for irrigating and further benefiting coastal Andhra.

4.4.21 The "Dr. Ambedkar Pranahitha Chevella Sujala Sravathi" is a major high lift scheme being undertaken by the Andhra Pradesh Government as a part of the Jalayagnam Programme. This project is based on using the water of Pranahitha, a tributary of Godavari River, and involves a series of lifts. The benefit starts when water is lifted to a minimum of 150 metres. For achieving full benefits, the maximum lift involved is 660 metres. The project is planned to irrigate 12.2 lakh acres and the total water diversion capacity is 160 TMC. It involves 7 canal systems and 20 lifting points and is supposed to act as water source for 1096 tanks. In addition, it will supply municipal and industrial water to the Hyderabad urban complex. The estimated total cost of the project, as approved by the Andhra Pradesh Government, is 17,875 crores as of now. When completed, it will give benefit to Adilabad, Karimnagar, Nizamabad Medak, Nalgonda and Ranga Reddy districts in Telangana region. The expert has expressed the opinion, with which the Committee agrees, that it is hoped that the project related aspects, such as ensuring both the technical and technoeconomic viability of this high lift scheme, planning and identifying the sources for the large power requirements, signing an agreement with Maharashtra to enable the construction of the headworks and possible escalation in cost in the future, would be suitably addressed by the state Government.

4.5 Summing up

The major grievances of the three regions, pertaining to the management of water and irrigation resources, are covered in the following sub-para:-

4.5.01 Grievances of Telangana

(i) One of the grievances of Telangana region is that, although Telangana contributes most to the catchment area of Krishna and Godavari within the state, the allocations to the region are lower and not in the same proportion. Besides, they are not realizing even these lower allocations. In regard to the low allocations, as compared to the catchment area contributions, it is observed that by general convention, the allocations are based on the consideration of various factors like the contribution to the basin waters (where the catchment area will come into play), dependent population, developed usages, alternate sources, possibilities of use, etc. Catchment area cannot be the only criterion. Also, the allocations had already been determined for the state as a whole by the KWDT and the GWDT awards. Further division of these allocations is done project-wise and region-wise in the state through a technical committee. In addition, Telangana, being at a higher level, has natural disadvantage in gravity canal irrigation from large projects.

(ii) Telangana people have recalled that their apprehensions had been placed before the SRC, that, if Hyderabad state was trifurcated, Telangana would get less water. It may be stated that the reorganization which took place in 1956 is now part of history and it will be impossible to reopen such debates. Those advocating a separate Telangana had also mentioned that, the KWDT recorded that Andhra Pradesh did not argue on all provisions of the Act constituting Andhra Pradesh, while arguing its case before the Tribunal. This perhaps led to loss of opportunities for

Andhra and more particularly for Telangana. At that time, it is possible that, the project planning, as conceived by the then state of Hyderabad, got changed, as the erstwhile state of Hyderabad had some agreements with Madras state also, about some major projects benefiting both. But such agreements, which do not involve all basin states, suffer from legal infirmities. Unless expressly provided, the KWDT and GWDT awards supersede such agreements. As regards the arguments before KWDT, it can be surmised that, it is not certain, if Andhra had argued its case using all sections of the Andhra Formation Act, the KWDT would have allocated more water to Andhra Pradesh and hence to Telangana.

(iii) Another grievance of Telangana is that the construction of Srisailem Left Bank Canal Project has been purposely delayed by the Andhra Pradesh Government. This project involves a single tunnel of 40 kms length by boring from only two faces, without adits. This project is difficult engineering wise and would take considerable time.

(iv) Telangana groups also have a view that, their traditional irrigation, based on numerous small tanks, has been purposely destroyed through neglect, non-allocation of funds, etc., causing major harm. As a result, perforce, the farmers have to depend on groundwater irrigation and this is impoverishing the farmers. The reduction in the importance of minor surface irrigation and a phenomenal increase in groundwater irrigation is a nationwide phenomenon. There are various reasons for this phenomena, such as, increasing population pressure, increased cropping, increasing land prices and wide spread availability of energy in the form of electricity and fossil fuels in the rural areas and nonmaintenance of tanks. The earlier discussions in the Chapter indicate that there is a very large growth in the gross and net irrigation in Telangana, although, the minor surface irrigation has reduced. This is mainly due to the large increase

in groundwater irrigation. Such a large increase would not have taken place if it was leading to the general impoverishing of all farmers. While, in general, this grievance is based on misconception, it is recognised that tube wells do involve costly investments and in pockets of low groundwater availability, operating costs are also high. As an immediate measure, soft loans for investments and subsidies for power, as already available, could be improved. Also in pockets, groundwater recharge schemes could be taken up. Similarly, wherever the old tanks can be revived or new check dams or percolation tanks can be built, these schemes should be initiated.

(v) Regarding the Polavaram project on Godavari, the advocates for Telangana feel that, it is possible to have three barrages on Godavari, with little submergence, which would give similar benefits but inundate fewer Telangana habitations. In their view, this alternative is being ignored and the project is being constructed. The Polavaram project has been planned long back and is a part of the GWDT award. The project envisages transfer of 80 TMC of Godavari water to Krishna, and this transferred water is to be shared between the states of Maharashtra, Karnataka and Andhra Pradesh. A part of the share of Andhra Pradesh could come to Telangana also. Thus Telangana, while losing some land, would also benefit from the project. A demand for stopping the project at this stage appears misconceived.

(vi) Similarly, there is a grievance that the Inchampalli Project, which can benefit Telangana, is not being followed up. The Inchampalli high dam causes a huge submergence of forest land and displacement of tribal population. Hence, it is very unlikely to receive environment and forest clearance. This grievance, therefore, appears to be misconceived.

4.5.02

(i) On the other hand, some of the grievances, as per the technical expert, appear to be genuine. With regard to Krishna, the Srisailem Project was originally conceived as a Hydro Power Project with a low Minimum Draw Down Level (MDDL). Later on, the Andhra Pradesh Government has increased the MDDL by a very significant height, in order to allow easier use of Srisailem water, by diversion on the right side through Telugu Ganga and Srisailem Right Bank Canal (SRBC). In Telugu Ganga and SRBC, apart from 15 TMC for the Chennai city and legal allocation of 19 TMC for SRBC, provision was kept for much additional irrigation use through the "Liberty" clause in the KWDT award. Recently, a very large Pothereddypaddu Regulator, upstream of Srisailem, has been built quickly by providing sufficient funds and without examining all the legal rights and proven techno-economic viability. Perhaps the new KWDT would already be seized of this problem. Another grievance of Telangana is that, the planning of the Nagarajunsagar Left Bank Canal (NLBC) was changed to the disadvantage of the region by dropping the canal in a lake, and thereby, losing the command area. Although Andhra Pradesh Government has provided some lift irrigation from this canal, the grievance appears to be understandable.

(ii) Other grievances, about projects like Jurla, NLBC, etc., which were not complicated or difficult engineering-wise, were much delayed in execution. Also, that the shares of Karnataka for Jurla and Maharashtra for Lendi were not paid in time, thereby delaying the project, also appears to be genuine. Another grievance is that, through the Rajolibunda Diversion Scheme on Tungabhadra, Telangana receives much less water than what was allocated by the KWDT specifically. This has perhaps not been taken up effectively by the Karnataka or the Tungabhadra Board.

4.5.03

(i) As for Godavari basin, Telangana has a grievance that Sriramsagar project (SRSP) complex, consisting of SRSP Phase-I, SRSP Phase-II and the flood flow canal, is not delivering water downstream. The water does not even reach the end of SRSP Phase-I, and the lower Manair dam, which is part of Phase-II, does not get filled up. The main Kakatiya canal capacity has been reduced and the Sriramsagar has also got sedimented. The flood flow canal is not yet completed. The technical expert is also of the opinion that, the planning of the SRSP could have been better to ensure optimal benefits. Further, some pump schemes have also been sanctioned on SRSP which will lead to deterioration in the situation. The grievance appears to be genuine. However, there may be no easy solutions, except for, somehow changing the cropping pattern towards less water consuming crops to give a partial relief. Also, the Kakatiya canal capacity needs to be restored immediately.

(ii) Another grievance of Telangana region is in regard to the Singur- Ghanpur-Nizamsagar system. The old Nizamsagar reservoir has been heavily sedimented. Singur was contemplated mainly to give relief to this system and only 4 TMC of water was to be transferred for domestic and industrial use in the Hyderabad urban conglomerate. Instead, presently the entire water of Singur is being transferred to Hyderabad, which is in the Krishna Basin. Since the consumptive use component in the domestic and industrial supply is small, most returns would enrich Krishna, while irrigators of Ghanpur and Nizamsagar will suffer. This appears to be a genuine grievance.

(iii) Plans for replacing Singur waters by larger transfers of Krishna waters to Hyderabad need to be implemented fast, to give relief to the Telangana farmers.

(iv) The Andhra Pradesh Government has planned a series of high lift schemes from Godavari to irrigate the Telangana Plateau. While some Telangana supporters feel that this is a good measure, many recognize that such lifts are not practicable from the operational point. Both the technical (Hydrological) and techno-economic viability of such schemes appears doubtful and a careful review is necessary. As an alternative, Telangana supporters are suggesting a series of low barrages from downstream of Pranhita confluence, to give some gravity and some low lift local irrigation. This needs to be studied seriously for partial and local relief to lower areas.

4.5.04 Apprehensions of Rayalaseema

4.5.04.1 Representatives from Rayalaseema pointed out that the Krishna Pennar project, formulated in 1951, envisaged the use of about 500 TMC in Rayalaseema. The Telugu Ganga enroute irrigation started much later and the RBC diversions are part of this 1951 plan. Also, from Srisailem, 112 TMC of water is to be drawn within 30 days and this requires a capacity of 44000 cusecs in the Pothereddypaddu regulator. They stated that the strong views about the capacity being oversized, is not correct. The 1951 plan for transferring 500 TMC to Rayalaseema does not fit with the KWDT award, which granted only 800 TMC (plus a small regeneration) to Andhra Pradesh from Krishna. Apart from some transfer through the Kurnool-Cuddapa canal, only 19 TMC of legal share is available from SRBC for Andhra. The remaining use is based on the Liberty Clause for seemingly imprudent investments without bringing out the technoeconomic viability. Also, the current excesses available under the Liberty Clause would diminish as the upstream uses develop. No material justifying the 30 days period was produced. Thus, the apprehension is based on a misconception.

4.5.04.2 However, the other concern expressed, about the bad maintenance of their canals, appears to be genuine. Poor maintenance reduces the capability of the canal systems. Proper maintenance of canals is, therefore, essential. However, since Rayalaseema has a large number of bore wells, while improving canal maintenance, canal lining measures need not normally be taken up because such measures will reduce the recharge of groundwater and worsen the groundwater situation as well as reduce the sustainability of the wells. There are other methods of maintenance of canals such as clearing, de-weeding, structure upkeep, etc., which can keep the flows going. Thus, a balanced approach is required in this regard.

4.5.05 Apprehensions of coastal Andhra

4.5.05.1 The coastal Andhra people have pointed out that out of the 181 TMC of water allocated by KWDT to Krishna delta, 20 TMC is being diverted to Bhima project in Telangana. Similarly, allocations for Jurala (in Telangana) were made by curtailing allocations to Nellore. Jurala was conceived only after reorganization. Firstly, although KWDT does mention that 181 TMC may suffice for the Krishna Delta, in the KWDT, final legally binding orders and allocations are made as a block to the state. The Government of Andhra Pradesh, therefore, is empowered to change the inter-regional allocations. Also, currently the delta is receiving much more water than 181 TMC. It is true that Jurala was conceived after reorganization. Before reorganization, the Jurala area was covered under the Upper Krishna project as conceived by Hyderabad State. After considering the loss of irrigation to this area due to reorganization, the KWDT specially compensated Andhra Pradesh by additional allocations to meet the needs of this area, although they did not make it legally binding in the final orders. Thus, this apprehension appears misconceived. Coastal Andhra, along with Rayalaseema, point out that SRBC was sanctioned in 1981 by

allocation of 11 TMC of regeneration and 8 TMC of savings from K.C. canal, but the work is still not complete. This is because Andhra Pradesh combined the legal allocation of SRBC and 15 TMC, legally ceded by all states for Chennai, with additional en-route irrigation on Telugu-Ganga and another large irrigation through SRBC by evoking the Liberty Clause. Therefore, this apprehension of delay is misconceived.

4.5.05.2 Another apprehension of coastal Andhra is that the SRSP complex, including the flood flow canal, will use up all the waters up to that point, ignoring the downstream needs. However, the downstream needs of coastal Andhra would be met from flows of Wainganga/Pranahita, Sabri, Indirawati etc. Thus, this apprehension may not be correct.

4.5.05.3 On the other hand, the apprehension of coastal Andhra that the high lifts on Godavari, as planned, will dry up Godavari, does merit consideration. Although it is expected that the flood flows will still remain, the low flows would be reduced considerably. In fact, many Telangana persons are also not in favour of the high lifts due to their impracticability. This apprehension, therefore, is true and requires a detailed study.

4.5.05.4 Another apprehension of coastal Andhra is that the Godavari delta requires storage backing. The Krishna and Godavari deltas are the rice granary of India and need to be preserved in national interest. For further improvements, the storage backing is necessary. Unfortunately, storages like Inchampalli and Hydro-electric storages on Indirawati, as planned earlier in Chhattisgarh, are not coming up due to forest and related environment problems. Polavaram can provide some relief and needs to come up. Thus, the apprehension seems to be right, and Polavaram needs to be completed as per plans, while providing for proper rehabilitation, resettlement and livelihood to the affected families facing submergence.

4.5.05.5 Coastal Andhra representatives stated that their old systems, including the Nagarjun-sagar project, are in bad state of maintenance. The efficacy of canal irrigation very much depends on proper maintenance. This has to be done in all systems.

4.5.05.6 For redressal of the existing water/irrigation grievances of the three regions, the view of the Committee is that wherever possible, appropriate and prompt measures may be initiated by the state Government to ensure equitable use of water and also equitable investment and development of water and irrigation resources.

4.5.05.7 The Committee has given considerable thought to the management of water and irrigation resources in the state and is of the view that, besides the observations made in the foregoing sub-para, it is equally important that the problem is addressed through important structural reforms. Two such reforms are highlighted in the succeeding sub-para.

4.5.06 Water Management Board

(i) Going by the past experience, it may be advisable to constitute an independent and statutorily empowered, technical Water Management Board to look after both Krishna and Godavari basins as also the other basins in the state. The functions of the Water Management Board would be to ensure that the intrastate distribution of water amongst the regions, project conceptualization and the corresponding budget allocation is equitable. The other major function would be to ensure that adequate flows are available for aquatic ecology. The Board would also address all the technical and management issues of water availability, allocation and releases, besides the clearances and monitoring of irrigation projects. Going by the history of the inter-regional water related discord in the state, one of the foremost functions of this Board would be to prepare a Master Plan for the whole state,

incorporating the regional Master Plans for optimum utilization of water and irrigation resources. The recommendations of the Water Management Board will normally be binding, unless there are cogent reasons for the state Government not to accept such recommendations. In that case, a detailed reference must be made back to the Board for reconsideration. The Annual Report of the Board will be placed before the State Assembly as per established conventions.

(ii) The Board may consist of a Chairman appointed by the Central Government on deputation basis, who should be a senior water management expert of the rank of Additional Secretary to the Government of India (i.e. No.2 or equivalent level in the Central Water Commission) not belonging to the state, two Technical Members - one to look after Krishna Basin and basins south of Krishna and the other to look after Godavari Basin and basins north of Godavari, Member (Administration), Member (Finance) and Member (Environment). The five posts of Members will be filled on rotational basis with two Members each from coastal Andhra and Telangana and one from Rayalaseema. Various Statutory Boards, such as Bhakra Beas Management Board, Tungabhadra Board, Narmada Control Authority (constituted by Narmada Water Dispute Tribunal), Damodar Valley Corporation, Brahmaputra Board, Betwa River Board etc., have been constituted in India for similar purposes. In other countries also, such Boards/Authorities like the Tennessee Valley Authority in USA, for complete management including planning, construction and operation of water and power works and Murray - Darling Authority in Australia, for inter-state water management, have been constituted.

(iii) In case a separate state of Telangana is established, this Board can be part of the reorganization process itself like the Bhakra Beas Management Board and Tungabhadra Board.

4.5.07 Irrigation/Water Resources Development Corporation

Another major structural change that the Committee suggests is to have a strong Irrigation/Water Resources Development Corporation for the state of Andhra Pradesh. In this respect, the Committee has carefully studied the Memorandum and Articles of Association of the existing Andhra Pradesh State Irrigation Development Corporation Limited, which has been constituted under the Companies Act 1956. Keeping this as the basis, the Committee suggests the following changes.

(i) Functions of the Corporation: The functions already include development of irrigation potential and integrated works for the development of irrigation potential for industrial purposes and for purpose of public health. However, to avoid any misinterpretation, it would be better to specifically mention other functions such as groundwater, raw water supply for domestic use, rain water harvesting, watershed management, percolation tanks, renewal of tanks, including promotion of these through local bodies, panchayat, NGOs etc. Also, specific mention may be made about maintaining surface water and groundwater quality and recommending/executing measures for improvement thereof, in conjunction with the State Water Pollution Board. The Corporation would execute all projects and should virtually become the Line Department in regard to irrigation and raw water supply for domestic and industrial use.

(ii) Structure of the Board of Directors: The Board of Directors should preferably consist of one Chairman and Managing Director, 2 or 3 Directors - (projects) representing the two or three regions, one Director- Finance, one Director - Administration, one Director - Groundwater, one Director for Water Quality and Water Pollution and a few individual full time/part-time Directors having specialized knowledge on irrigation/water

resources related matters, including groundwater and water quality and a few representatives of water users and other expert organizations. Although the committee prefers recommending a single full time Chairman and Managing Director, if necessary, the Chief Secretary could be Ex-Officio Chairman and there could be a separate full time Managing Director. The Secretaries in-Charge of Irrigation, Finance, Power and Services could be Ex-Officio Directors. The Project Directors could be from the irrigation department. The appointment of Directors should be on rotational basis and they must represent all the three regions on the same lines as indicated in the structure of Water Management Board.

(iii) The appointments of the CMD/Managing Director and Directors need to be recommended by a Committee headed by the Chief Secretary, in which the Chairman of the Water Management Board (who would be an officer of the Central Water Commission) and a couple of concerned Secretaries would be Members. However, the State can also create another independent committee for this purpose. Similarly, if required, separate Corporations for region-wise irrigation/water development can be created.

(iv) Funding and ensuring Equitability in the funding of Projects: The main source of funding would be the Plan Expenditure as approved by the Planning Commission, state funds as allocated by the State, funds raised through issue of bonds, funds borrowed by the Corporation as already provided under item (B) (vi) of the existing Memorandum and Articles of Association and Revenues obtained through the supply of water. If bonds are to be floated for getting more funds, they would have to be necessarily guaranteed by the state Government. While allocating the Plan funds and guaranteeing such bond funding, the state Government needs to ensure that the funds are used equitably to ensure balanced development between/amongst the regions.

(v) The budget for the Corporation would be prepared by the Corporation, keeping the interests of all the three regions in view, and submitted to the Technical Management Board. Normally, the project-wise and region-wise budget, as approved by the Technical Management Board within the total allocation available to the sector, should be accepted by the Government. However, if for some cogent reasons, the Government cannot accept the recommendations of the Technical Management Board, it may refer the matter back to that Board with reasons, for re-consideration. The budget should clearly indicate the region-wise funding. The Corporation should not normally re-allocate or divert the funds from one region to another. However, if this becomes absolutely essential, it should approach the Government through the Technical Management Board and the re-adjustment may be done after considering the advice of Technical Management Board.

(vi) Alternative institutional mechanisms for equity in funding: The Committee has recommended the process of achieving equitable funding in regard to water related expenditure through the structure of the Irrigation/Water Resources Development Corporation and Technical Management Board. However, if necessary, the State can consider other alternatives also. For example, in Maharashtra, using the power vested in the President under Article 371(2) of the Constitution, the Governor ensures equitable funding in regard to irrigation, district-wise, so as to remove the backlog in a limited time-frame. The Committee has studied this procedure. Although it has its shortcomings, by and large it is effective. Similar or any other procedure, that can ensure equitable apportionment of funds to the regions in regard to water related development which the legislature, by convention, accepts and allots the budget with regionwise break-up to the Corporation, can also be considered.

4.5.08 It is hoped that with the above reforms, the discord caused by issues pertaining to development and allocation of water and irrigation resources would be minimized, if not totally eliminated, in either situation.

PART II: POWER DEVELOPMENT IN ANDHRA PRADESH

4.6 Introduction

Andhra Pradesh comprising coastal Andhra, Rayalaseema and Telangana regions is basically agrarian in character. It is the largest state in the southern peninsular region, with an area of 275,100 square kilometers (Sq. kms) and a coast line of 974 kms. Godavari, Krishna, Pennar and Vamsadhara are the major rivers flowing through the state. The state has 23 districts, with 9 districts in coastal Andhra area, 4 districts in Rayalaseema region and 10 districts in Telangana area. The population of A.P. as per the 2001 census stands at 76.2 million. This constitutes about 7.4% of the total population of the country. This makes AP the most populous of the 4 southern states.

4.7 Resources

4.7.01 Agriculture: Andhra Pradesh is endowed with many natural resources like fertile soil, perennial rivers, rich mineral deposits, and a climate congenial for agriculture. The state is a leading producer of paddy and other crops like tobacco, cotton, sugarcane, pulses, fruits and vegetables etc. Mangoes, grapes, pineapple, banana and guava are some of the major fruits produced in the state. Apart from these, the state also produces spices like chilies, turmeric, ginger, coriander, etc.

4.7.02 Forests: Andhra Pradesh has a total forest area of 61.99 lakh hectares which constitutes 22.4% of the total geographical area of the state. Around 45% of forest area falls in the Telangana region, while around 30% falls in the coastal region and 25% in Rayalaseema region.

4.7.03 Minerals: Andhra Pradesh has about 48 types of mineral deposits. It is the leading producer of barytes, mica, coal, bauxite, lime, granite, etc. The state produces about 50 million tons of industrial minerals. Deposits of some major minerals in A.P. are:

1. Coal 13,021 Million Tons
2. Limestone 30,400 Million Tons
3. Bauxite 700 Million Tons

4.8 Hyderabad State Electricity Department

4.8.01 Hyderabad State Electricity Department was established in the year 1910. The first unit of 10 KW diesel generating set was installed at Hussain Sagar in Hyderabad. The Andhra Pradesh State Electricity Board (APSEB) was formed at the end of 1956. During 1955-56, at the time of its formation, there was no thermal generation installed capacity. However, hydel generation was 44.0 MW. Similarly, the number of villages electrified at that time was 398 (coastal Andhra), 147 (Rayalaseema) and 11 (Telangana), respectively, in the three regions.

4.8.02 The erstwhile, APSEB was responsible for all the three functions of the power sector, namely, generation, transmission and distribution of power up to its unbundling in to corporatized entities in the year 1999.

4.8.03 The present generation installed capacity as on 30th June, 2010 in coastal Andhra, Rayalaseema and Telangana is 5242.46 MW, 1840.14 MW and 4368 MW respectively. AP has also achieved 100% village electrification

4.8.04 In 1997, Government of Andhra Pradesh (GoAP) formulated a policy for reforms in power sector and APSEB was unbundled into three

separate entities namely, generation, transmission and distribution. Based on this, "AP Electricity Reforms Bill" was passed in 1998 and became effective from 1st February 1999. Subsequently, APgenco, APtransco, Discoms and AP Electricity Regulatory Commission (APEREC) were created.

4.8.05 Besides generating power from its own power plants, APSEB procures power from central generating stations, other states, joint venture power stations and more recently from the private sector since 1995. APSEB witnessed stupendous growth during the last five decades. The installed capacity¹ of APgenco is 8085.86 MW comprising of 4382.5 MW Thermal and 3703.36 MW Hydel, 3048.54 MW of share from central sector, 273 MW from joint sector and 3217.12 MW from private sector as on 31.03.2010. The length of T&D lines is of the order of 864,064 Km of which EHV lines (400KV, 220 KV & 132 KV) comprise of 30,969 Circuit Kilo meters (CKM). The total number of consumers² is about 21.82 million of which 2.769 million are agricultural consumers as on 31.03.2010. APSEB's power plants made a name for themselves for their enviable performance. The thermal stations are noted for their high plant load factors (PLFs) year after year. The present average PLF is 86.20% as on 31.03.2010. There are also a number of rural electric cooperatives functioning as supply licensees in the state.

4.8.06 Despite the significant growth of the power system, the state is experiencing energy and peak shortages. Power cuts mainly to high tension (HT) industries have become necessary. Beside peak load restrictions, regulation of hours of supply to irrigation pump sets had to be imposed in the summer months. The unmetered flat rate tariff for supply of power to agricultural consumers is one

1. Source: APtransco/APgenco

2. Source: APtransco/APgenco

of the main factors contributing to the difficulties of the power sector. Power cuts in industries have resulted in growing dependence of industrial consumers on captive generation. The captive generation capacity³ in HT industrial sector in the year 2009-10 was about 1606 MW, which generated 3915 GWH (Giga watt hours, this is also equal to Million Units).

4.8.07 Peak load & energy position of Andhra Pradesh⁴: During 2009-10, Andhra Pradesh could generate 10880 MW against a peak demand of 12010 MW. Thus there was a shortage of 1130 MW (-9.41%). In 2009-10, Andhra Pradesh could meet an energy demand of 74,859 MUs against a peak demand of 79,201 MUs. Thus there was a shortage of 4,342 MUs (-5.48%).

4.8.08 Transmission & Distribution losses⁵: APtransco has been making substantial investments in upgrading and expanding its network. The distribution system has expanded vastly to cater to the inexorable load growth and to improve quality and reliability of supply. The number of substations increased substantially from 1996 in 1999-2000 to 4096 in 2009-10. The number of distribution transformers increased from 186847 to 737544 from 1999 to 2009-10. Despite an enormous and continuous growth over the years, the T & D system is still being strengthened to convey power to all consumers. The unmetered agricultural connections make it difficult to segregate the commercial and technical losses.

4.8.09 Investment Programme: The World Bank has agreed to support the State Government by financing a part of the investment programme in a series of loans under Adaptable Programme Lending (APL). The first loan is being used for strengthening of transmission and distribution system envisaging augmentation of power

transformer capacities in the substations, reconfiguration of sub-transmission and distribution network, better consumer metering, communication system etc.

4.8.10 AP Govt. has directed APtransco to go in for Accelerated Power Development Reforms Plan and Reduction in Transmission and Distribution losses in a big way and implement the Restructured Accelerated Power Development Reforms Programme (R-APDRP) efficiently. Projects under this scheme will be taken up in two parts. First part includes the projects for establishment of baseline data and IT applications for energy accounting/auditing & IT-based consumer service centers. Second part is for regular distribution strengthening projects such as renovation, modernization and strengthening of 11 KV level substations, Transformers / Transformer centers, Re-Conductoring of lines at 11 KV level and below, Load Bifurcation, feeder separation, Load Balancing, HVDS (11kv), Aerial Bunched conductoring in dense areas, replacement of electromagnetic energy meters with tamper proof electronic meters etc. All towns and cities with population of more than 30,000 will be covered. In addition, in certain high-load density rural areas with significant loads, works of separation of agricultural feeders from domestic and industrial ones, and of high Voltage Distribution System (11KV) will also be taken up. The Power Finance Corporation (PFC) is giving loans under the first part of the R-APDRP. Towns having population of 4 lakhs and more are eligible under this scheme. Meanwhile the outlay of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGVY) is fixed at Rs 825.36 crores for Andhra Pradesh, for electrification of 14,309 un-electrified habitations and 37,39,566 rural households including 24,55,526 BPL rural households.

3. Source: APtransco/APgenco

4. Source: Ministry of Power, Central Electricity Authority, Government of India

5. Source: APtransco/APgenco/AP Government

4.8.11 Sources of Power Generation in Andhra Pradesh:

The major natural resources for power generation in the state include rivers, coal and natural gas. Rivers are important resources for irrigation and power. Andhra Pradesh has 17 small and big rivers flowing through different parts of the state. Of these, the two major rivers Krishna and Godavari provide the alluvial soils which are highly fertile when irrigated and have made Andhra Pradesh into one of India's leading agricultural states. Today, Andhra Pradesh leads the country in the production of rice (paddy).

4.8.12 Rivers Godavari and Krishna rise high in the Western Ghats and cut deep through Andhra Pradesh while moving rapidly towards the east on their way to the sea. They, as well as the Tungabhadra river, provide much needed water for irrigation. Man-made canals help in distributing this water throughout the state. There are several hydro-electric power projects running in the state which have been set up to tap the water resources of the Krishna and Godavari rivers. The energy resources fall into two main categories, renewable and nonrenewable energy resources. Non-renewable sources of energy can be divided into two types: fossil fuels and nuclear fuel.

4.9 Hydro-Dams and Thermal Projects

4.9.01 The state is richly endowed with abundant resources required for generation of power - coal, water, gas, wind, solar energy, etc. Coal reserves needed for thermal power generation are available in Telangana region. There are different types of coal. Some contain impurities such as sulphur that pollute the atmosphere when they

burn. Coal is relatively cheap, with large deposits that are reasonably easy to obtain, some coal being close to the surface. It is relatively easy to transport coal because it is a solid. Water resources required for hydro power generation are available in Telangana region. The gas required for power generation is also available in the KG basin. Wind and solar energy required for power generation is available along the 1000 km stretch of coastal Andhra.

4.9.02 Telangana region is having coal fields at Singareni. In coastal Andhra, natural gas is produced from Krishna-Godavari basin. Therefore, a number of gas power stations have been installed and more are coming up. However, in Rayalaseema there is neither coal nor gas. Government of India has allocated coal from Singareni coal mines to Kothagudam Thermal Power Station (KTPS) in Rayalaseema and for Vijayawada thermal power station in coastal Andhra. As coal from Singareni collieries is not sufficient and is costly also, therefore, these stations are also getting coal from Talchar coal mines in Orissa or importing coal from outside India to meet their coal demand. AP Government has planned to set up a 2100 MW gas based power plant in Telangana in Karimnagar district. The big ports along the seacoast facilitate import of coal, gas, power generation and transmission equipment. The coordinated and balanced development of power sector in the three regions of Andhra Pradesh is possible only because of transfer of natural gas and oil from KG basin, coal from Singareni and Talchar mines and hydro power from Sreesailam and Nagarjuna projects.

**Table 4.11. Generation installed capacity (MW)
As on 30-06-2010**

Region	Total Installed Capacity	Thermal Generation installed Capacity
(1)	(2)	(3)
Telangana	4368	1783
Rayalaseema	1840	840
coastal Andhra	5242	1760
State own capacity in MW	11450	-
Inter state	148	-
Central Generating Stations	3049	-
Total capacity in MW	14648*	4383

Source: APtransco / APgenco

* rounded

4.9.03 Thermal: The thermal capacity in Telangana region is almost equal to that of coastal Andhra. This is because of the fact that Telegana has coal mines, while coastal Andhra is also getting coal from Singareni, Talchar mines and from outside India through imports.

4.9.04 The present total installed generating capacity in Telangana region is less as compared to coastal Andhra. But this is not a matter of concern because the Telangana region is being supplied electricity to its full requirement through the AP transmission grid.

4.9.05 Power - Hydro

**Table 4.12. Region and District wise Hydro Power Stations
installed capacity in A.P. (as on 30-06-2010)**

Name of the Project	Capacity (MW)	Location
Telangana Srisailem Left Bank PH	900	Mahaboobnagar
Jurala	117	Mahaboobnagar
Nagarjunasagar Main PH	816	Nalgonda
Nagarjunasagar Left Canal PH	60	Nalgonda
Mini Hydel*	6	Nalgonda
Singur	15	Medak
Mini Hydel*	2	Karimnagar
Lower Sileru	460	Khammam
Mini Hydel	2	Khammam
Nizam Sagar	10	Nizamabad
Pochampadu	27	Nizamabad
Mini Hydel	12	Nizamabad
Telangana Total	2,427	
Rayalaseema		
Penna Ahobilam	20	Ananthapur
Srisailem Right Bank PH	770	Kurnool
Rayalaseema Total	790	
Coastal Andhra		
Upper Sileru	240	Visakapatnam
Donkarai	25	East Godavari
Nagarjunasagar Right Canal PH	90	Guntur
Coastal Andhra Total	355	
State Total	3572	

Source: APtransco / APgenco. Note: * indicates private projects.

The hydel generation capacity is the highest (68%) in Telangana, among the three regions. This is because of the fact that the two major rivers of Andhra Pradesh are entering the Telangana region and are at a higher elevation than those of Rayalaseema and coastal Andhra. This gives a sufficient head of water to construct hydro sta-

tions in Telangana region.

4.10 Power - Gas

The details of existing gas based power stations in AP are as under:

Table 4.13. District wise Private Gas based generating installed capacity in coastal Andhra (As on 30.6.2010)

Name of the Project	Capacity (MW)	Location
(1)	(2)	(3)
Jegurupadu (GVK-Pvt.Sector)	217	East Godavari
Jegurupadu (GVK- Extn I)	220	East Godavari
Kakinada (Spectrum - Pvt. Sector)	208	East Godavari
Reliance Energy Ltd.	220	East Godavari
M/s. Vemagiri	370	East Godavari
M/s. Konaseema Gas Power Ltd.	286	East Godavari
M/s. Gautami	464	East Godavari
Sri. Vatsa Power Projects Ltd.	17	East Godavari
Vijjeswaram - Joint Venture of APSEB with Ms. AP Gas Power Corpn. Ltd. *	272	East Godavari
Kondapalli Power Corporation Ltd.	352	Krishna
M/s. RVK Energy Pvt. Ltd.	20	Krishna
Coastal Andhra	2,646	
Rayalaseema	-	-
Telangana	-	-

Source: APtransco / APgenco. Note: * indicates Joint Venture.

4.10.01 There are no gas based power stations in Telangana and Rayalaseema regions. The availability of gas in the KG basin has encouraged the private sector to set up the gas based power stations in coastal Andhra region. Vemagiri CCPP and Jagurupadu CCPP (Combined Cycle Power Project) (GVK Extn) projects are ready for operation and waiting for natural gas. Further, Gautami CCPP and Konaseema CCPP Projects are under testing and commissioning and are nearing completion. However, enthusiasm for gas-fired generation is dampened by increasing concerns about gas supply security. Domestic gas production is insufficient to meet the growing gas demand in the economy. Total Indian gas production in FY 2003-04 was 33 bcm/y (Billion Cubic metres per year). The power sector is already starting to experience shortage of gas supply. According to Ministry of Power, 38 gas-based power stations with a total capacity of

9,536 MW had to operate at a plant load factor (PLF) of only 58% during FY 2004-05 due to shortage of gas supply.

4.10.02 The three major challenges for increasing the electricity generation through gas based plants are:

- Lack of sufficient gas transmission infrastructure
- Lack of a coherent legal and regulatory framework for the sector
- Continuous questions about affordability of gas

Since gas demand is significantly higher than gas supply, Government allocates gas on recommendations of the Gas-Linkages Committee (GLC) The GLC determines the quantities of gas to power plants as part of the investment and planning process.

4.11 Power-Diesel and Non-conventional sources of energy

There is only a very small diesel generating installed capacity in coastal Andhra, i.e., 37 MW. This is because of the fact that cost of diesel power

stations is very high. There are also some non-conventional sources of energy with capacity of 159 MW in Telangana, 210 MW in Rayalseema and 444 MW in coastal Andhra.

4.12 XII Plan Capacity Addition

Table 4.14. Plans of APGENCO to add new generating plants

List of Generating stations planned during XII Plan				
Thermal				
Krishnapatnam (2x800 MW) IGCC plant at Dr. Narla Tata Rao TPS(JV)	1600	2012-13	Nellore	Andhra
Vodarevu UMPP	182	2013-14	Krishna	Andhra
Srikakulam TPS (JV)	5 X 800	2015-16	Prakasam	Andhra
	4 X 600	Under Inves- tigation	Srikakulam	Andhra
Kakatiya Stage II	1 X 600	2012-13	Warangal	Telangana
Kareemnagar Gas Project	1 X 600	2013-14	Kareemnagar	Telangana
Sattupalli TPS	1 X 600	Under Inves- tigation	Kareemnagar	Telangana
Rayalaseema TPS Stage IV	1 X 600	2013-14	Kadapa	Rayalaseema
Hydel				
Lower Jurala (5x40)	200	2013-14	Mahaboobnagar	Telangana
Nuclear				
Kadapa Nuclear Power Plant(JV)	2 X 1000	Under Inves- tigation	Kadapa	Rayalaseema
Gas Based				
M/s. GVK	800	2012-13	East Godavari	Andhra
M/s. Gauthami	800	2012-13	East Godavari	Andhra
M/s. Vemagiri/GMR	768	2012-13	East Godavari	Andhra
M/s. Konaseema	820	2012-13	East Godavari	Andhra
M/s. Lanco	366	2012-13	Krishna	Andhra
M/s. Spectrum	1350	2012-13	East Godavari	Andhra
M/s. Reliance Infra.	1200	2012-13	East Godavari	Andhra
M/s Encore Power (P)Ltd.	500	2013-14	Krishna	Andhra
M/s RVR Power Projects	20	*	West Godavari	Andhra
Total	19406	-	-	-

Source: APtransco / APgenco *24 months from allocation of gas

4.13 Transmission and Distribution

4.13.01 The generation voltage is normally in the range of 11 kV to 18 kV. This voltage is stepped up to 132 kV/220 kV/400 kV through generator transformers, installed at the generating stations. The stepped up voltage is then used to transmit power from the generating stations to transmission grid. The transmission grid consists of two types. State transmission grid and Central

transmission grid. Generation from state/private sector plants of the state is connected to state transmission grid. The generation of central sector plants is connected to central transmission grid, which in turn is connected to state transmission grid. The planning of transmission lines and sub-stations is simultaneously taken up along with the power generation planning. As soon as State or Central Sector generation plants are approved, the state or electricity department

submits their proposal to transmission wing for planning and commissioning of suitable transmission and distribution systems. It is ensured by both state and Central transmission utilities (Power Grid Corporation of India) that the transmission and distribution networks are in place before the synchronization of new plants to the transmission networks.

4.13.02 Power systems in AP are growing in size as well as complexity with growth in demand and addition of large sized power stations in the State and Private Sector. Transmission voltage levels have gone up to 400 kV and above, with large

sized super Thermal Power Stations in operation. APtransco is distributing power to four distribution (Government) companies of Andhra Pradesh namely, AP CPDCL, AP EPDCL, AP SPDCL and AP NPDCL. APtransco is dispensing power at 132 kV level. DISCOMs are free to purchase power from any source to meet their requirements.

4.13.03 AP Grid on an average is able to meet the energy requirement of 213.53 MU per day. AP has a very strong transmission and distribution network for carrying power even to the remotest place in the state.

Table 4.15. Transmission Lines and Distribution Transformers (DTRs) existing as on 31.03.2010

REGION	Lines (Kms)						DTRs Nos.
	400KV	220KV	132KV	33KV	11KV	LT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	992	2378	4317	8420	55489	127322	316522
Rayalaseema	124	2604	3113	8815	65411	97952	208757
coastal Andhra	1247	4589	4487	12501	83051	154842	211489

Region	Number of Substations (KV)				Shunt capacitors (MVAR)
	400 KV	220 KV	132 KV	33 KV	
Telangana	4	42	136	1784	300
Rayalaseema	2	21	53	772	90
coastal Andhra	3	33	88	1158	0

Source : APtransco / APgenco 229

4.13.04 The T&D system in all the three regions is equally strong

APtransco carries out load flow studies on regular basis and based on this if any strengthening is required, it is planned and executed immediately. To overcome the low voltage problem at any place in the system, capacitor banks are planned and commissioned. The salient features of the transmission system are:

- * AP grid is connected to neighboring states through 400 KV sub-stations and transmission lines:
- * 400KV line from Chinakampalli to Chennai (Tamilnadu) and 400KV line from Chinakampalli to Kolar (Karnataka).

- * 400KV lines from Godty (PGCIL) to Hoody & Neelmangla (Karnataka)
- * 400KV lines from Godty (PGCIL) to Raichur (Maharashtra)
- * 400 KV back to back connection from Ramagundam to Chandrapur in Maharashtra (Western grid)
- * 400 KV back to back connection from Gazuwaka (PGCIL) to Yepore in Orissa (Eastern grid)

4.13.05 Energy Conservation: Steps are being taken by DISCOMs for conservation of energy. Agricultural consumers are being persuaded to adopt DSM measures. The licensees have launched distribution of CFL Lamps to 6.5 lakh

of domestic consumers, on pilot basis, in Visakhapatnam circle under the Prime Minister's Bachat Lamp Yojana (BLY) scheme. Capacitors have been installed on LV side of DTRs Energy conservation benefits are achieved by reduction of peak load demand.

4.14 Agriculture Sector 4.14.01 Power Supply Hours to Agricultural Services:

Presently, power is being provided to agricultural services in two phases, in 3 and 4 hour blocks. This is as per the government policy to provide 3-phase power supply to agriculture sector in two spells, i.e., 4 hours during day time and 3 hours during night time.

4.14.02 Power Supply to Lift Irrigation (LI) Schemes: 7 hours, 3 phase electricity supply is extended where Lift Irrigation (LI) schemes are fed from common feeders and 16 hours supply is provided where LI schemes are fed from dedicated feeders.

4.14.03 24 hours Power Supply to Villages: Discoms hope to provide 24 hrs power supply to rural areas on par with urban areas. Free power, to all eligible agricultural consumers, is being provided since 14.05.2004 and GoAP is providing necessary subsidy. In the next 5 years an additional area of 40 lakh acres will be covered by surface irrigation which will entail increased power consumption of additional power subsidy.

4.15 Hyderabad

4.15.01 Special measures to meet the growing demand of Hyderabad city:

The present peak demand of Greater Hyderabad is about 1500 MW and it is expected to reach 5000 MW by 2019-20. APtransco has undertaken Hyderabad city electricity improvement scheme with financial assistance from Japan, PFC and other Financial Institutions. An amount of Rs

1265 crores is sanctioned for the scheme. 400 kV Substation at Malkaram at a cost of Rs 72 crores has been commissioned in the month of June 2010 for the 400 kV Ring Main Transmission scheme and another 400 kV Substation at Yeddumylaram at a cost of Rs 115 crores is expected to be ready by December 2011.

- * The above two sub-stations will relieve the existing 400 kV substation loads at Mamidipalli and Ghanapur through 220 kV and 132 kV substations to improve the system.
- * Latest technologies viz., Gas Insulated Switchgears (GIS) substations & XLPE (Cross Linked Polythene Power Cable) under ground cables are being adopted in the 220 kV and 132 kV systems due to Right of Way issues and to ensure reliability of supply.

4.15.02 For the modernization and strengthening of power supply to the Hyderabad metropolitan area, it is necessary to construct certain substations and lines to maintain reliable and quality power and to meet the load demand for the upcoming IT Sector and SEZs and other residential and commercial loads in and around the twin cities.

4.16 Issues raised by various organizations

4.16.01 During the CCSAP hearings certain issues were raised alleging discrimination in location of projects in Andhra Pradesh, delay in implementation of projects in Telangana, use of coal from Singareni and other places for thermal power generation outside Telangana and also with regard to lesser employment of local people in power projects/utilities.

4.16.02 The issues being technical in nature, the Committee appointed Shri V.B. Gupta, ex- Chief Engineer, Central Electricity Authority, Ministry of Power, Government of India to examine all such issues concerning generation, transmission

and distribution of power and any alleged discrimination thereof among the three regions of the state. The technical expert scrutinized the voluminous data obtained from Central and state Government Departments and those submitted by the various delegations to the Committee. He also undertook field visits to various projects and held discussions with the technical experts and others in Andhra Pradesh.

4.16.03 It is true that Telangana region is endowed with abundant resources of coal and water which are essential for setting up power generating projects. Locating power plants at pitheads or other location depends on an objective assessment of the cost/benefits. As per the existing policy, power projects (Thermal or Hydel) have to be cleared by the Central Electricity Authority (CEA), Ministry of Power, Government of India. CEA examines all state Government's proposals from technical and financial angle and after discussions with the State Government representatives, decisions are taken based on objective, technical and financial parameters.

4.17 Power Sector Key Indicators

4.17.01 Number of Low Tension services consumers⁶

District-wise data from 1971-72 to 2008-09 in respect of number of low tension services (consumers) of Andhra Pradesh (Volume-I of Andhra Pradesh Statistics of Key Indicators) shows the

number of households getting electricity over the years. In Telangana region the number of low tension services (consumers) increased from 4.19 lakhs in 1971-72 to 85.62 lakhs in 2008-09, while in Rayalaseema it increased from 2.91 lakhs to 35.76 and in case of coastal Andhra, number of low tension services (consumers) increased from 5.30 lakh to 85.31 lakhs. This shows that the growth of number of low tension consumers, since 1971-72 to 2008-09, in Telangana region is the highest as compared to coastal Andhra and Rayalaseema regions.

4.17.02 Power Consumption of low tension consumers in Million KWH (MUs)

District-wise data from 1971-72 to 2008-09 in respect of power consumption of low tension services (Consumers) of Andhra Pradesh in Million KWH (MUs) is a very important source of information on usage of electricity by individuals. In Telangana region, power consumption by low tension consumers in Million KWH (MUs) has increased from 351 MUs in 1971-72 to 18342 MUs in 2008-09, while in Rayalaseema, it has increased from 250 MUs to 6132 MUs. In coastal Andhra it has increased from 443 MUs to 10418 MUs. This shows that consumption of electricity in Telangana region has increased tremendously over the years and is highest among the three regions.

4.17.03 Category-wise sales of electricity in 2009-10 in Million Units ((MUs)

Table 4.16. Category-wise sales of electricity in 2009-10 (MUs)

Region	Domestic	Commercial	Industrial	Agriculture	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana	6007	1797	10674	10144	2324	30949
Rayalseema	1557	382	3030	4349	359	9679
coastal Andhra	5445	1175	7442	3788	578	18430

6. Source: Volume-I of 'Andhra Pradesh Statistics of Key Indicators

The data above indicate the use of electricity by domestic, commercial, industrial, agricultural and other consumers. In Telangana region, power consumption of domestic, commercial, industrial, agricultural and other consumers in Million KWH (MUs) is the highest as compared to Rayalaseema and coastal Andhra region. This

shows that Telangana region is making maximum use of electricity for all categories of consumers as compared to coastal Andhra and Rayalaseema regions.

4.17.04 Power consumption of high tension consumers in MUs

Table 4.17. Power consumption of high tension in Million KWH

Region	2001-02	2003-04	2004-05	2006-07	2007-08	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana	3576.13	3576.13	3576.13	3576.13	3576.13	9251.50
Rayalaseema	882.19	882.19	882.19	882.19	882.19	2445.34
Coastal Andhra	2120.59	3140.14	3623.99	4674.57	5416.62	5831.05

Source: Volume-I of 'Andhra Pradesh Statistics of Key Indicators'.

In Telangana region, power consumption of industrial consumers in Million KWH (MUs) has increased during the year 2008-09 as compared with Rayalaseema and coastal Andhra regions, while the high tension consumption in other regions has been increasing gradually. This shows that during the year 2008-09, the sudden higher

demand for HT connections has come in Telangana recently. If this pace continues, then Telangana region would make great progress in industrialization.

4.17.05 Total connected load of HT & LT consumers and Agriculture Power Consumption

Table 4.18 Total Connected Load HT & LT (MW)

Region	1971-72	1981-82	1991-92	2001-02	2007-08	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana	770	2241	5074	9432	-	16739
Rayalaseema	474	895	2014	3564	-	5402
coastal Andhra	949	1801	4446	7491	-	16203

Agriculture Power Consumption LT in Million KWH

Telangana	154	376	4088	7357	8406	9274
Rayalaseema	155	245	1617	2508	3242	3727
coastal Andhra	180	322	1267	2291	2821	3054

Source: Volume-I of 'Andhra Pradesh Statistics of Key Indicators'.

In Telangana region the total connected Load of HT & LT (MW) has increased from 770 MW in 1971-72 to 16739 MW in 2008-09, while in Rayalaseema and coastal Andhra it has increased from 474 MW to 5402 MW and 949 MW to 16203 MW respectively. This shows that total connected load in MW for Telangana region was the highest

as compared with coastal Andhra or Rayalaseema region from 1981-82 onward. It also means that the demand of electricity in Telangana region is higher as compared to other regions and the electricity department is meeting the demand.

In Telangana region, power consumption by agricultural consumers in Million KWH (MUs) is the highest as compared to Rayalaseema and

coastal Andhra region. This shows that Telangana region is making maximum use of electricity for agricultural consumers as compared to coastal Andhra and Rayalaseema regions.

4.17.06 From the above, it is noted that the agricultural power consumption in Andhra Pradesh is growing since 1971. However the growth is more after 1981 and up to 2008-09. The agricultural power consumption in Telangana is much more as compared to coastal Andhra and Rayalaseema.

4.17.07 Region-wise number of existing sub-stations in 2010

Table 4.19. Region-wise number of existing sub-stations in 2010

Region	400 KV	220 KV	132 KV	33 KV
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(1)	(2)	(3)	(4)	(5)
Telangana	4	42	136	1784
Rayalaseema	2	21	53	772
coastal Andhra	3	33	89	1158

Source: APtransco/APgenco

The number of 400KV, 220KV, 132 KV and 33 KV sub-stations, as on 2009-10, is the highest in Telangana as compared with Rayalaseema and coastal Andhra. This means that the Telangana region has the best transmission and distribution system to make electricity available to consumers.

4.17.08 The number of existing distribution transformers required for distribution of electricity in the region (as on 2009-10) is highest in Telangana, i.e., 296522 as compared with coastal Andhra (211489) and Rayalaseema (208757).

Table 4.20. Per Capita Consumption of Electricity in AP (2009-10)

Per Capita Consumption of Electricity in 2009-10				Expected Per Capita Consumption of Electricity in 2010-11	
Region	Total sales (MUs) in 2009-10	Population in millions	Per capita consumption of electricity (KWH)	DISCOMS Plan to Purchase in 2010-11	per capita consumption of electricity
(1)	(2)	(3)	(4)	(5)	(6)
Telangana	30949.0	30.9	999	45249 MUs	1191 KWH
Telangana+ Rayalaseema	26327.1	23.0	1445	-	-
coastal Andhra	9679.1	13.5	716	38545 MUs	777 KWH
	18430.3	31.7	581		
State	59058.4	76.2	775	-	-

* Source: APtransco / APgenco. Note 1: +excluding Hyderabad .Note 2: Expected Consumption is as per the filings of ARR for FY 2010-11 of the AP Power Distribution Companies to AP Electricity Regulatory Commission.

4.17.09 As per Central Electricity Authority, Ministry of Power, Government of India, per capita consumption of electricity is estimated to reach 1000 units /Yr for the country, at the end of 11th Five Year plan. However, the per capita consumption of electricity during 2010-11 in Telangana worked out to be 1191 Units / Yr.

If Telangana per capita power consumption excluding Hyderabad is compared with the other

regions, then the position is different. It would be seen that the position of per capita consumption of electricity in Telangana is very good as seen from the actual figures of 999 units (KWH) with Hyderabad as part of Telangana and 1445.6 (KWH) when Hyderabad is excluded. Perhaps the consumption levels in Telangana region are higher on account of good percentage of it going into the use of bore wells for agriculture purposes.

4.17.10 Irrigation under Bore Wells and power consumption

Table 4.21. Irrigation under Bore Wells (2009-10)

Region	No. Of Bore wells	Irrigated area in acres	Electricity consumption (MUs)
(1)	(2)	(3)	(4)
Seema-Andhra*	11,14,000	22,00,000	7,100
Telangana	15,67,000	31,00,000	10,100

Source: APtransco / APgenco * Seema-Andhra: coastal Andhra + Rayalaseema

The number of bore wells in Telangana is higher as compared to Seema-Andhra. The energy consumption in bore wells in Telangana is 3000 MUs more as compared to Seema-Andhra.

Table 4.22. Region-wise Sales of Electricity (2009-10) for Industry (MUs)

Region	Total	Industry	% industry
(1)	(2)	(3)	(4)
Telangana	30949.03	10674.80	34.49
Rayalaseema	9679.07	3030.66	31.31
Seema-Andhra	28109.33	10472.96	37.25
coastal Andhra	18430.26	7442.30	40.38
Total State	59058.36	21147.76	35.80

Source : APtransco / APgenco

Table 4.23. Subsidy Provided to Agricultural sector Inclusive of Cross Subsidy

Cross Subsidy in Rs crores						
Region	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana	1120.59	1141.84	1640.96	1624.18	1668.97	2028.35
Rayalaseema	409.53	417.29	746.93	731.13	706.32	893.94
coastal Andhra	494.25	503.63	725.99	718.05	649.42	865.20

Source : APtransco / APgenco

Subsidised electricity consumption in Telangana region is the highest as compared to coastal Andhra and Rayalaseema region.

4.17.11 Employment in Power sector

4.17.11.01 Issues about lack of employment /

opportunities in power sector were raised before CCSAP. The data in this respect was examined. The details of employees working in various Thermal and Hydel power stations of APgenco and at Head Quarters are as under:

Table 4.24. Region wise/Station wise employee strength (as on 31.7.2010)

Region	Thermal	Hydel	HQ	Total
(1)	(2)	(3)	(4)	(5)
Telangana	3288	616	321	4224
Rayalaseema	1404	286	69	1759
Coastal Andhra	2972	969	242	4283
Other States	11	70	0	81

Source: APtransco / APgenco

4.17.11.02 The number of employees in APgenco generating stations / HQ in coastal Andhra and Telangana regions is almost equal, while the

number of employees of Rayalaseema region is less. This is because the population as well as the number of districts is less in Rayalaseema region.

Table 4.25. Details of Man power at RTPP (as on 17.08.10)

	Telangana		Rayalaseema		Coastal Andhra		Others	Total Strength
	Nos.	%	Nos.	%	Nos.	%		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Prov. Staff (Enggrs., Accosts & P & G)	7	1.03	601	88.38	72	10.59	-	680
O&M Staff	3	0.40	694	94.29	28	3.80	11	736
Total	10		1295				11	1416

Source: APtransco / APgenco

4.17.11.03 As per AP Government policy for employment, the recruitment in the workmen cadre in power sector of Andhra Pradesh is done at Circle (District) level or at Power House as a unit with 90 % candidates mostly from the local area. Since 2008, even for the cadre of Assistant

engineer or equivalent, it is done based on Government Order 610, considering the 6 zones in the state. As per this GO 80% of the posts in the zone are filled up by local candidates and the balance 20% is filled up by non- local candidates.

Table 4.26. Details of man power in Distribution Companies in AP

Details of sanctioned posts in DISCOMs (other than workmen) as on 31- 3-2010					
	EPDCL	SPDCL	CPDCL	NPDCL	Total
(1)	(2)	(3)	(4)	(5)	(6)
Total Technical	1281	1782	2235	1192	6490
Total non-technical	342	472	574	340	1728
Grand Total	1623	2254	2809	1532	8218

Source: APtransco / APgenco

Table 4.27. Region-wise Abstract of Manpower Planning in AP Transco

	Non-workmen			Workmen					Total
	Engineering	Accounts	P&G	Engineering	Accounts	P&G	O&M	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sanctioned Posts in AP Transco									
Telangana	1555	81	63	161	333	490	1303	69	4055
Rayalaseema	480	10	5	86	121	65	738	0	1505
Coastal Andhra	890	17	10	137	181	144	1286	0	2665
Total	2925	108	78	384	635	699	3327	69	8225
Based on working place of the employee									
Telangana	1270	83	39	15	145	344	275	6	2177
Rayalaseema	465	11	2	9	48	25	126	0	686
Coastal Andhra	837	21	8	12	58	71	295	0	1302
Total	2572	115	49	36	251	440	696	6	4165
Based on native place of the employee (existing in Employee Database)									
Telangana	933	55	36	15	106	311	262	6	1724
Rayalaseema	528	18	3	9	53	30	133	0	774
Coastal Andhra	1111	42	10	12	92	99	301	0	1667
Total	2572	115	49	36	251	440	696	6	4165

Source: APtransco

4.17.11.04 The above data shows that the number of sanctioned posts, number of employees working and number of employees working in APtransco based on the native place of the employee is the highest in Telangana.

Table 4.28. Number of Employees (region-wise) in APgenco and APtrasco and in Power Stations KTPS/RTPS

Sl.No	Item	Telangana	Rayalaseema	coastal Andhra
(1)	(2)	(3)	(4)	(5)
1.	Number of Employees in APgenco (Total)	4224	1759	4283
2.	Number of Employees in APgenco (Thermal)	3288	1404	2972
3.	Number of Employees in APtransco	1724	774	1667
4.	% Employment of persons belonging to the region - Kothagudam Thermal Power Station (Telangana)	68%	5%	27%
5.	% Employment of persons belonging to the region - Rayalaseema Thermal Power Station (Rayalaseema)	1%	91%	8%

Source: APtransco

4.18 Findings

Table 4.29. Infrastructure and Consumption

Sl.No	Item	coastal Andhra	Rayalaseema	Telangana
(1)	(2)	(3)	(4)	(5)
1.	Power consumption	18430	9679	30949
2.	Low voltage consumption in Million Units(MUs)	10418	6132	18342
3.	Agricultural consumption in Million Units (MUs)	3788	4349	10144
4.	Industrial consumption in Million Units (MUs)	7442	3030	10675
5.	High voltage consumption in Million Units (MUs)	5831	2445	9251
6.	Per capita consumption of electricity	581	715	999
7.	No. of bore wells	11.14 lakhs		15.67 lakhs
8.	Irrigation by bore wells in lakhs acres	22.0		31.0
9.	Consumption in bore wells in Million Units (MUs)	7100		10100
10.	Subsidy in Rs Crores	865	894	2028
11.	No of Distribution Transformers	211489	208157	316522
12.	Number of 400 KV Sub-stations	3	2	4
13.	Number of 220 KV Sub-stations	33	21	42
14.	Number of 132 KV Sub-stations	88	53	136
15.	Number of 33 KV Sub-stations	1158	772	1784
16.	Number of Shunt Capacitors installed for improvement of voltage profiles (MVAR)	0	90	300
17.	Proposed 400 KV Sub-stations in 2010-12	0	0	3
18.	Proposed 220 KV Sub-stations in 2010-12	0	4	13
19.	Generation Installed capacity as on 30-6-2010 in MW	5242 (46%)	1840 (16%)	4368 (38%)
20.	Agency's generation addition program during 2011-14			Kakateeya: 600 MW KTPS: 500 MW Sattupalli: 600 MW Singareni: 1200 MW Jurala: 200 MW Total : 3100 MW

Data in Sl. Nos. 1 to 16 above pertains to the year 2009-10

4.18.01 From the analysis of various power sector indicators, it is seen that power sector in Telangana region has progressed very well vis-a-vis the other two regions and that there has not been any discrimination in Telangana, Rayalaseema or coastal Andhra regions by the Andhra Pradesh Government or any organization involved in generation, transmission or distribution of electricity.

4.18.02 Unlike coastal Andhra, Telangana has rich coal reserves, while coastal Andhra area has 1000 km of coastal belt, which is rich in oil and gas. In this respect, Rayalaseema region is poorly endowed. Each area has to seek development taking into account the inherent natural resources and facilities. The thermal, hydel and gas based generation installed capacity in the three regions has developed on sound technical basis after thorough scrutiny of the proposals by a Central agency, i.e., Central Electricity Authority, Ministry of Power, Government of India. The Krishna and Godavari river waters are being utilized for the three regions both for irrigation and hydro power generation.

4.18.03 APSEB/APgenco is responsible for development of power in the state and has been impartial in selecting the power projects sites. The sites have been selected after ensuring availability of sufficient water and fuels required for generation.

4.18.04 The consumption of electricity in Telangana region is the highest as compared to other regions, indicating the prosperous status of the region. This also indicates that electricity is available to the people of Telangana as per their requirements through a very strong network of transmission and distribution network. The people of Telangana are consuming more electricity and also getting more subsidies towards higher agricultural consumption as compared to other regions.

4.18.05 Out of total amount of Rs 3787.49 crores of subsidy given during 2009-10 by the Government of AP for supply of free power to farmers, an amount of Rs 2028.35 crores (53%) is now

spent in Telangana, Rs 893.94 crores (24%) in Rayalaseema and Rs 865.2 crores (23%) in coastal Andhra.

4.18.06 The AP transmission grid is a very strong grid with a generation installed capacity of 14648 MW as on June, 2010. The peak demand was around 12,010 MW during 2009-10 and the demand met was 10880 MW. The electricity is available to all the districts depending upon their requirement.

4.18.07 The government of Andhra Pradesh has taken several policy and implementation initiatives to accomplish the reform process. The required legislative frame work has been effectively put in place with the passing of the reform bill. With the demonstrated commitment of the state government, the implementation of the reform process is a reality which is restoring creditworthiness to the sector and will eventually lead to vast improvement in the efficiency and productivity of power sector benefiting the customers by way of improved quality and reliability of supply at reasonable tariffs.

4.18.08 Through a number of projects under construction and planned for future, the AP Govt. and APgenco / APtransco / Discoms are making the necessary efforts to bridge the gap between the demand and supply.

4.18.09 The unemployment issue was raised during the meetings and visits to various projects sites. It is well-known that thousands of jobs are created in power sector during construction and operation and maintenance of generating stations and in the transmission and distribution network. These jobs are available to all the citizens of all regions of Andhra Pradesh, subject to zonal rules. The construction labour is preferably employed from the local areas only. It is clear that unemployment is the main concern in Telangana / Rayalaseema and due consideration needs to be given to the sentiments and high emotions of the people of Telangana / Rayalaseema. If the existing administrative and legal mechanism and provisions are not adequate to ensure fairness in

filling vacancies in Telangana and Rayalaseema regions, the same needs to be addressed by appropriate administrative measures.

4.19 Suggestions to improve the situation of power in Andhra Pradesh

- * Higher priority may be considered for setting up more thermal power plants in Telangana region because of proximity of Singareni coal mines and to reduce the perceived imbalance in thermal generation capacity.
 - * The number of people employed in power projects, originally belonging to Telangana region is found to be comparable to coastal Andhra. However, in the discussions with the Telangana activists and Rayalaseema delegation representatives, the main issue raised by them was regarding less number of local people employed in power projects. There may be number of factors responsible for this disparity. There appears to be some imbalance in the employment at higher cadres, because earlier the zonal system was not applicable to power sector and was not adopted in recruitment. Since the zonal system is now adopted in power sector also since 2008, the situation will get corrected in a span of about 3 to 4 years.
 - * There is only one training institute, for imparting training to all categories of employees working in power projects of Andhra Pradesh, located in Vijayawada Thermal Power Station, in coastal Andhra. Since APgenco is going in for large generation capacity addition programme of about 20,000 MW during XII plan and corresponding transmission and distribution networks, this is going to create jobs for 50,000 people each in generation and transmission/distribution. Steps may be taken to recruit people (in the first instance at worker levels) from the backward districts for training them in the institutes. For this, at least two more training institutes, one each in Telangana and Rayalaseema regions need to be established. Further, there should be a separate hydro power training institute in Telangana region (say at Sreesailam Power Station). Similarly, there should be at least two separate training institutes for transmission and distribution systems. This would help in removing the imbalance in the number of people employed in power sector among regions.
- As discussed in Para 4.8.07, during 2009-10, Andhra Pradesh could generate only 10880 MW against a demand of 12010 MW. Thus, there was a shortage of 1130 MW (- 9.41%). An energy demand of 74859 MUs against a demand of 79201 MUs, resulted in a shortage of 4342 MUs (-5.48%). To overcome this situation, the following measures may be considered.
- * Reduce the unscheduled outages at APgenco Thermal power stations by adopting preventive and predictive maintenance schedules.
 - * Create awareness among consumers to save electricity by energy conservation and energy efficiency measures without affecting the level of comfort.
 - * Adopt strong initiatives to curb power theft.
 - * Under the free power programme to farmers, use of free power for any other purpose other than irrigation needs to be curtailed.
 - * "Indira Sagar Polavaram project" located 42 Km upstream of S.A.C. barrage at Dowalal-iswaram was contemplated in 1943. However, due to many factors, the project has been delayed. Now, the works at site have started and about 33% of the work is completed so far and Rs 3229.14 crores has already been spent on the project upto the end of July, 2010. This project should be completed in the shortest possible time, so that the benefits of 960 MW of power generation is available to the people of Telangana and Rayalaseema. This would also irrigate 7.2 lakhs acres of land and help in setting of number of new projects upstream, such as "Inchampally Project", "Kanthanapalli lift irrigation scheme", "Singareddipalli HE Scheme", "Rajiv Sagar LIS", "Indira Sagar LIS", etc.

CHAPTER 5. PUBLIC EMPLOYMENT ISSUES

5.1 Introduction

5.1.01 The origin of the demand for protecting the residents of Telangana region in the matter of public employment is an old one. It dates back to the year 1919, when the Nizam of Hyderabad issued a Firman (edict), the objective of which was to provide for a residential qualification for recruitment to public services. The Mulki Rules, described hereinafter, and the residential qualification enshrined in them or in other enactments, had a chequered history and the impact of political, constitutional and legal events, during the period 1947-1975, made the issue quite complex. Over the years, there has been a perceived sense of discrimination in the Telangana region with regard to appointments in Government, making the issue highly emotional. In order to understand how the subject of reservation in public employment and educational institutions has evolved, as well as to analyse the implementation of the various decisions and actions taken by the state government, the Committee decided to commission a technical study on the subject. After due consideration, the Committee awarded the study to Shri Mukesh Kacker, a senior retired IAS officer and at present Director General, Institute for Regulation & Competition, New Delhi.

5.1.02 In order to get a first hand understanding, the Committee, inter alia, held wide ranging consultations with all stakeholders, including political parties, NGOs, advocates and state government officials. The discussion and findings in this Chapter are based on the analysis of various memoranda submitted to the Committee, interactions held with all the concerned groups at the state level and during the Committee's visits to districts and villages and, also, on the report given by the expert.

5.2 Constitutional, administrative and legal events relating to Mulki Rules and the issue of Residential Qualification in Public Employment

5.2.01 The Mulki Rules ("Rules"), 1919-1959:

The Mulki Rules formed part of the Hyderabad Civil Service Regulations promulgated in obedience to the Nizam's Firman, dated 25th Ramzan 1337 H (corresponding to the year 1919). In the Urdu language, "Mulki" means a nation and the residents are referred to as "Mulki". The Mulki Rules prescribed the policy to protect the interest of the "residents" with respect to public employment. As per Appendix-N of Article 39 of these Rules,¹ a person could be called a Mulki, if:

- * By birth he was a subject of the Hyderabad State, or
- * By residence in the Hyderabad state, he had been entitled to be a Mulki, or
- * His father having completed 15 years of service was in the Government service at the time of his birth, or
- * She was the wife of a person who was a Mulki.

5.2.02 A person was considered a subject of the Hyderabad state by birth if at the time of his birth his father was a Mulki.

5.2.03 The other additional criteria whereby a person could be considered as a Mulki were as follows:

- * A person could be called a Mulki if he was a permanent resident of the Hyderabad state for at least 15 years and had abandoned the idea of returning to the place of his residence and had obtained an affidavit to that effect on a prescribed form attested by a Magistrate.
- * If a Mulki woman married a non-Mulki but continued to reside in the Hyderabad state, her rights by virtue of being a Mulki remained unaffected.

1. Appendix N of Article 39.

- * If a Mulki woman after her marriage to a non-Mulki resided outside the Hyderabad state but after her husband's death or after seeking divorce she came back to reside in the Hyderabad state, then she would be considered a Mulki. However, her children would continue to be non-Mulkis unless otherwise permissible under the Rules.

5.2.04 The Taluqdars of the concerned districts were authorized to issue the Mulki certificate. An applicant could apply for a certificate in a prescribed form along with a declaration on oath that the facts stated in the application were true and correct. An applicant was required to address certain questions, some of which were as follows:²

- * Where was the applicant born?
- * Where was he residing prior to his residing in the Hyderabad State?
- * Place of birth and nationality of his father and grandfather.
- * Place of education of the applicant's father.
- * Where was the father of the applicant residing at the time of the applicant's birth and after completing his 21st year?

5.2.05 If any of the facts stated in the application were found to be false or wrong, action could be taken against the applicant that included - (a) cancellation of the Mulki certificate; and (b) cancellation of the Mulki certificates of the father or the husband of such a person. A Mulki certificate could also be cancelled if it was found that the holder of the certificate was disloyal to HEH the Nizam, or to the Hyderabad Government, or was directly or indirectly connected with political activities detrimental to the interest of the Hyderabad Government.³

The original Mulki Rules, therefore, were akin to Nationality rules and were designed to benefit the original/long residing residents of the area by combining three separate criteria - birth, descent and long residence (15 Years). In November 1949, the Nizam, by another Firman, confirmed the provisions relating to the Mulki Rules for purposes of appointment to posts under the Government.

5.2.06 Various Laws Enacted to Replace the Mulki Rules

The Constitution of India came into force on January 26, 1950. The Constituent Assembly, while guaranteeing fundamental rights in the matter of employment under the State, took notice of the disparity in the development of various states/ regions and felt it imperative to continue protection in the matter of employment afforded on the basis of residence within the state through any law which was in force immediately before the commencement of the Constitution. Article 35(b) of the Constitution provides for the continuance of such laws. It follows, therefore, that the Mulki Rules which prescribed requirements as to residence in matters of public employment within the whole of Hyderabad state were saved and continued in force by Article 35(b). Thereafter, the Government of Hyderabad made attempts to safeguard and apply the Mulki Rules in the state of Hyderabad by suitably adapting/ amending them, so that they were in conformity with the requirements of Article 35(b). An explanation, as stated below, was inserted in the Appendix N of the Hyderabad Civil Service Regulations.

Explanation: the above Mulki Rules shall be read in conjunction with the clarifications contained

2. Rule 7 of Appendix N of Article 39

3. Rule 9 of Appendix N of Article 39

in the following circular letters and Notification issued by the Government of Hyderabad in the General Administration Department.

5.2.07 One of the Circular Letters dated June 14, 1950 Briefly Stated

"...Government is now advised that the Mulki Rules are save(d) to the extent of their inconsistency with the Constitution of India saved by Clause (b) of Article 35. It is, therefore, necessary to put out of operation the requirements laid down by the Mulki Rules to the extent that they prescribe qualifications regarding *Birth and Descent...*"

Another circular dated September 18, 1951, stated that the Government had decided that "the period of Fifteen Years Residence prescribed in the existing Mulki Rules should be 'continuous' with the proviso that periods spent outside the State for educational or medical purposes will not count as a 'break' in this period of 15 years, where permanent residence has been and continues to be in Hyderabad State."

5.2.08 Thus, the adapted/ amended Mulki Rules now did not have the birth and descent criteria and had the sole criterion of 15 years of continuous residence in the state of Hyderabad.

5.2.09 In 1955, the Rajpramukh of Hyderabad framed the Hyderabad General Recruitment Rules, in supersession of all previous rules and orders on the subject of prescribing, inter alia, requirement as to residence for the purpose of employment under the state Government.

5.2.10 These rules were made under the proviso to Article 309 of the Constitution and were issued by Notification No. 279/GAD/19/G.S.R.C/52, dated 9.11.55. These rules reiterated the 15 years residence qualification for being eligible for appointment to a post under the state and Schedule

3 of the rules merely reproduced the rules contained in Appendix N of the Hyderabad Civil Service Regulations. Did these General Recruitment Rules supersede the Mulki Rules? The Mulki Rules were saved and continued by Article 35(b) of the Constitution when it came into force. In view of the fact that the Mulki Rules could have been altered, modified or repealed only by Parliament and not by any legislative authority of the State, any amendment or alteration made by any state legislative authority would be ineffective. Thus, the rules made by the Rajpramukh in 1955, although made under the proviso to Article 309, cannot be said to have been validly made. The Mulki Rules, therefore, continued as they were.

5.2.11 At this point, the States Reorganisation Act came into force, and on 1.11.1956, the state of Andhra Pradesh came into existence with the Telangana region included in the new state. Section 119 of the States Reorganisation Act provided that, any law in force immediately before the new states came into existence continued to remain in force with respect to the territories to which it applied. The effect of this provision was that, the Mulki Rules continued to be in force in all three linguistic parts which went to three different states because they were territories of the former Hyderabad state. However, even in the absence of Section 119, the Mulki Rules would have continued by force of Article 35(b) of the Constitution. For our purposes, it is sufficient to understand that the Mulki Rules continued to be in operation after the state of Andhra Pradesh came into existence on 1.11.1956.

5.3 The States Reorganisation Commission (SRC)

5.3.01 The state of Hyderabad remained a separate state within the Union of India between 1948 and 1956 and, therefore, the issue of reservation for the residents of the state in the matter of public

employment was an internal policy matter of the state during this period. However, the issue had already become a contentious one by the first Mulki agitation which took place in 1952-53, against non-Mulkis from Madras Presidency. It further assumed the shape of a regional issue when the States Reorganisation Commission (SRC) started actively debating the various options relating to the reorganisation of the Telangana region and the formation of the SRC, and this debate provided fresh impetus to the demand of the coastal Andhra people for the creation of Vishalandhra.⁴

5.3.02 In their quest for Vishalandhra, the Andhra leaders were prepared to guarantee safeguards to protect the interests of Telangana. The Congress High Command arranged a meeting of the leaders of the two regions in Delhi on February 20, 1956. The meeting resulted in an agreement over the formation of Vishalandhra by providing certain safeguards to Telangana. This agreement, which paved the way for the formation of the unified state of Andhra Pradesh on November 1, 1956, is popularly known as the "Gentlemen's Agreement".

5.4 The Gentlemen's Agreement, 1956

5.4.01 The Gentlemen's agreement of Andhra Pradesh (1956) was signed between Telangana and Andhra leaders before the formation of the state of Andhra Pradesh in 1956. The agreement provided safeguards with the purpose of preventing discrimination against Telangana. It was meant to give assurances to the people of the Telangana region in terms of power sharing, domicile rules for reservation in public employment, education and distribution of expenses of various regions.

5.4.02 For a temporary period of 5 years, the Telangana region was to be considered as a unit for recruitment to subordinate services. The positions were to be reserved for those people who satisfied the domicile conditions specified in the Mulki Rules.⁵ The Gentlemen's Agreement was agreed upon by the senior leaders of both the regions with a view to allay the fears of the people of the Telangana region and to reserve for them the benefit of securing employment on the basis of their residence. A temporary provision of five years was made, whereby the Telangana region was to be considered as a unit, as far as recruitment to subordinate services was concerned. This was reserved for people who could satisfy the domicile conditions (Mulki Rules) enshrined in the already existing Hyderabad Civil Service Regulations.

5.5 The Gentlemen's Agreement and the Amendment to the Constitution

5.5.01 At this stage it must be mentioned that, the Government of India played a positive role in giving statutory recognition to some of the terms of the Agreement. The Parliament gave statutory recognition to the terms of the Gentlemen's Agreement by making the necessary Constitutional amendment in Article 371 of the Constitution. The Constitution (Seventh Amendment) Act, 1956, inter alia, substituted a new Article 371, the relevant part of which reads:

5.6 Article 371: Special Provision with Respect to the States of Andhra Pradesh, Punjab and Bombay

5.6.01 *(1) Notwithstanding anything in this Constitution, the President may, by order made with respect to the State of Andhra Pradesh.....provide for the constitution and functions of regional committees of the Legislative*

4. *Ibid*; please refer to Chapter-1 for detailed discussion in this respect.

5 *Ibid*; please refer to Chapter-1 for detailed discussion in this respect.

Assembly of the State, for the modifications to be made in the rules of business of the Government and in the rules of procedure of the Legislative Assembly of the State and for any special responsibility of the Governor in order to secure the proper functioning of the regional committees.

5.7 The Public Employment (Requirement as to Residence) Act, 1957 and Rules Thereunder

5.7.01 The Government of India also enacted the Public Employment (Requirement as to Residence) Act, 1957 and the Public Employment (Requirement as to Residence) Rules, 1959, in pursuance of Article(s) 16(3) and 35(a) of the Constitution - Special provisions for requirement as to residence in regard to certain classes of public employment in certain areas and to repeal existing laws prescribing any such requirement.⁶

5.8 Articles 16 and 35 of the Constitution and the Public Employment (Requirement as to Residence) Act, 1957

5.8.01 Article 16 of the Constitution of India (as stated herein below) provides for equality of opportunity for all citizens in the matters of employment or appointment to any office under the State.⁷ Sub-clause (2) of the Article specifically prohibits any discrimination on the grounds of sex, religion, race, caste, descent, place of birth, residence or any of them. The primary intention of the lawmakers was to make every office or employment open and available to every citizen of India and also, to make offices or employment in one part of India open to citizens in all other parts of India. However, sub-clause (3) then makes an exception. This clause enables Parliament to make a law in a special case prescribing any requirement as to residence within a state or

Union Territory, as a pre-condition of employment in that state or Union Territory, prior to such employment or appointment.

5.9 Article 16 - Equality of Opportunity in Matters of Public Employment

- 1. There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State.*
- 2. No citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.*
- 3. Nothing in this article shall prevent Parliament from making any law prescribing, in regard to a class or classes of employment or appointment to an office under the Government of, or any local or other authority within, a State or Union territory, any requirement as to residence within that State or Union territory prior to such employment or appointment..."*

5.9.01 Article 35 (a) of the Constitution confers the power to create residential qualification for employment exclusively upon the Parliament and denies it to the Legislatures of the states. In exercise of the powers conferred upon Parliament by virtue of Article(s) 16(3) and 35(a) of the Constitution, the Public Employment (Requirement as to Residence) Act, 1957, and the Public Employment (Requirement as to Residence) Rules, 1959 (hereinafter, collectively referred to as the "Act"), were enacted. The Act (and the Rules) came into force on March 21, 1959. The Act provided for special provisions for requirement as to residence in regard to certain classes of public employment in certain areas and to repeal the existing laws prescribing any such

⁶ *ibid*; discussed under Chapter-1.

⁷ Definition of "State" as per Article 12 of the Constitution.

requirement. The relevant sections of the Act are section(s) 2 and 3 which are reproduced as follows:

5.10 Repeal of Existing Laws Prescribing Requirements as to Residence

Upon the commencement of this Act, any law then in force in any State or Union territory by virtue of clause (b) of article 35 of the Constitution prescribing, in regard to a class or classes of employment or appointment to an office under the Government of, or any local or other authority within, that State or Union territory, any requirement as to residence therein prior to such employment or appointment shall cease to have effect and is hereby repealed.

5.11 Power to make Rules in Respect of Certain Classes of Public Employment in Certain Areas

(1) The Central Government may, by notification in the Official Gazette, make rules prescribing, in regard to appointments to-

(a) Any subordinate service or post under the State Government of Andhra Pradesh, or

(b) Any subordinate service or post under the control of the Administrator of Himachal Pradesh, Manipur or Tripura, or

(c) Any service or post under a local authority (other than a cantonment board) within the Telangana area of Andhra Pradesh or within the Union territory of Himachal Pradesh, Manipur or Tripura,

Any requirement as to residence within the Telangana area or the said Union territory, as the case may be, prior to such appointment.

(2) In this section.-

(a) "Subordinate service or post" means any service or post appointments to which are not notified in the Official Gazette but includes any service of Tehsildars;

(b) "Telangana area" comprises all the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956(37 of 1956).

5.11.01 Section 2 and Section 3 of the Act, in their combined operation, had, in a way, a complex effect. It is not mentioned in the Act specifically but Section 2 of the Act had the effect of repealing the Mulki Rules that were in operation due to Article 35(b) of the Constitution. When the Act came into force in March, 1959, Mulki Rules got automatically repealed. However, Section 3 of the Act (along with Rule 3 of the Rules) brought back the same requirement as to residence (of 15 years) that was enshrined in the Mulki Rules. Section 3 and all rules made thereunder were to remain in operation for 15 years, that is, till March, 1974. However, Section 3 [along with Rule 3 of the Public Employment (Requirement as to Residence) Rules, 1959] and section 2 of the Public Employment (Requirement as to Residence) Act, 1957, later became the subject matters of two judgments by the Andhra Pradesh High Court (Full Benches) and two judgments by the Supreme Court of India, between the years 1969 and 1972. These issues may have provided impetus to two opposing political agitations, namely the "Telangana" agitation of 1969 and the "Jai Andhra" agitation of 1972.

5.12 Consultation with Department of Personnel & Training

5.12.01 The Committee also consulted the Department of Personnel & Training, Ministry of Personnel, Public Grievances and Pensions, New Delhi on this subject and was informed of the status vide D.O. letter No. 28020/1/2010- Estt.(C) dated 21.9.2010 as under :-

"2. In this regard, Art.16(1) & (2) of the Constitution of India provides that there shall be equality of opportunity for all citizens in

matters relating to employment or appointment to any office under the State and that no citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.

3. As far as DOP&T is concerned, it has been provided in this Department's resolution No. 15014/3(S)/76-Estt (B) dated 01.03.1977 that a candidate for appointment to any Central Service or post must be (a) a citizen of India or (b) a subject of Nepal or Bhutan or (c) a Tibetan refugee who came over to India before 1.1.1962 with the intention of permanently settling in India or (d) a person of Indian origin who has migrated from Pakistan, Burma, Sri Lanka, East African countries with the intention of permanently settling in India. Provided further that a candidate belonging to categories (b) to (d) shall be a person in whose favour a certificate of eligibility has been issued by the Government of India. The candidates belonging to these categories will not be eligible for appointment to the Indian Foreign Service. Further, a candidate in whose case a certificate of eligibility is necessary may be admitted to an examination or interview conducted by the UPSC or other recruiting authority but the offer of appointment may be given only after necessary eligibility certificate has been issued to him by the Government of India.

4. So far as state governments are concerned, there are no instructions issued by DOP&T on the subject. The same would be governed by the Constitutional provisions and the various judgments of the Apex Court etc. interpreting these provisions".

5.13 The Eight-Point Programme of 1969

5.13.01 The 8-Point Programme proposed to develop education and employment opportunities in the Telangana region and constitute plan implementation committees including a high powered Telangana Development Committee under the chairmanship of the Chief Minister to periodically review the Telangana development programme. Point VI of the Programme, which is relevant here, stated- *"The possibility of providing for appropriate Constitutional safeguards in the matter of public employment in favour of people belonging to the Telangana region will be examined by the Government of India in consultation with a committee of Jurists."*⁸ In consonance with this announcement, the Centre announced the appointment of two Committees:

- * Committee of jurists under former Justice K.N. Wanchoo to suggest measures for providing Constitutional safeguards for the people of the Telangana region in the matter of public employment; and
- * Committee under Justice Bhargava to assess the revenue surpluses of Telangana. However, the 8-Point Programme found no takers and receded into oblivion, without being implemented. The agitation continued for sometime causing disruption in the state. However, normalcy gradually returned to the state as the agitation lost momentum.

5.14 The Five-Point Formula of 1972

5.14.01 After the failure of the 8-Point Programme, the Government proposed the 5- Point Formula of 1972. The key points of this formula with respect to reservation in public employment were:

- * The residential qualification in the Mulki Rules will apply only for the purposes of recruitment to non-gazetted posts and posts of Tehsildars and Civil Assistant Surgeons in the Telangana region. It will also apply to

such posts that were non-gazetted on November 1, 1956, but have since been made gazetted. However, in the case of composite offices such as Secretariat, the offices of the Heads of Departments and common institutions of the state Government, these rules will apply for filling the second vacancy in every unit of three direct recruitment vacancies in the non-gazetted posts.

- * In order to provide adequate avenues of promotion to the Government employees working in each of the two regions, various service cadres to be regionalized up to the first or second gazetted level. However, this formula did not find support and was soon given up. 8 Point VI of the 8-Point Formula

5.15 The "Telangana Movement"

5.15.01 The requirement as to residence for securing public employment in the Telangana region, put in place by the Public Employment (Requirement as to Residence) Act, 1957, was perceived as ineffectual. People from Telangana alleged that the terms of the Gentlemen's Agreement and the Public Employment (Requirement as to Residence) Act, 1957, were flouted by the state government. One of the main causes of their dissatisfaction was that a large number of persons from the Andhra region were appointed to posts in Telangana on the pretext that qualified personnel from Telangana were not available. It was also alleged that surplus funds collected, in the form of taxes, from the Telangana region were utilized for the development of the Andhra region. This led to the political agitation of 1968-69 called the "Telangana Movement". Although the movement was started by the students of the Osmania University, soon enough it spread to other regions too. Government employees and opposition members of the state Legislative Assembly threatened to support the students by observing strikes. There were protests all over the region and people from all walks of life joined the

movement. On January 22, 1969, the agitation became extremely violent resulting in huge damage to public property. In order to diffuse the situation, the state government announced that Andhra personnel in the Telangana region would be repatriated by February 28, 1969. However, this effort of the government failed to generate the desired results as it was challenged before the Supreme Court. The demand for a separate Telangana state gained further momentum.

5.15.02 At the time when the "Telangana Movement" was at its peak, the leaders of all the political parties in the Andhra Pradesh State Legislative Assembly met on January 19, 1969 and agreed to implement the "Telangana Safeguards" which were as follows:

- * All non-domicile persons, who have been appointed either directly, by promotion or by transfer to posts reserved under the Andhra Pradesh Public Employment (Requirement to Residence) Rules, 1959, for domiciles of Telangana region will be immediately relieved from service. The posts so rendered vacant will be filled by qualified candidates possessing domicile qualifications and in cases where such candidates are not available the posts shall be left unfilled till qualified domicile candidates become available. Action on the above lines will be taken immediately.
- * All non-domicile employees so relieved shall be provided employment in the Andhra region without break in service and by creating supernumerary posts, if necessary.

5.16 The Judiciary and the Public Employment (Requirement as to Residence) Act, 1957

5.16.01 In order to give effect to the above safeguards, the Government of Andhra Pradesh

passed an order⁹ on January 21, 1969, whereby all non-domicile persons appointed on or after November 1, 1956, to certain categories of posts reserved for the domiciles of Telangana under the Andhra Pradesh Public Employment (Requirement as to Residence) Rules, 1959, were to be relieved before February 28, 1969. All the affected persons were to be employed in the Andhra region without break in service by creating supernumerary posts, if necessary. These supernumerary posts were to be treated as a temporary addition to the strength of the office concerned and were to be adjusted against future vacancies in corresponding posts as they arose. This action of the state Government was based upon Section 3 of the Public Employment (Requirement as to Residence) Act, 1957.¹⁰ The order of the state Government, dated January 21, 1969, was challenged by a few persons¹¹ employed between December 27, 1956, and July 4, 1968, in the ministerial services of the Andhra Pradesh Government and working in various offices located in the cities of Hyderabad and Secunderabad.

5.16.02 The petitioners filed a writ petition in the Supreme Court challenging the Act, the Rules and the proposed action of the state Government as ultra vires of the Constitution. The Supreme Court, after analysing the relevant provisions of the Constitution and the Act, granted injunction on the Andhra Government order of relieving non-domicile employees employed in the Telangana region by February 28, 1969, and further declared that Section 3 of the Public Employment (Requirement as to Residence) Act, 1957, in so far as it related to Telangana and Rule 3 of the Rules under it were ultra vires of the Constitution. The Supreme Court based its judgment on the argument that the Parliament, in exercise of its powers under Article(s) 35(a) and

16(3) of the Constitution, could make laws with regard to residential qualifications for the whole "state" but not for "parts" of the state.

5.16.03 The Supreme Court order, dated 28.03.1969, brought to a premature end to Section 3 of the Public Employment (Requirement as to Residence) Act, 1957, in so far as it related to Telangana, and Rule 3 of the Rules, which would have otherwise continued till March, 1974. It is pertinent to note that at this point in time, there existed no constitutional/legal safeguards for the residents of the Telangana region in the matter of reservation in public employment. Section 2 of the Act had automatically repealed the Mulki Rules in March, 1959, when the Act had come into operation. Now, the requirement as to residence, put in place by Section 3 of the Act and Rule 3 of the Rules, had also been extinguished by the judgment of the Supreme Court.

5.17 Revival of Mulki Rules

5.17.01 The Supreme Court order, dated 28.03.1969, which declared Section 3 of the Public Employment (Requirement as to Residence) Act, 1957, and Rule 3 of the Rules as ultra vires, extinguished the 15 years requirement as to residence. The Mulki Rules already stood repealed as a result of the operation of Section 2 of the Public Employment (Requirement as to Residence) Act, 1957, since March 1959. So, did it mean that no safeguard (of residential qualification) existed for the people of the Telangana region? This issue first became the subject matter of a number of writ petitions in the Andhra Pradesh High Court and was later raised in the Supreme Court. Interestingly, two Full Benches of the Andhra Pradesh High Court reached different conclusions in their respective orders, which might have created some uncertainty at that time. Finally, the Supreme Court settled the issue

9. G.O.Ms.36, G.A. (SR) Dept.

10. As discussed previously in this Chapter.

11. A.V.S. Narasimha Rao and Others v. the State of Andhra Pradesh, AIR 1970 SC 422.

in its order dated 03.10.1972. The first Full Bench High Court order, delivered on 09.12.1970, in the case of *P. Lakshmana Rao Vs. State of Andhra Pradesh* and others, described the issues very clearly thus: "In all these Writ Petitions, two questions of some importance are raised. The first question is whether as a result of the Supreme Court decision in *A.V.S.N. Rao v. State of Andhra Pradesh*, striking down Section 3 and Rule 3 made thereunder as unconstitutional, Section 2 of the Public Employment Requirement as to Residence) Act, 1957, survives and consequently the Mulki Rules which were repealed by virtue of Section 2 continue to be repealed. Secondly, if Section 2 of the Public Employment Act is found not to be surviving after Section 3 has been found to be void, whether Mulki Rules ceased to be effective after the formation of the Andhra Pradesh State on 1.11.1956 or thereafter".

5.17.02 The Full Bench judgment argued that Parliament would not have ever intended to enact Section 2 alone. It was difficult to hold, the judgment noted, that Parliament could have merely intended to repeal the Mulki Rules without in any way replacing them by a re-enacted law. That was what was done when it enacted the Public Employment Act. The Full Bench said that all the sections of the Act were clearly dependent on each other and that the valid part of the Act, i.e., Section 2 could not be separated from the invalid part of the Act, i.e., Section 3. The Act as a whole, therefore, had to be necessarily held invalid. Thus, what the High Court held was that Section 2 of the Act was also invalid and in the absence of Section 2, the Mulki Rules would be deemed to have been not repealed and would continue to be in force as if the Public Employment Act had not been enacted at all. In addition, while confirming that the Mulki Rules were saved by Article 35(b) when the Constitution of India

took effect, the High Court also held that the Mulki Rules continued to be in force after 1.11.1956 (the formation of the state of Andhra Pradesh), by virtue of Section 119¹² of the States Re-organisation Act.

5.17.03 The same issues came up before the Andhra Pradesh High Court in Writ Appeal No. 633 of 1970. This time the Full Bench of the High Court, in its order dated February 18, 1972, differed from the view taken by the Full Bench in *P. Lakshmana Rao Vs. State of Andhra Pradesh*. This Full Bench, by majority, held that "the Mulki Rules are not valid and operative after the formation of the State of Andhra Pradesh. In any event, they do not revive and cannot be deemed to be valid and operative in view of the decision of the Supreme Court in *A.V.S. Narsimha Rao's* case. The Full Bench decision in *P. Lakshmana Rao's* case is thus overruled." This judgment of the High Court came as a shock to the people of the Telangana region. There was outrage in the state that compelled the state government to prefer an appeal in the Supreme Court against the ruling of the Andhra Pradesh High Court. The Supreme Court in Civil Appeal No. 993 of 1972 in the matter of *"Director of Industries & Commerce, Government of Andhra Pradesh, Hyderabad and Another v. V. Venkata Reddy and Others"*¹³ examined the relevant provisions of the Constitution and the Public Employment (Requirement as to Residence) Act, 1957, and reached exactly the same conclusions as those reached by the High Court Full Bench in *P. Lakshmana Rao's* case.

12. Territorial extent of laws. The provisions of Part II shall not be deemed to have effected any change in the territories to which any law in force immediately before the appointed day extends or applies, and territorial references in any such law to an existing State shall, until otherwise provided by a competent Legislature or other competent authority, be construed as meaning the territories within that State immediately before the appointed day.

13. AIR 1973 SC 827

5.17.04 The Supreme Court set aside the judgment of the High Court Full Bench dated February 18, 1972, and held that Section 2 of the Public Employment (Requirement as to Residence) Act, 1957, was also bad in so far as it dealt with the Telangana region. By holding Section 2 of the Act (which had the effect of repealing the Mulki Rules) as bad, the Supreme Court, in effect, held that the Mulki Rules were valid and continued to be in force even after the enactment of the Public Employment (Requirement as to Residence) Act, 1957. However, the Apex Court did not delve into the "interpretation and applicability" of the Mulki Rules, as these questions were not raised before it.

5.18 The Mulki Rules Act, 1972

5.18.01 After the Supreme Court judgment validating the continuance of the Mulki Rules, there was political crisis in the state and the people of the Andhra region started agitating against the Mulki Rules. The residential qualification of 15 years of residence in the Telangana region for securing public employment in that region had always existed, first through the Mulki Rules (as adapted/ amended in 1950) and thereafter through the Public Employment (Requirement as to Residence) Act, 1957.

5.18.02 The Supreme Court order, dated 3.10.1972, merely re-introduced the same 15 years residential qualification (by reviving the Mulki Rules) that had been extinguished by the Supreme Court order dated 28.03.1969 (by declaring Section 3 of the Public Employment Act ultra vires).

5.18.03 The Mulki Rules Act received the President's assent on December 30, 1972, and provided for: (a) amendments to the Mulki Rules to limit their operations; (b) validation of certain appointments; and (c) repeal of the said Rules in a phased manner. Sections 3(1) and (2) limited

the applicability of the Mulki Rules, from retrospective effect (1.11.1956) to certain specified posts only. Section 6 laid down that Mulki Rules shall continue in the twin cities of Hyderabad-Secunderabad till 31.12.1977. Section 7 laid down that the Mulki Rules shall continue in the Telangana area, excluding the twin cities, till 31.12.1980. However, the most vital sections of the Act are Section 3(3) and Section 4. Section 3(3) says that, during the period 1.11.1956 to 30.12.1972, if any appointments were made to the non-specified posts in violation of the Mulki Rules, then such appointments will not be deemed to be illegal or void. Further, Section 4 says that during the period 1.11.1956 to 30.12.1972, the applicability of the Mulki Rules, even to the specified posts, will be deemed to be only directional in nature, and not mandatory. Therefore, any appointments made, between 1.11.1956 and 30.12.1972, in violation of the Mulki Rules, even to the specified posts will not be deemed to be illegal or void. This aspect of the Act has been discussed later.

5.19 The "Jai Andhra" Movement of 1972

5.19.01 The Mulki Rules Act, 1972, did not meet the expectations of the people of Andhra region and they wanted its immediate abolition. They felt that the only way to safeguard their dignity was by severing their ties with Telangana by demanding a separate Andhra state. The resultant political agitation is known as the "Jai Andhra" Movement. The agitation was a sequel to the Telangana agitation which demanded that only "Mulkis" should be appointed to the posts in Telangana including the Hyderabad city.

5.19.02 The people of the Andhra region felt that they were reduced to the status of second class citizens in their own state capital. They felt that the only way to uphold their dignity was by severing their connection with Telangana and started a movement for the separation of Andhra region from Andhra Pradesh.

5.19.03 As the agitation continued, President's rule was imposed in the state on the 10th of January, 1973. Finally, a political settlement was arrived at, under the aegis of the Central Government. A "Six-Point Formula" was agreed upon by the leaders of the two regions, to prevent any recurrence of such agitations in future. The "Six-Point Formula" (SPF) included: (1) the abolition of Mulki Rules and the Telangana Regional Committee, and (2) the establishment of a Central University at Hyderabad to augment educational facilities.

5.19.04 On December 10, 1973, President's rule in the state was revoked and a popular Ministry, with Sri Jalagam Vengala Rao as the Chief Minister, was inducted. With this, normalcy returned and the state enjoyed political stability.

5.19.05 In the General Elections held in February, 1978, for the A.P. Legislative Assembly, the Congress Party swept the polls and Dr. M. Channa Reddy became the sixth Chief Minister of A.P. on the 6th of March, 1978. He announced that, separate Telangana was no longer an issue. Owing to some factional squabbles in the party, Dr. Channa Reddy resigned in October, 1980, and was succeeded by T. Anjaiah, who remained in office only for one year and four months. In February, 1982, he was replaced by Sri Bhavanam Venkataraman, who in turn was replaced by Sri K. Vijaya Bhaskara Reddy in September, 1982. Thus, Andhra Pradesh was administered by four Chief Ministers in four years. (For later political history please refer to Chapter-1).

5.20 The Six Point Formula

5.20.01 The SPF was accepted by the Andhra Congress Action Committee on October 1, 1973, and it gave up its demand for a separate state of Andhra. The key six points were as follows:

- * Constitution of a Planning Board at state level as well as Sub-Committees for different backward areas;
- * Preference to local candidates in admission to educational institutions and establishment of a new Central University in Hyderabad;
- * Preference to specified extent to local candidates in direct recruitment to specified posts under the state government and organization of local cadres;
- * Constitution of Administrative Tribunal;
- * Amendment of the Constitution to confer enabling powers on the President; and
- * The above approach would render the continuance of the Mulki Rules and the Regional Committee unnecessary.¹⁴

5.20.02 Point number 5 resulted in the Constitution (Thirty Second Amendment) Act, 1973, under which the Andhra Pradesh Public Employment (Organization of Local Cadres and Regulation of Direct Recruitment) Order, more commonly known as the Presidential Order, was issued as G.S.R. 524 (E) dated October 18, 1975.

5.20.03 Point number 3 in the SPF formed the basis of the contents of the Presidential Order. In regard to public employment, the basic approach of the SPF was that, people from different areas should have equitable employment and career prospects. The concepts of local candidates and local areas were considered to be interrelated because the SPF proposed to identify local candidates with reference to a local area.

5.20.04 In order to specify a local area, a district was to be construed as the lowest level. The SPF aimed to divide the state into five or six divisions with the twin cities of Hyderabad and Secunderabad, including the cantonment, being constituted into a separate division. The definition of

14. *Ibid*; discussed in detail under Chapter-1.

a local candidate was proposed to be linked either with the area of residence of a person or the area where the person had studied to attain the qualification that qualified him for the relevant post.

5.21 The Mulki Rules Repeal Act, 1973

5.21.01 As agreed by political leaders under the SPF, the Mulki Rules Act, 1972, was repealed by the Mulki Rules Repeal Act, 1973, which received the President's assent on December 28, 1973. This finally led to the demise of the Mulki Rules.

5.22 The Constitution (Thirty-Second Amendment) Act, 1973

5.22.01 In order to provide a valid constitutional basis to the SPF, the Constitution was amended by enacting the Constitution (Thirty-Second Amendment) Act, 1973, which became effective from July 1, 1974. The Amendment Act:

(a) Amended Article 371 of the Constitution by deleting clause (1) of Article 371. It may be remembered here that clause (1) of Article 371 had been added by the Constitution (Seventh Amendment) Act, 1957, to provide for the constitution of the Telangana Regional Committee, after the Gentlemen's Agreement of 1956. Having reached an understanding that the Regional Committee was no longer necessary, this clause was now deleted.

(b) Inserted a new article 371-D incorporating the other points of the Six Point Formula.

5.23 Article 371-D of the Constitution

5.23.01 Article 371-D contains ten clauses. Clause (1) empowers the President to issue order(s) providing for equitable opportunities and facilities for people belonging to different parts of the state of Andhra Pradesh with respect to matters relating to public employment and education. Clause (2) lays down the aspects that may form the content of the Order(s) issued under clause (1). Clauses (3) to (9) deal with matters relating to the constitution and functioning of an Administrative Tribunal. However, clause (9) is the most important clause of this article. It provides immunity to any appointment, posting, promotion or transfer made in violation of any law, then in force, providing for any requirement as to residence (read Mulki Rules) in respect of such appointment, posting, promotion or transfer.

5.24 Presidential Order

5.24.01 Pursuant to the insertion of the Article 371-D in the Constitution, the Government of India issued "the Andhra Pradesh Public Employment (Organization of Local Cadres and Regulation of Direct Recruitment) Order, 1975" ("Presidential Order"), which was initially issued by Government of India Notification No. G.S.R. 524(E), dated October 18, 1975. The Presidential Order was reproduced by the Government of Andhra Pradesh vide G.O. Ms. No. 674 of October 20, 1975, and came into force at once.

5.24.02 The Presidential Order divided the state of Andhra Pradesh into six zones for the purposes of implementing the rules of employment in local areas.¹⁵ The six zones are as follows:

15. Second Schedule of G.O.Ms. 674, dated October 20, 1975.

Zones	Local Area
(1)	(2)
Zone I	Srikakulam, Vizianagaram (1st June, 1979) and Visakhapatnam Districts
Zone II	East Godavari, West Godavari and Krishna Districts
Zone III	Guntur, Prakasam and Nellore Districts
Zone IV	Chittoor, Cuddapah, Ananthapur and Kurnool Districts
Zone V	Adilabad, Karimnagar, Warangal and Khammam Districts
Zone VI	Hyderabad, Rangareddy (15th August, 1978) Nizamabad, Mahboobnagar, Medak and Nalgonda Districts

5.24.03 Additionally, the Presidential Order also declared the city of Hyderabad as a local area for certain specified posts. Essentially, the Presidential Order provided the procedures for:

- * Organization of local cadres comprising Government posts in different part of the state¹⁶ - the state government was required to organize within 27 months from the date of commencement of the Presidential Order, classes of posts in the civil services of and classes of civil posts under the state into local cadres for different parts of the state to the extent provided in the Order;
- * Principles and procedures for allotment of persons to different local cadres;¹⁷
- * Local cadre and transfer of persons from one local cadre to another and also from any local cadre to any office or establishment to which the Presidential Order does not apply or vice-versa;¹⁸
- * Specification of local areas relatable to each such local cadre;¹⁹
- * Specification of who should be considered a local candidate in relation to each local area;²⁰ and

* Reservations with respect to direct recruitment in favour of local candidates of the local area relatable to such cadre.²¹

5.24.04 The Primary Features of the Presidential Order are as Follows:

- * It primarily applies to all non-gazetted categories, unless specifically exempted. However, it also applies to certain specific gazetted categories.
- * It specifically excludes from its ambit, the posts in the Secretariat, offices of Heads of Departments, state level offices and institutions, major development projects and special offices or establishments and post of police officer as defined in Section 3(b) of the Hyderabad City Police Act.
- * The categories of posts were organized into different local cadres for different parts of the state as follows:
 - i. District cadres for the Lower Division Clerks and other categories of posts equivalent to or lower than it;
 - ii. Zonal cadres for the other non-gazetted categories and specified gazetted categories;

16. Section 3 (Organization of Local Cadres) of the Presidential Order.

17. Section 4 (Allotment of Persons) of the Presidential Order.

18. Section 5 (Local Cadres and Transfer of Persons) of the Presidential Order.

19. Section 6 (Local Areas) of the Presidential Order

20. Section 7 (local Candidate) of the Presidential Order.

21. Section 8 (Reservation in the matter of Direct Recruitment) of the Presidential Order.

iii. Separate cadres for the city of Hyderabad for certain posts in specified departments as notified in the notification no. GSR 528E;

iv. Provision made for creation of "multi-zonal cadres" by combining one or more zones, wherever considered necessary.

* The percentage of reservation in direct recruitment was based on the level of post and was as follows:

i. District cadre posts in the state Government and in local authorities, the scale of which does not exceed that of the Lower Division Clerk - 80%

ii. Zonal cadre posts under the state Government and in local authorities, the scale of which exceeds that of the Lower Division Clerk - 70%

iii. Local cadre posts in the categories of Tehsildars, Assistant Executive Engineers, Assistant Agricultural Officers, Police Inspectors, Motor Vehicle Inspectors and Civil Assistant Surgeons to be reserved for local candidates in relation to the local area in respect of such cadre - 60%

iv. Multi-zonal posts in favour of the local candidates: 60%/70%.

5.24.05 The Presidential Order required the state Government to constitute committees to advise on the allotment of persons to local cadres in respect of different departments and categories of posts. The state Government vide G.O.Ms. 784, dated November 24, 1975, constituted department-wise committees, consisting of four members, for advising on allotment of persons to local cadres for posts of different categories. The most critical aspect of the Presidential order is the definition of "local candidate" as given in Para 7 of the Order, specifying conditions for being considered for direct recruitment in relation to a local area.

5.25 The Government Orders Issued Post-Presidential Order: 1975 - 1985

5.25.01 Once the Presidential Order came into existence, a series of instructions were issued, outlining the procedures to be followed for implementing the provisions of the Presidential Order. The various orders issued related to:

1. Procedure to be followed for further recruitment;
2. Guidelines for making inter-local cadre transfer;
3. Definition of local candidate;
4. Manner of selection of local candidate;
5. Regulation of promotions;
6. Formation of allotment committees for allotment of existing government employees into different local cadres;
7. Disposal of representations against allotment;
8. Notified list of major development projects, special offices or establishments, state level offices or institutions, categories of posts for which separate cadres had to be organized for the city of Hyderabad and posts which would not be practicable or expedient to organize into local cadres.

5.26 The One Man (J.M. Girglani) Commission

5.26.01 Although the state Government issued the G.O. Ms. No. 610, it continued to receive representations regarding lapses in the implementation of the Six-Point Formula in so far as it related to public employment. The Government discussed the issue in an All Party Meeting on June 15, 2001, and decided to appoint a One Man Commission (Six Point Formula) under Sri J. M. Girglani, I.A.S. (Retd.) on June 25, 2001²² (the "Commission"). The Government of Andhra Pradesh requested the Commission to submit its

22. Refer G.O. Ms. No. 270, General Administration (SPF.A) Department.

preliminary report with respect to the implementation of G.O. Ms. No. 610 within a period of ninety (90) days. The G.O. Ms. No. 270, dated June 25, 2001, contained the terms of reference of this Commission whose tenure was fixed as one year. The terms of reference stated as follows:

"2. The Commission will receive representations from Associations/individuals where the injustice is done in the implementation of G.O.Ms. No. 610, General Administration (SPF.A) Department, dated 30-12-1985 and to sort out the anomalies. The Commission shall submit its report within 90 days.

3. The Commission will also take up further follow up action for the rectification of defects, anomalies and irregularities, if any, and arrive at estimates of deviation and anomalies from the Presidential Order, and also suggest remedial actions which would include a mechanism to ensure implementation and monitoring of Six Point Formula, during the subsequent period of its term."

5.26.02 A preliminary report that covered a very limited ground was submitted on October 6, 2001. However, the tenure of the Commission was extended for one more year on July 22, 2002, and again extended to September 30, 2004. The Commission submitted its final report on September 30, 2004, with 126 findings under 18 deviation genres and suggested 35 remedial measures.

5.26.03 Scheme of the Report

The Report, as submitted, is in three volumes. *Volume - I:* divided into two sections:

Section - A deals with report on implementation of the Presidential Order on Public Services, Part - 1 (Up to 30-09- 2003).

Section - B contains further and final report on implementation of G.O. Ms. No. 610, G.A.

(SPF-A) Department, dated 30-12-1985, in continuation of the preliminary report submitted within the stipulated period of 90 days, on 6-10-2001.

Volume - II Contains - Appendices, Annexures and Proceedings (relating to Volume I)

Volume - III Contains the report on implementation of the Presidential Order on Public Services, Part- 2 (From 01-10-2003 to 10-05- 2004).

5.26.04 Actions Suggested

The Commission received suggestions from various sources to overcome the shortcomings in the implementation of the Presidential Order and, after analyzing the sources of main deviations, suggested immediate and long term measures.

A. Immediate Measures

The Commission felt that the immediate implementation of certain measures would provide a proper impetus to further action on the final report, some of which are stated below:

- (1) To set right the maladies indicated under various "findings" before resuming the normal process of recruitments, promotions etc.;
- (2) To take immediate action for deletion of Para 14(e) of the Presidential Order and G.S.R. 525(E);
- (3) To appoint an appropriate Implementation and Monitoring body to initiate action on the report;
- (4) To provide appropriate exposure on the finer nuances and intricacies of the Presidential Order and the Commission's report to the people inducted in the Implementation and Monitoring body;
- (5) To issue immediate orders that Service Registers must depict the local status of the employees. Service Registers must record information about - local status and local cadre, name of district/zonal cadre to which

an employee was first appointed, and name of the educational institution in which the employee had studied for the last seven years.

B. Long Term Measures

- (1) To set up a "Committee of the House" to perform the vigilance role to see proper implementation of the recommendations of the report;
- (2) To create a "Sub-Committee of the Cabinet" to keep vigil at the political executive level;
- (3) To establish an "Implementation and Monitoring Authority (IMA)" to be headed by a person of stature and proper understanding of the Presidential Order and service matters. Everyone at the Authority must undergo intense training on the Presidential Order and the Commission's final report. The IMA would really be "a monitoring and vigilance body with very sensitive antennae, safeguarding the interests of local candidates and ensuring the implementation of the Presidential Order and this Report meticulously. It should particularly focus on the types of deviations that have been brought out in this Report under the various genres and findings." The IMA may receive representations regarding grievances related to the Presidential Order and dispose them off with recommendations to the Government. The IMA to submit its comprehensive report to the Cabinet Sub- Committee, as and when required.
- (4) Officers of the General Administration (SPF) Department must receive rigorous training on the Six- Point Formula including the Presidential Order, various reports, documents and the One Man Commission Report. The General Administration (SPF) Department was to act as a nodal department for the implementation of the Six-Point Formula and the two Presidential Orders.

- (5) To create a website for the Presidential Order where the final report, the guidelines book with latest amendments must be available. The website must be updated regularly to inform all the actions undertaken by the Government on the Commission's final report.

5.26.05 The Commission further suggested that any framework of safeguards would serve no purpose unless:

- (1) the fundamental safeguards (as stated above) are provided;
- (2) awareness and complete understanding of the Presidential Order is created amongst all levels of administration;
- (3) officials of the state government at high levels must be fully conversant with all the nuances of the Presidential Order and the fundamental and general rules closely connected with the Presidential Order;
- (4) there is a system of fixing responsibility and taking disciplinary action in case of deviations from the Presidential Order; and
- (5) the people, the political leaders, the employees and their unions clearly realize three basic truths that:
 - * the deviations from the Presidential Order have occurred in respect of all the district and zonal cadres, and are a cause of concern for the entire state;
 - * the suggested safeguards will be beneficial to the local candidates of the entire state in 23 districts and all the six zones;
 - * the Presidential Order, which is a part of the Six-Point Formula, is a delicate political settlement on which the integrity of the state is predicated. It should, therefore, transcend any narrow or individual interests and considerations.

5.26.06 Implementation of the Presidential Order and G.O. Ms. No. 610: the Commission's Opinion

It is important to understand as to what constitutes implementation of the Presidential Order and G.O. Ms. No. 610, according to the One Man Commission. The actual actionable points are the deviations from the Presidential Order, which the Commission has arranged under 18 genres. A look at the findings of the Commission would show that they are spread over the entire state and implementation of the remedial measures in respect of these findings is an integrated and holistic operation.

Attending to the 18 genres of deviations would, therefore, constitute the implementation of the Presidential Order. In Section-B of Volume-I, the Commission has described as to what would constitute the implementation of G.O. Ms. No. 610 in particular. Here, the Commission has stated that, if the Government takes action to repatriate the non-locals allotted to Zones V and VI, then it would lead to implementation of Para 5(1) of the G.O. Ms.No. 610. Actions on sub-para 7 to 13 (both inclusive) of Para 5 of G.O. Ms.No. 610 are either complete or do not arise. Sub-para 2 to 6 are part of the deviations from the Presidential Order, which can be corrected if the remedial actions, stated for 18 genres of deviations, are implemented.

Thus, according to the Commission, the following would constitute the combined implementation of the Presidential Order and the G.O.Ms. No. 610:

- (A) taking remedial actions on the 18 genres of deviations, and
- (B) identifying and repatriating the non-locals allotted to Zones V and VI after 18.10.1975.

5.26.07 Steps Taken to Accept the Commission's Report

Following steps were taken to accept the Commission's Report:

- * To examine the recommendations of the Commission, the Government of Andhra Pradesh constituted a "Group of Ministers (GoM)" vide G.O. Ms. No. 219, G.A. (MC) Department, dated August 10, 2004 and G.O.Ms. No. 328, dated 12.10.2004.
- * The Government constituted a Committee of Officers to consolidate the One Man Girglani Commission Report by obtaining proposals from the Secretariat and the Heads of Departments and to place their report before the GoM.²³
- * The Officers' Committee presented its report to the GoM. The GoM, after examining the report of the Officers Committee, submitted its own report to the Government with recommendations. The Government accepted the report of the GoM on the final report of the OMC (SPF) vide G.O .Ms. No. 72, dated 4.03.2006.
- * The said G.O. Ms. No. 72, was kept in abeyance as per G.O. Ms. No. 116, dated March 16, 2006.
- * The state Government, in a meeting held on August 7, 2006, reviewed the status position on the implementation of the recommendations of the One Man Commission and decided to appoint a Committee comprising a few officials to further examine the report of the OMC. The Committee was directed to submit its report within one week of the date of the Government Order.²⁴
- * The said Committee submitted its report on August 10, 2006.

23. G.O. Rt. 1878, G.A.(MC) Department; dated 12.04.2005

24. G.O. Rt. No. 4173, G.A.(MC) Dept., dated 07-08-2006.

- * The Government examined the entire issue and "decided to implement the G.O. Ms. No. 610, G.A. (SPF.A) Dept., dated 30-12-1985, strictly in letter and spirit in accordance with the Presidential Order, 1975, and keeping in view the recommendations/suggestions detailed in the Report of the One Man Commission (SPF)", vide G.O. Ms. No. 548, dated 4.10.2006.²⁵ Since then the Government has passed a series of orders to implement the One Man Commission (SPF) Report. The Andhra Pradesh Legislative Assembly also constituted a House Committee in the year 2003 to suggest necessary corrective measures for implementing the G.O. Ms. 610. The House Committee submitted two reports on March 17, 2003, and November 14, 2003, respectively. The recommendations of the House Committee primarily dealt with home, school education and revenue (excise) departments, which were implemented by the departments concerned. Another House Committee to monitor the implementation of G.O.Ms. No. 610 was constituted under the Chairmanship of Shri Uttam Kumar Reddy, MLA.
 - * Maintaining "Fair Share Principle" while making appointments on deputation/tenure/on other duty appointments in Heads of Departments/Department of Secretariat.
 - * Updating the list of Major Development Projects/State Level Offices/Institutions and Special Offices.
 - * Streamlining the inter-local cadre transfers as per the provisions of the Presidential Order restricting the percentage of non-locals to 15 in respect of district as unit of appointment and 25 in respect of Zone as unit of appointment.
 - * Fixation of cadre strength taking into account the number of persons performing administrative functions alone in Heads of Departments.
 - * Regulation of work-charged establishment as per local status.
 - * Compassionate appointments to be made in accordance with the definition given to the local area/local candidate in the Presidential Order.
 - * The city of Hyderabad to include revenue villages instead of panchayat area as defined in the First Schedule of the Presidential Order. The revenue department to furnish details of the revenue villages which comprise the erstwhile panchayats. The Presidential Order to be amended to that extent.
 - * All urban development authorities from their date of creation to be under the purview of the Presidential Order.
 - * Clarification issued that the Presidential Order nowhere defines any "free zone". It further clarified that the Presidential Order specifies the city of Hyderabad as one unit comprising areas as mentioned in the First Schedule thereof.²⁶
 - * Status of a post as on 1975 to continue even after gazetting of that post.²⁷
- 5.27 Implementation of the One-Man Commission Report**
- 5.27.01** In the last four years (since 2006), the Government has undertaken various steps to implement the Report of the One Man Commission (SPF). The Government issued instructions for the following:
- * Rationalizing the number of Heads of Departments from 51 to 102 vide G.O. Ms. No. 549, G.A. (MC) Dept., dated 04.10.2006.

25. G.O. Ms. No. 548, G.A. (MC) Dept., dated 04-10-2006.

26. Circular Memo No. 97462/MC/2004-50, G.A.(MC) dept., dated 04.10.2006

27. U.O. Note No. 97462/MC/2004-51, G.A. (MC) dept., dated 04.10.2006.

- * Constitution of a "Group of Ministers" to oversee the implementation of the G.O. Ms. No. 610 based on the recommendation of the One Man Commission (SPF).²⁸
 - * Constitution of an "Implementation and Monitoring Authority" to oversee the implementation of the G.O. Ms. No. 610.²⁹
 - * Repatriation of non-locals appointed in contravention of the Presidential Order to their respective local cadres to which they would have originally belonged.³⁰
 - * Maintenance of 70% reservation in direct recruitment of locals in respect of posts gazetted after 1975 to protect the interests of the locals.³¹
 - * Appointments under compassionate grounds in a cadre to which they are not local to be given an opportunity to opt for transfer to their local cadre.³² Such inter-local cadre transfers to be done in public interest.
 - * Provisions of the Presidential Order to cover all appointments made through outsourcing.³³
 - * Provisions of the Presidential Order to apply to Public Sector Undertakings.³⁴
 - * Bringing subordinate judiciary under the purview of the Presidential Order.³⁵
 - * Proposal sent to Government of India for localization in Town Planning Department.³⁶
- identify non-locals appointed in deviation of the provisions in each unit of appointment. To fulfill this mammoth task, the Heads of Departments and Regional and District level officers were given training on the methodology to be followed to accomplish the task. The procedure followed was as follows:
- * Firstly, local status of an employee holding a localized post was ascertained as per the procedure mentioned in the order;
 - * The local status was entered into the service-book of the employee;
 - * Based on the above stated procedure, for each unit of appointment and for each post in that unit of appointment, the number of non-locals employees were found;
 - * The Government gave the option to non-locals to opt to go back to their respective local areas. However, this option was exercised by a very insignificant number of employees;
 - * Since, the procedure adopted by the government did not yield the desired result, it decided to review all the appointments made across the state for all the localized posts from October 18, 1975, onwards;
 - * Recruitment data of a total of 5,10,234 employees was obtained by the departments for the period 1975 to 2006 and was reviewed.

5.28 Repatriation of Non-Locals

5.28.01 The most important aspect of implementation of recommendations of the One Man Commission was the repatriation of non-locals. The state government issued various directions to

5.29 Status of Implementation of the Presidential Order and G.O. Ms. No. 610

5.29.01 When the Commission compared the 2001 Census figures with the provisional figures of locals/non-locals, it found that the percentage of non-locals in zones V and VI was negligible

28. G.O. Ms. No. 778, G.A. (MC) dept., dated 13.12.2006

29. G.O. Ms. No. 779, G.A. (MC) dept., dated 13.12.2006.

30. G.O. Ms. No. 674, G.A. (MC-I) dept., dated 07.09.2007.

31. G.O. Ms. No. 924, G.A. (MC-III) dept., dated 12.12.2007.

32. G.O. Ms. No. 70, G.A. (MC-III) dept., dated 11.02.2008.

33. Circular Memo No. 17944/668/A2/SMPC/2007, Finance(SMPC) dept., dated 06.10.2007.

34. D.O. Letter No. 609/PE.III/AI/07, dated 01.06.2007.

35. As per the information provided by the Secretary Law that the Andhra Pradesh High Court has given its consent to comply with the Presidential Order in the subordinate judiciary.

36. Letter No. 30870/SPF-A2/08-1, dated 26.08.2008

and far below the limit of 20%. The problem, the Commission concluded, was not at the aggregate level but at the disaggregated level. It found that, at the disaggregated level, most non-locals had entered in the category of teachers (School Education Department) and paramedics of the Health Department. If we look at the department-wise details of employees identified for repatriation (18,856), this preliminary conclusion by the OMC is confirmed. Of these, it is understood that 14,784 employees now stand repatriated.

5.29.02 The maximum number of non-locals identified for repatriation was from School Education (9693) and Health (1168). As such, Para 5(1) of G.O. Ms. No. 610 has been largely implemented, subject to the definition of "local candidate" as given in Para 7 of the Presidential Order. Further, it is apparent that, the Government, through various G.O.s issued over a span of four years, has addressed at least 16 genres of deviations directly out of the 18 stated in the report of the One Man Commission. However, it must be noted that in 26 years period when there was non-implementation of the Presidential Order G.O. Ms. No.610, the matter was never vigorously challenged in the Courts of Law.

5.30 The Issue of Exclusion of Certain Posts from the Presidential Order: The Supreme Court Order of 2009

5.30.01 Para 14 of the Presidential Order exempts certain classes of posts from the operation of the Presidential Order. It means that in respect of these posts there cannot be reservation for locals in any local area. Since most of these posts are situated in Hyderabad, a feeling has taken root that the locals of Hyderabad are not being given the benefit of reservation. Although Para 14 exempts six classes of posts [14(a) to 14(f)], the issue of exemption under 14(f) relating to posts of police officer as defined in Section 3(b) of the

Hyderabad City Police Act, 1348 F, came up before the Supreme Court, albeit indirectly, recently.

5.30.02 In the matter of *P.V. Radha Krishna and Ors. v. State of A.P. and Ors.* [(2010) 1 SCC 11)], the Supreme Court, while examining the service matter relating to the appointment of police officers belonging to the Hyderabad city cadre, examined the sanctity of Para 14 and observed that the Presidential Order (and Para 14) had overriding effect qua other constitutional and statutory provisions. In the instant case, Mr. P.V. Radha Krishna was appointed as a Sub-Inspector of police in Hyderabad City (Zone VII). The state Government, subsequently, issued a Government Order Ms. No. 349 dated 15.12.1997 ("G.O."), whereby some Inspectors of Police in Hyderabad City Police were transferred back/repatriated to their parent cadres. The transferred police officials challenged the G.O. before the Andhra Pradesh Administrative Tribunal on the ground that the Government's action to transfer the police officials back to ranges in which they were originally appointed was ex-facie illegal, arbitrary, and discriminatory. The argument of the applicants, that Hyderabad City Police was part and parcel of Zone VI, was rejected by the Administrative Tribunal, in its order dated 28.06.2001, on grounds that separate and independent recruitment was being made in respect of post of Hyderabad city police, and that Hyderabad city police was being treated as a free zone where there was independent recruitment.

5.30.03 The applicants then challenged the order of the Tribunal by filing different writ petitions which were heard and disposed off by the Full Bench of the High Court, on 22.11.2001. On the question whether there is a separate cadre for Hyderabad City Police or the same falls in Zone VI, which includes District of Hyderabad, the Full Bench observed as under:

"As there has been no constitution of a separate cadre for the city of Hyderabad for members of the Police force in terms of Para 3(6) of the Presidential Order, members of the police force allotted or recruited to Hyderabad must be construed as having been so allotted or recruited to either the District cadre of Hyderabad or zonal cadre of Zone VI....."

5.30.04 On the basis of the above observation, the Full Bench recorded 13 conclusions, the main three being -

- (a) "No separate cadre has been organized for the city of Hyderabad within the meaning of Para 3(6) of the Presidential Order.
- (b) No recruitment to the post of a police officer as defined in section 3(b) of the Hyderabad City Police Act, 1348 Fasli, has been made and there is, thus, factually no incumbent of the post of police officer under Para 14(f) of the Presidential Order.
- (c) Inspectors of Police working in the Hyderabad City Police establishments either on promotion to that post or by direct recruitment, must be considered as belonging to Zone VI in the zonal cadre".

5.30.05 The High Court struck down the transfer/repatriation orders. The three conclusions reached above amounted to limiting the width and scope of the exemption contained in Para 14(f) of the Presidential Order. Aggrieved by the order, Mr. P.V. Radha Krishna appealed to the Supreme Court. The Supreme Court, in its order dated 9.10.2009, found the above three conclusions reached by the Full Bench of the High Court unsustainable and set them aside. The reasoning given by the Supreme Court in its judgement is being quoted below:

"31. We shall now consider whether conclusions (b), (c) and (d) recorded by the Full Bench of the High Court are legally correct and sustainable. The observations of the Full Bench that no separate cadre has been organised and no Police

Officer has been appointed under the Hyderabad Act is based on the premise that in the advertisement issued for recruitment of Police Officers and appointment orders of the appellant and other similarly situated persons, reference has not been made to Hyderabad Act. While doing so, the Full Bench omitted to take note of the fact that in terms of Section 7 of the Hyderabad Act, powers to appoint and promote Inspector, Sub-Inspector and other subordinates of the police force vests in the Commissioner of City Police Hyderabad and the said section finds specific mention in the preamble to the Special Rules framed in 1959. Rule 3 of those Rules clearly lays down that as far as Hyderabad City Police is concerned, the Commissioner of Police shall be the appointing authority of Sub-Inspectors of Police etc. and by virtue of that power, the Commissioner of Police, Hyderabad has been making appointments on various subordinate posts including those of Sub-Inspectors. In the advertisement of 1985 pursuant to which the appellants were appointed as Sub-Inspectors, 93 posts were separately earmarked for Hyderabad city which, for the sake of convenience, was described as Zone VII or free zone. Even in the subsequent advertisements issued in 1991 and 1994, the vacancies of Sub-Inspectors were separately earmarked for Hyderabad City Police Range. The orders of appointment of the appellants were issued by the Commissioner of Police.

5.30.06 This shows that a separate cadre has been carved out for Hyderabad City Police and recruitment to the post of Police Officer as defined in Section 3(b) of the Hyderabad Act has been made by the designated competent authority in terms of Section 7 thereof. Therefore, the Full Bench was not justified in curtailing the width and scope of the exclusion clause contained in paragraph 14(f) of the Presidential Order by holding that there is no separate cadre of Hyderabad City Police and there no incumbent of the post of Police Officers as defined in Section 3(b) of the Hyderabad Act".

5.30.07 *In doing so, the Supreme Court restored the primacy of the exclusion contained in Para 14(f) of the Presidential Order. At this point of time the State Government was under pressure of being seen as favouring the extension of the operation of the Presidential Order even to the posts exempted under the Order. It filed a Review Petition no. 238/241 against the abovementioned judgment of the Supreme Court which was dismissed by the Apex court by its order dated March 16, 2010.*

5.31 Further action taken on the Supreme Court Order

5.31.01 Post dismissal of the review petition, the Andhra Pradesh Legislative Assembly passed a resolution on March 18, 2010, to request the Ministry of Home Affairs, Government of India, to obtain the approval of the President of India to delete clause (f) of Para 14 of the Andhra Pradesh Public Employment (Organization of Local Cadres and Regulation of Direct Recruitment) order, 1975.³⁷ The Chief Secretary, Government of Andhra Pradesh, vide his D.O. No. 40927/MC-I/2009-2, dated 22.03.2010, has written to the Ministry of Home Affairs, Government of India, to omit the provision under clause (f) of Paragraph 14 of the Presidential Order. The Chief Secretary has mentioned in this letter that this is necessary to remove the misconception that Hyderabad is a free zone for recruitment to the posts in civil services. Thus, the issue of deleting or continuing with the exemption contained in Para 14(f), in particular, is currently before the Government of India.

5.31.02 As stated earlier, the Committee took note of the progress made during the last four years and the earnest steps taken to implement the recommendations of the One Man Commission. The Government, after identifying 18,856

employees for repatriation, has already repatriated 14,784 employees. Not only is this good performance but also, all efforts appear to have been made to implement the Presidential Order.

5.31.03 Since the formation of the CCSAP, there have been three agitations relating to public employment. In September 2010, the Telangana activists and the Osmania University Joint Action Committee took up an agitation for postponing the Andhra Pradesh Public Service Commission Screening Test for Group - I posts until 42% of the jobs are reserved for those from Telangana. A report in this regard was obtained from the state Government and it has been informed as under:

"The APPSC set up 445 centres out of which 246 were in Telangana area for holding exam for 1.91 lakh applicants as scheduled and went ahead with the conduct of this exam.

The exam was conducted on 5th September peacefully barring a few stray incidents. In the exam centre located in the B.Ed. College at Osmania University, Hyderabad, the Telangana students entered the exam hall and tore the question papers. The overall attendance was 43.9% in the state and about 39.6% in Telangana.

APPSC decided on 14th September to re-conduct Group -I examination again for all candidates whose centre was at B.Ed. College, Osmania University, Hyderabad and also for all the students who missed the examination due to disturbances caused by Telangana bandh on September 5, if they apply for re-examination on or before September 23. The re-exam was conducted for all those who wanted to appear on 25.10.2010 at 3 centres in Hyderabad and 1037 candidates appeared for the examination."

37. Letter No. 199/Legn./2009-5.

5.31.04 The advocates from Telangana region started representing to the Advocate General and state Government since February, 2010, that 42% posts of Law Officers in High Court and Tribunals be given to advocates from Telangana. On 13.9.2010, three Telangana lawyers started an indefinite fast in the High Court premises to press for these demands. Telangana lawyers initially boycotted lower courts in the twin cities in support of the agitation of High Court lawyers and later from 15th and 16th September, 2010, all the courts in Telangana region, including High Court, were boycotted by them to press for the demands raised by the Telangana High Court advocates. The situation brought the work in the High Court to a standstill. Some Court property was also damaged by the agitators and Justice Shri C.V. Nagarjuna Reddy, Hon'ble Judge of High Court, resigned expressing his anguish at the incidents in which some agitating advocates entered his court hall in an unruly manner. On 17th September, 2010, the fasting advocates and their supporters were arrested. Those who were 287 fasting were sent to hospital. Government took preventive steps and restrained advocates from Telangana region from entering the court halls.

5.31.05 With a view to redress these grievances, a Committee comprising (i) Dr. J. Geeta Reddy, Minister for I & PR, Tourism & Culture, (ii) Sri Mopidevi Venkata Ramana Rao, Minister for Law & Courts, (iii) Sri P. Ramachandra Reddy, Minister for Forests, was constituted to make recommendations that will ensure regional and social balance in the appointment of Government Law Officers in the High Court. After talks between the advocates and the Committee of Ministers, it was decided to ensure equitable representation in the appointment of Law Officers and orders were issued filling up the vacant posts of Standing Counsel duly maintaining equitable representation of different regions and weaker sections, minorities, etc., of the state.

5.31.06 In this regard, Sri Mopidevi Venkata Ramana Rao, Minister for Law & Courts, vide D.O. letter No.327/M (L&C, TE, it is)/2009 dated 11.11.2009 and also Dr.(Mrs.) J. Geeta Reddy, Minister for I & PR, Tourism & Culture vide D.O. letter dated 6.11.2010, informed the Committee that the total vacancies of Standing Counsel identified were 69 which are being filled up and appointment orders issued, as under :-

Telangana	:	30
Rayalaseema	:	11
Andhra	:	28

Of these the caste/minority composition is as follows:

B.Cs.	:	07
S.Cs.	:	03
S.T.	:	01
Minorities	:	01
O.Cs.	:	18 (02 women included)

The Committee feels that this can serve as a good guiding principle for future also.

5.31.07 As discussed in Para 5.30, certain posts including those in Hyderabad city police are exempted from the provision of local reservation as per Clause 14(f) of the Presidential Order, 1975, which deals with the recruitment in public service in different zones in the state. The implication is that, for the purpose of public employment, these vacancies are open for employment to candidates from all over the state and should be filled on merit. This contention was also upheld by the Hon'ble Supreme Court in CA No. 5141 of 2002 (PV Radhakrishna & Others Vs. State of AP & Others), CA No. 5142 of 2002 (M. Bhaskar Reddy & Others Vs. State of AP & Others), CA No. 5144 of 2002 (G. Jaya Prasad & Others Vs State of AP & Others, CA No. 2965 of 2003 (B. Venkat Reddy Vs. State of AP & Others) and Judgment dated 9th October 2009. Recently, the State Level Recruitment Board (SLRB) of Police Department notified the conduct of an examination for 1269 posts of Sub Inspectors of

Police in all the ranges of police department, including Hyderabad City. The examination was to be conducted on the 18th and 19th December 2010. A few weeks before the examination, there was an agitation in and around Hyderabad, mainly by the students and the youth, raising the demand that these posts should be filled up only by local candidates from Zone-VI which comprises certain districts of Telangana namely, Nalgonda, Mahabubnagar, Medak, Nizamabad, Hyderabad & Ranga Reddy districts. Considering the agitation, the government postponed the examination by an announcement on 19-11-2010. As soon as the exam was postponed, there was a counter agitation in other regions (coastal and Rayalaseema) of the state in the form of protests, dharnas, rasta rook, etc., against the decision of the government to postpone the examination. The final outcome in the matter is now awaited.

5.31.08 The CCSAP had also received various memoranda regarding judicial appointments which stated that there is a perceived imbalance in the appointments which has adversely affected the interests and prospects of aspirants from the Telangana region. The Committee informally discussed the matter with two former Chief Justices of the Hon'ble High Court of Andhra Pradesh and it was learnt that there appears to be no basis for bias or prejudice and that all appointments have been made as per rules and procedures and in accordance with law.

5.31.09 There were also grievances expressed to the Committee with regard to state Government appointments of Law Officers, especially, that of the Advocate General. It was pointed out that, ever since the formation of Andhra Pradesh, no Advocate General from Telangana region has been appointed to the post. Similarly, in bodies like the Andhra Pradesh Pharmacy Council, it was informed that, since 1960, neither the President nor the Vice-President of the Council was from Telangana. Taken by itself, these may be considered as surprising coincidences or as examples

of deliberate neglect and prejudice against the Telangana people by the state Government. Also, it was stated that adequate representation in the State Administrative Tribunal has not been given to Telangana region. In their view, this showed clear bias in favour of coastal Andhra and was against the interests of the Telangana people. The Committee deliberated on the subject and came to the conclusion that, even though these by itself are small instances which may have occurred over a period of time, yet, they have a huge symbolic and emotional aspect to it in the context of the current atmosphere of heightened inter-regional tensions.

5.31.10 While the steps taken by the state Government to satisfy the demand of the people of Telangana for effective safeguards for ensuring fair opportunities to them in public employment may have only been partly successful, a few other questions related to this issue arise:

A. Whether there is a need for taking further corrective action, and if so, what steps can be recommended?

B. Whether the demand for reservation in public employment is an issue that can be considered relevant to a large section of the population?

5.31.11 The first question, raised above, lends itself to a simple and straight answer in the affirmative. Indeed, a lot of intent and direction has been shown by the Government of Andhra Pradesh during the last four years in identifying the non-locals in zones V and VI, repatriating them and in attending to a number of deviations highlighted by Shri J.M. Girglani in his Report.

5.31.12 In the last 35 years, since the issue of the Presidential Order in 1975, the Government of Andhra Pradesh has built elaborate administrative structures - organization of local cadres, zonal cadres, multi-zonal cadres, procedures of allotment and recruitment to these cadres, procedures of transfer between the cadres, procedures of

promotion etc. - and has issued more than a hundred G.O.s and instructions. At this stage, it may not be possible or desirable to modify the Presidential Order without creating complete administrative confusion in the state. Also, over a period of time it seems to have been accepted as the starting point of negotiations and the good work done by the Government of Andhra Pradesh during the last four years has indeed generated some good will. A statutorily empowered Telangana Regional Council, as had been agreed in the Gentlemen's Agreement, having, inter-alia, the authority of oversight on all matters connected with public employment in the Telangana region, particularly where Group 'C' and Group 'D' posts are concerned, will no doubt, serve a useful purpose.

5.31.13 The second question can be rephrased- Is public employment a big issue statistically? As per the figures of Census 2001, the population of Andhra Pradesh was 762 lacs, out of which the working population was 348.65 lacs. The Employees. Census, held in 2006, put the figure of total employees under the state government (or in public employment) at around 12.9 lacs. Now, for the sake of convenience, let us make two assumptions - (a) that the Census 2001 figures of total population can be compared with the Employees. Census figures of 2006, and (b) that the issue of residential qualification in public employment is relevant to the entire work force in public employment. The entire population of public employees in Andhra Pradesh in 2006 was about 1.7% of the total population in 2001 and about 3.6% of the working population in 2001. If we had increased the total population and working population figures (which would anyway have increased by 2006 as compared to 2001) and reduced the number of public employees to include only those to whom the benefit of reservation could be extended, these percentages would have been even lower. The point is that, public employment constitutes a very small percentage of the working population of the state and

an even smaller percentage of the total population. During the last two decades (1990-2010), as the Indian economy has undergone structural changes, a great many areas of employment opportunities in the private sector have opened up, pushing public employment, both in numbers as well as in importance into the background. In an era when the state is withdrawing from many areas, accompanied by increasing privatization or public private- partnerships, employment under the state can no longer be viewed as a panacea for unemployment. Thus, statistically, if public employment as a whole is not a big issue then the issue of reservation on the basis of domicile in certain classes of posts under the state is an even smaller issue. However, in relation to Telangana, the issue has to be viewed in its historical context. Firstly, as an issue of regional apprehension or dissatisfaction, it had been in the public and political domain ever since India gained independence. Secondly, public employment was perceived as a major area of employment opportunities, given the lower level of education in the area and the lack of entrepreneurial spirit in the residents of this region. Both these factors have contributed to imparting a very strong emotional appeal to this issue. The fact that the issue, largely, has not been handled well has added further emotional baggage to it. It is, now, time to take stock of the entire situation in the light of the impact of globalization on developing societies and the consequent emerging of socio-economic patterns and the requirements of a modern nation-state.

5.32 Summing up

5.32.01 The Committee after taking into consideration all the facts, the views of all the stakeholders and after examination and analysis of all the related issues pertaining to public employment, has come to the following conclusions:

- i. Public employment constitutes a very small percentage of the working population and an even smaller percentage of the total population of the state;
- ii. That during the last two decades -1990 to 2010, socio-economic scenario has undergone a sea change, creating enormous employment opportunities in the rapidly expanding private sector, pushing public employment to the background, both in numbers as well as in importance;
- iii. That demand for "regional reservation" for Group 'A' and 'B' posts in administration carries serious national implications and was not found to be feasible;
- iv. Also, in case a separate state of Telangana is created, appropriate legal advice and necessary follow up action will have to be taken on the existing dispensations, such as the Presidential Order, 1975, and the related G.O.s and the orders of the High Court and the Supreme Court in respect of employment in Government in the state including Hyderabad.
- v. It was noted with satisfaction that the Committee of three Ministers, representing three different regions, appointed by the state government, to look into the appointment of Standing Counsel/Law officers from amongst the legal community of the state has made certain recommendations, taking into consideration regional, social justice and equity issues. We hope that the Government will consider these recommendations as these will go a long way in assuaging the feelings of discrimination articulated by the advocates from Telangana region in their representations and during their interactions with the Committee. About the judicial appointments made by the High Court, the Committee's views have been recorded in Para 5.31.08 (ibid).

5.32.02 The Committee is of the view that, it would help if a certain amount of regional balance in other key appointments in the state, such as of Advocate General, President/Members of the Administrative Tribunal, is maintained. Likewise, it is equally important that the state government must continue to make efforts that a fair representation in senior positions in the Secretariat including the Directorates, is ensured for all the three regions. This effort, indeed, has to be initiated from the level of state civil/police service officers. The Committee has noticed that the recent exercise done in this regard for law officers/standing counsel in the courts has brought a sense of satisfaction amongst the legal community of Telangana. In a society where issues of regional discrimination are often highlighted, such an approach will not only be symbolic, but will be conducive in promoting harmonious working conditions in all the executive and other trade and professional bodies where Government nominees are to be appointed. In a nutshell, the need for providing regional representation in a balanced manner to the extent possible cannot be overemphasised, especially, in the present emotional context and climate.

5.32.03 We, therefore, suggest that there is no real need to have any additional administrative instrumentalities for protection of persons belonging to Telangana region in public employment. However, existing safeguards should be implemented with renewed vigour. The Committee noted the positive indications from employees from Telangana about their grievances relating to employment issues being seriously addressed by the Government in the last five years, which have provided them with a sense of satisfaction, notwithstanding the discontent the earlier delay had caused.

CHAPTER 6

ISSUES RELATING TO HYDERABAD METROPO- LIS ISSUES RELATING TO HYDERABAD METROPOLIS

6.1 Introduction

6.1.01 The Committee, after having analysed the memoranda submitted to it and after a few interactive sessions with political parties and other groups, realized that issue of the Hyderabad metropolis was of central importance and needed to be considered in all its aspects. As the Committee focused on the changes and complexities that have emerged as Hyderabad developed into a major metropolis, it was felt that it would be useful to commission an expert study to look into all relevant dimensions. After discussion, the study was awarded to the Centre for Policy Research, New Delhi, a well known think tank, which among other issues is involved in carrying out a series of studies on India's mega cities.

6.1.02 This Chapter of the Report is based on an analysis of memoranda submitted to the Committee, discussions held with stakeholders, and the report prepared by the Centre for Policy Research.

THE CONTEXT OF HYDERABAD

6.2 Historical Background

6.2.01 The city of Hyderabad was founded in 1580 by Mohammed Quli of the Qutb Shahi dynasty, which ruled the Deccan from 1518 to 1687, from nearby Golconda.¹ According to some historical sources, an Indo-Persian composite culture appears to have emerged during the Qutb Shahi reign. Ibrahim Quli Qutb Shah considered

Telugu as his "second mother tongue" and promoted Telugu literature. They also had strong trade links by sea via Musilipatnam port in coastal Andhra.² When the Qutb Shahis succumbed to the Mughals in 1687 and the Asaf Jahis were installed as the Mughal representative, Hyderabad became just another city of the Mughal Empire, administered from Aurangabad. The death of Aurangzeb in 1707 encouraged the Asaf Jahis to declare themselves independent rulers of Hyderabad state. In 1763, Nizam Ali Khan, Asaf Jah II, moved his capital to Hyderabad. At this time, the boundaries of Hyderabad State included the current state of Andhra Pradesh and in addition, three Kannada and five Marathi speaking districts. The internal struggles among the Asaf Jahis for inheritance led to alliances by the contenders with British and French forces. As rewards after various wars were fought, the British were given the Northern Circars (the current coastal Andhra districts) around 1765 and later the Ceded districts (the current Rayalaseema districts) around 1800.³ The British takeover of the Circars and Ceded districts began distinct trajectories of development for these areas, with substantial investments in irrigation, especially in the central Circars, as compared to the Telangana districts, which remained under the rule of Asaf Jahi Nizams.

6.2.02 While they may not have undertaken irrigation projects in Telangana, the Asaf Jahis made Hyderabad a powerful city. It remained the capital of a rich Muslim State until the accession of the Hyderabad State to the Union of India. During this time, it attracted people from across India, especially from the northern states as they

1. Shahid, Sajjad 1998 A city conquers the citadel, in, Akbar, M (ed.) Hyderabad: The power of glory, Hyderabad, Deccan Books.

2. Alikhan, Anvar 2008 Sunset over Golconda, in, Imam, Syeda (ed) The untold Charminar: Writings on Hyderabad, pp 20- 25. New Delhi, New York: Penguin Books

3. Regani, Sarojini 1988, Nizam British Relations 1724-1857, New Delhi, Concept Publishing Company. Hyderabad became the first Indian royal state to accede to British protection under the policy of Subsidiary Alliances instituted by Arthur Wellesley.

progressively came under British rule, and from outside the sub-continent. This reinforced the city's cosmopolitan nature.

6.2.03 Around the time of its accession, Hyderabad State covered an area of 214,190 km², comparable to that of the United Kingdom. It had its own army, airline, telecommunication system, railway network, postal system, currency and radio broadcasting service. The 1941 census had estimated the population of Hyderabad to be 16.34 million, with 85% Hindus and 12% Muslims (about the same proportion that prevails in Telangana today). Its population spoke many languages, viz. Telugu (48.2%), Marathi (26.4%), Kannada (12.3%) and Urdu (10.3%).⁴

6.2.04 The development of Hyderabad as state capital since 1956 has reinforced its cosmopolitan culture. It has seen establishment of many national institutions, migration from other parts of the state and other states of India, and more recently, the development of an externally-oriented information technology (IT) industry. As such, it is distinctly different from other districts of Telangana, and indeed from coastal Andhra and Rayalaseema, but this is not uncommon, for large megacities are often unlike their regions since their economies are diverse and attract people from beyond their region.

Political Evolution

6.3 Politics of the Region

6.3.01 When India became independent from the British, the Congress and Communists were two key political forces in Telangana. After the accession, both the parties competed with each other for dominance in the Hyderabad State. The All India Majlis Ittihad ul Muslimeen (AIMIM),

which was originally established in 1928 by some radical sections with the aim of creating Hyderabad as a permanent Muslim dominion, was stigmatized because of its anti-India stance and lacked effective leadership. In the 1957 elections, the Congress won 35 of 42 seats with 52% of the vote. While the Communist Party steadily lost ground after the formation of Andhra Pradesh, even in its Telangana strongholds, the Congress consolidated its position and was dominant in Andhra Pradesh politics for almost three decades, even during the mid-seventies, when it lost power elsewhere. However, the party politics within Congress was ridden with factional fights and often required a change of guard. One of the most intense of such moments was in 1969, which was centered on the demand for a separate Telangana state. This factionalism within the Congress eventually led to the formation of the Telugu Desam Party (TDP) in March 1982. TDP was founded by Shri N T Rama Rao (NTR), a legendary film actor, who called for revival of Telugu identity and pride. TDP stormed to power within nine months of its founding in 1983. This was the beginning of a contest between Congress, the national party and TDP, a regional party.

6.3.02 The TDP's rule, first under NTR and later by Shri N Chandrababu Naidu, was marked by two key transformations in the landscape of Hyderabad: first, NTR, riding on Telugu pride and identity turned the city into a cultural centre for Telugu speaking people by creating several institutions and cultural symbols celebrating Telugu language, culture and heritage. It was also during this time that several successful entrepreneurs from other regions migrated to Hyderabad. NTR also completed shifting of Telugu film industry from Chennai to Hyderabad, which brought many artists, technicians and investors to the city. Second, Naidu, who became Chief Minister in September 1995, replacing his

4. Of 1765 officers in the State Army, 1268 were Muslims, 421 Hindus, and 121 others. Of the officials drawing a salary between Rs 600-1200 per month, 59 were Muslims, 5 Hindus and 38 others. The Nizam and his nobles owned 40% of the total land in the state. Guruswamy, Mohan 2008 "There once was a Hyderabad", in Seminar, 585 (May), pp 16-18

father-in-law, NTR, aspired to make Hyderabad a world city, by making it an alternative destination to Bangalore for IT and ITES industry. Naidu also won the next election in 1999, thus becoming the longest serving Chief Minister of the state until TDP lost the assembly elections in 2004 to bring back Congress into power with Shri Y S Rajasekhara Reddy (YSR) as the Chief Minister.

6.3.03 Concurrent with Naidu's second term, there was another force in the making within the TDP in the form of a separatist movement for Telangana. The second mandate to Naidu came along with the formation of NDA's tenure at the centre, leading to the creation of the separate states of Uttaranchal (now Uttarakhand), Chhattisgarh and Jharkhand in 2000. In a reprise of events in the Congress in 1969, it was now the turn of a dissident TDP leader from Telangana, Shri K Chandrasekhara Rao (KCR) to form a separate political outfit, the Telangana Rashtra Samithi (TRS) in 2001 with the aim of achieving a separate Telangana state, a development that has led to the current situation in Andhra Pradesh.

6.4 Politics of Hyderabad: The Role of AIMIM

6.4.01 While Hyderabad has been the stage for the enactment of the various episodes of state politics in Andhra Pradesh, its own politics has a distinctive flavour. This is in part, brought about by the presence of a large Muslim community which constitutes over 40% of the city's population and an important minority constituency in Andhra Pradesh politics. The AIMIM built its political platform on this demographic base. While AIMIM went through a low phase after the accession, it was revived in the 1950s under the leadership of Abdul Wahid Owaisi, a Hyderabad-based Muslim lawyer. Owaisi positioned AIMIM as a political party within the Constitutional framework and addressed the problems of the Muslim middle class, which lost its jagirs or jobs in independent India due to

various reforms. AIMIM contested the municipal elections in Hyderabad in 1958 to win 18 seats and later won three seats in assembly elections. It also made its presence felt in national politics by championing Muslim interests. This was further consolidated by their win in Lok Sabha elections in 1984. Presently, AIMIM is the main political party and dominant representative of the Muslim community in Hyderabad city with a Member of Parliament and seven Members in the State Legislative Assembly.

6.4.02 In their detailed memorandum submitted to the Committee and during an extensive meeting held with the Committee, the President and the senior office bearers of AIMIM strongly advocated the cause of united Andhra Pradesh underlining that it was in the best interest of not only the state's economic growth, but also the well-being of the minority Muslim community. Although the influence of the party is generally limited to the city of Hyderabad, it does have district offices spread all over the state. The delegation also voiced the opinion that in case the Committee recommends division of the state then it would be in the interest of the minority community to form a new state combining the Telangana and Rayalaseema regions into Rayala-Telangana state. If, however, neither of the above two desirable options are found feasible and formation of Telangana (without Rayalaseema) becomes inevitable, then Hyderabad should be part of Telangana and should not be given any other status.

6.4.03 The argument of creating Rayala-Telangana is possibly based on the demographic composition of Rayalaseema. It has over 12% Muslim population, as compared to just above 8% in the rest of Telangana and the MIM may believe that it will be able to extend its influence beyond the city of Hyderabad in a Rayala-Telangana state. Their apprehension about its weakening force in the event of a Telangana is foreboded by

its performance in the recent municipal elections to the Greater Hyderabad Municipal Corporation (GHMC).⁵ The expansion of GHMC has led to a sharp decline in vote share for MIM from 29% to 14% and an equivalent increase for the TDP and also the Congress. However, despite this drop, it was able to prevent this loss in vote share from being fully reflected in the number of seats and was actually able to increase its tally of seats and is currently a partner in the GHMC administration. It has been able to achieve this feat because of the geographical concentration of support in Hyderabad in a limited area around the old city. The support for Congress and TDP is alternatively more geographically balanced. In the newly added outer constituencies, TDP and Congress have won adjacent wards in most areas, except in the south eastern part of the city, where TDP appears dominant. These aspects would assume significance were the GHMC boundaries to form the basis of any alternative political unit.

THE CHARACTER OF HYDERABAD

6.5 Hyderabad: Governance

6.5.01 Hyderabad is disproportionately large as compared to the rest of the urban centres in the state, i.e., it is a 'primary' city of Andhra Pradesh, in the sense used by scholars studying primacy and concentration of urban growth. The population of Hyderabad is four times larger than the second largest city in Andhra Pradesh, Visakhapatnam, and exceeds the sum of the next nine largest cities in the state. In 1921, the area of Hyderabad Municipality was increased from 55 km² to 84 km² and in 1933, it was amalgamated with the Chadarghat municipality into a corporation and the Hyderabad Municipal Act was enacted. Following this, the first elections were held in 1934 and a Standing Committee was appointed. Among other areas that comprise the

city today, the Jubilee Hills municipality was formed in 1937 and the Secunderabad Municipality in 1945. These were merged into a single corporation, the Municipal Corporation of Hyderabad in 1960, soon after it became the capital of Andhra Pradesh.

6.5.02 Today, as with many Indian cities, it is difficult to say who governs Hyderabad. Indeed, to begin with, one can ask what boundaries one should ascribe to Hyderabad. At least two candidates present themselves, viz.:

- a. Greater Hyderabad Municipal Corporation (GHMC), formed in 2007. GHMC covers an area of 626 km² and was formed by combining an erstwhile Municipal Corporation of Hyderabad (MCH) and another 12 302 municipalities. GHMC provides for civic services and necessary infrastructure.
- b. HMDA which covers a much larger area covering 7073 km². HMDA replaced the erstwhile HUDA (Hyderabad Urban Development Authority) and has subsumed other special development authorities.

6.5.03 The HMDA region covers a total area of 7073 km² with a population of over 7 million, and comprises all of the GHMC (population 5.4 million), Sangareddy Municipality and Buvangiri Municipality as well as 849 urbanizing villages (population 1.9 million) falling within 52 mandals and located in Ranga Reddy, Medak, Mahabubnagar and Nalgonda districts. There are 34 Assembly constituencies in the Hyderabad region of which 26 fall fully within the region. There are 9 Lok Sabha constituencies related to the Hyderabad region of which 2 fall fully within the region and the remaining 7 in part. The Hyderabad region also accounts for 11% of the total electorate of current Andhra Pradesh.

5. Local body elections in Hyderabad were delayed by over two years under the pretext of an expansion of the municipal limits and the consequent need for fresh delimitation of constituencies.

6.5.04 In addition to these two, there are specific parastatal institutions, under the control of the state government, which address specific services and needs. There is even a registered society, the Quli Qutb Shah Urban Development Authority (QQSUDA), with a role in the development of the old city. There are also separate district administrations in constituent districts of Rangareddy and Medak. A limited list of agencies, their legal context, jurisdiction and functions are provided in Table 6.1 Before the GHMC replaced MCH, the municipal boundaries only covered an area of 175 km². Other areas were governed by special development authorities constituted under the AP Urban Areas (Development) Act, 1975. These were Cyberabad Development Authority (CDA); Buddha Purnima Project Authority (BPPA); Hyderabad Airport Development Authority (HADA); and Quli Qutb Shah Urban Development Authority (QQSUDA). Among these authorities, three, CDA, BPPA and HADA, were subsumed under the HMDA, constituted under a special act of AP Legislature in 2008, through GO Ms No. 570 MA dated 25 August 2008.

6.5.05 The functions of GHMC include municipal functions, such as providing basic civic services (solid waste management, roads and street lighting etc), approving building plans, grievance registration, and so forth. Other functions like water supply and public transport which are municipal responsibilities in cities like Mumbai are not the responsibility of the local body in Hyderabad. Water supply and sewerage are allocated to a separate parastatal, HMWSSB, while public transport is the responsibility of APSRTC, MMTS, with Hyderabad Metro soon to be added to the list. GHMC is divided into 150 municipal wards, each represented by a corporator elected through popular vote and contested by political parties directly.

6.5.06 HMDA, on the other hand, co-ordinates the development activities of the municipal corporations, municipalities and all other parastatals and maintains and manages the Hyderabad Management Development Fund. This includes allocating finances based on the plans of local bodies to undertake development of amenities and infrastructure. HMDA can levy specific cess for capital infrastructure projects and receive revenues from local bodies.

6.5.07 HMDA is a high powered body. It is chaired by the Chief Minister of Andhra Pradesh (Chairman) and includes the following twenty six members: Minister of Municipal Administration (Vice Chairman); Mayor, GHMC; Chief Secretary, Govt. of AP; Principal Secretaries of eight departments of the Government of Andhra Pradesh; representative of Metropolitan Planning Committee; Managing Directors of APTRANSCO, APIIC and APSRTC; Commissioner of GHMC; four MLAs/ MLCs from the Metropolitan Region; four elected members from local bodies in the Metropolitan Region; GM, South Central Railway and CGM, BSNL (Central Government); Metropolitan-Commissioner (Member Convener).

6.5.08 The area under HMDA is comparable to the size of smaller states. HMDA is almost twice the size of Goa, which is only 3702 km² and much larger than the National Capital Territory of Delhi, which is 1483 km². It is much larger than Union Territories like Chandigarh (114 km²) and Puduchery (492 km²). However, large Metropolitan Area Development Authorities seem to be emerging. Bangalore Metropolitan Region Development Authority has an area of 8022 km² and MMRDA in Mumbai covers 4355 km². HMDA covers a larger area, has political representation at the highest level of the state and is well funded and resourced, as compared to the GHMC.

Table 6.1. Various Governance Structures in Hyderabad

Organisation	Legislation	Jurisdiction	Functions
(1)	(2)	(3)	(4)
1. Greater Hyderabad Municipal Corporation	Hyderabad Municipal Corporation Act, 1955	Greater Municipal Corporation Limits (erstwhile Municipal Corporation of Hyderabad and twelve surrounding municipalities)	Municipal Functions
2. Hyderabad Metropolitan Development Authority	Hyderabad Metropolitan Development Authority Act, 2008	Hyderabad Metropolitan Region	Planning, coordination, supervising, promoting and securing the planned development of the area
3. Special Development Authorities, constituted under A.P. Urban Areas (Development) Act, 1975 designated as Functional units Quli Qutb Shah Urban Development Authority	Hyderabad Metropolitan Development Authority Act, 2008	Respective area for which they are constituted	Assist HMDA in the functions specified for HMDA
4. Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB)	HMWSSB Act, 1989	Hyderabad Metropolitan Area	Water Supply and Sewerage Services
5. AP State Road Transport Corporation.	State owned Organisation	State-wide	Bus transport to the city commuters
6. AP Housing Board	State owned Organisation	State-wide	Housing
7. AP Transmission Corporation	State owned Organisation	State-wide	Electricity transmission to the city
8. Central Power Distribution Company Limited (CPDCL)	AP Electricity Reform Act 1998	Anantapur, Kurnool, Mahboobnagar, Nalgonda, Medak and Rangareddy	Electricity distribution in the city
9. Andhra Pradesh Pollution Control Board	Water (protection and control of pollution) Act, 1974	State-wide	Pollution Control
10. Hyderabad Metropolitan Water Supply and Sewerage Board	Hyderabad Metropolitan Water Supply and Sewerage Act 1989	Hyderabad Metropolitan Area	Planning, design, construction, maintenance, operation and management of water supply system and all sewerage and sewerage treatment works
11. AP State Highways Authority	State owned Organisation	State-wide	Highways servicing the city
12. Andhra Pradesh Industrial Infrastructure Development Corporation	State Level Organisation	State-wide	Development of Industrial Infrastructure
13. Hyderabad Growth Corporation Limited (HGCL)	Companies Act, 1956	Hyderabad Outer Ring Road	To implement urban development around Hyderabad outer ring road
14. Metropolitan Planning Committee	Andhra Pradesh Metropolitan Planning Committee Act, 2007	Hyderabad Metropolitan Area	MPC not yet constituted; ⁶ Preparation of Draft Development Plan for Metropolitan Area

Source: Compilation from various websites

6. A separate Metropolitan Planning Committee as required under Article 243 ZE of the Constitution was also set up under the AP Metropolitan Planning Committee Act 2007. The composition of this Metropolitan Planning Committee as specified in the Act is a repetition of the stipulations contained in Article 243 ZE itself. The present position therefore is that the MPC Act 2007 is only an enabling Act. Additionally District Planning Committees have also been set up as required under Article 243ZD of the Constitution for the District of Ranga Reddy, Medak, Mahabubnagar and Nalgonda.

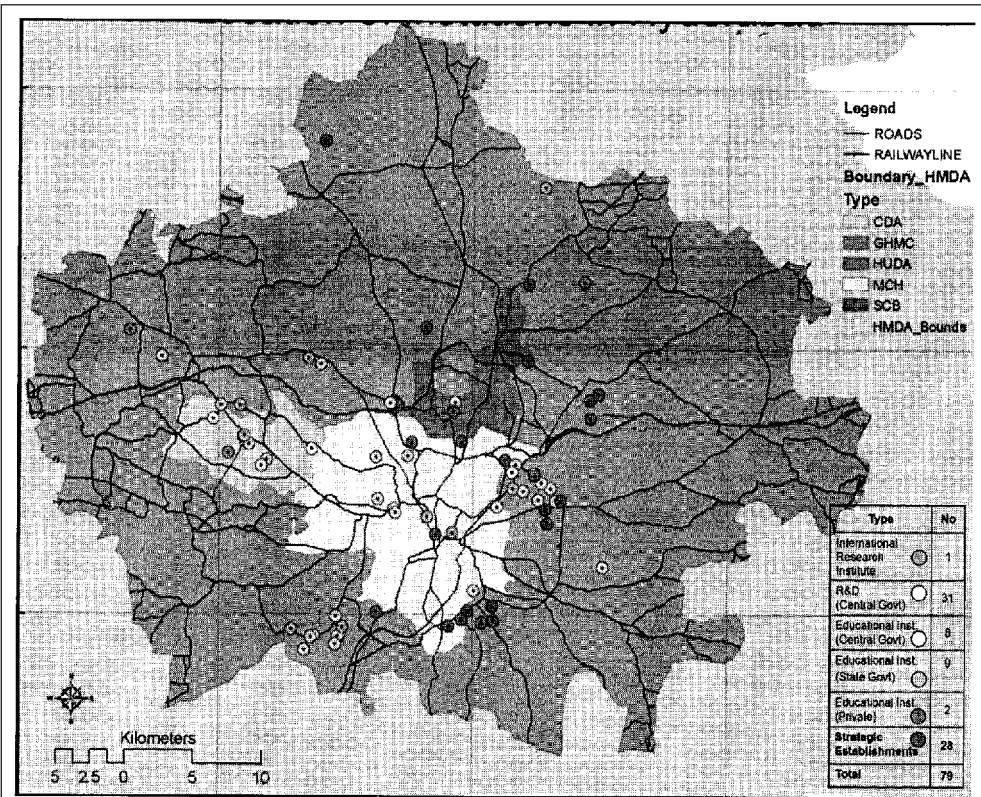
6.5.09 The formation of agencies like HMDA, especially its jurisdiction, functioning and composition, appear to indicate that in a number of areas the state government is taking over much of the governance of the city from the local body, GHMC.

6.6 Strategic establishments in Hyderabad

6.6.01 As noted earlier, Hyderabad now hosts many significant institutions, some of which are detailed in Figure 6.1. Of these, 28 establishments are defence or other strategically important

establishments with national security significance. In addition, there are about 40 institutions owned by Government of India with national research, development and educational interest and nine educational institutions, mostly universities supported by the state government. All these institutions attract people from all over the country. Figure 6.1 shows the location of these establishments across the city. As one can see, most lie within the GHMC boundary, though a few spill over into the erstwhile HUDA (now HMDA) area.

Figure 6.1 Location of key institutions in Hyderabad



Source: Generated based on data from Centre for Good Governance, Hyderabad

6.7 Hyderabad: The Capital City

6.7.01 In this section, we present different aspects of the economy of Hyderabad, as compared to the other regions of Andhra Pradesh, viz.: coastal Andhra (9 districts), Telangana excluding Hyderabad (9 districts excluding the Hyderabad district) and the Rayalaseema (4 districts). This allows us to understand the share of Hyderabad comparative to these regions.

6.7.02 An analysis of the regional GDPs shows

that the growth rates are not disproportionate across the regions or the entities considered, since the regional GDPs as percentages of state GDP has remained relatively stable between 1999-2000 and 2005-06, suggesting that the measured GDP growth in the state is proportionately distributed.⁷ The contribution from coastal Andhra and Telangana are somewhat similar and about a sixth of Telangana's GDP comes from Hyderabad. Table 6.2 presents the structure of regional GDP's (sector shares for 2005-06).

Table 6.2. Structure of Regional GDPs: Sector Shares for 2005-06

	Agr.	Mining	Regd. Mfg.	Unregd. Mfg.	Constr.	Trpt.	Tradl. Svcs.*	Modern Svcs.†	Public Svcs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Coastal Andhra	30%	1%	8%	4%	7%	6%	22%	15%	6%
Rayalaseema	30%	3%	2%	6%	9%	5%	23%	16%	7%
Telangana	24%	6%	11%	3%	8%	4%	25%	13%	6%
excluding Hyderabad									
Hyderabad	1%	0%	6%	1%	8%	19%	16%	39%	10%

Source: Calculated from data provided by Planning Commission (<http://planningcommission.gov.in/plans/state-plan/index.php?state=ssphdbody.htm>). Totals may not add to 100 due to rounding. The shares are at constant 1999-2000 prices, while the per capita incomes are for 2005-06 at current prices, based on population in the Statistical Abstract, Andhra Pradesh 2009

*Trade Hotels and Restaurants. † Communication, Banking and Insurance Real Estate, Business Services and Legal Services.

6.8 Structure of GDP

6.8.01 This distinct character of Hyderabad economy is more evident from the structure of the district GDP. A disaggregated analysis of contributions of different sectors in the four regions reveals that Hyderabad's structure differs radically from the other regions. Modern services form 39% of the economic activity in Hyderabad, with transport accounting for another 19%.

6.8.02 Hyderabad and Rangareddy form a large share of modern economic activity in the Telangana region. It comprises 44% of registered manufacturing and 39% of construction of the region and this ratio has been stable since 1999-

2000. The share of transport is very high at 62% but it has declined by 5% since 1999-2000. Most critically, these two districts comprise 54% of modern services GDP in Telangana and this share has risen by 12% (from 42%) since 1999-2000. This high proportion of modern services, especially financial services is one characteristic of a world city economy. Furthermore, this structural feature of Hyderabad's economy has been accentuated over time. This process marks the distinct transformation of the city's economy when compared with the economic characteristics of rest of Andhra Pradesh.

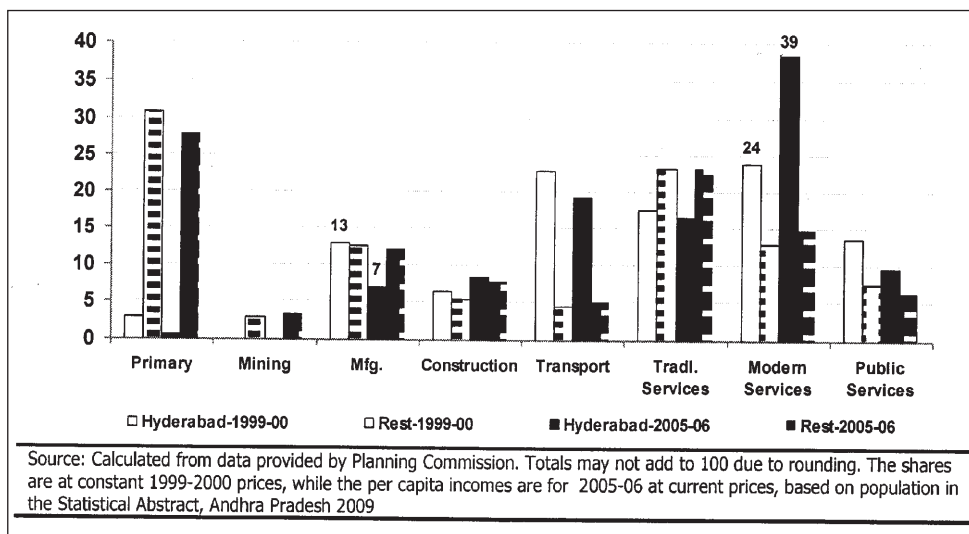
6.8.03 Figure 6.2 shows the manner in which different sectoral shares of Hyderabad and rest of

7. In calculating district GDPs, the Planning Commission appears to have apportioned some sectors, e.g. unregistered manufacturing and construction proportionately across the state, i.e., their rates of growth are the same by assumption.

Andhra Pradesh have changed from 1999-00 to 2005-06. It is critical to note that the share of modern services in Hyderabad's economy has increased from 24% to 39% in a relatively short period of time. Most of this increase is offset by decreases across the board, but most significantly in the share of manufacturing (-6%), transport and

public services (-4% each). Over the same period, there has been very limited change in the structural composition of the state GDP, with the shares of various components remaining virtually the same. Clearly, the structural evolution of economic activity in Hyderabad is different from the rest of Andhra Pradesh.

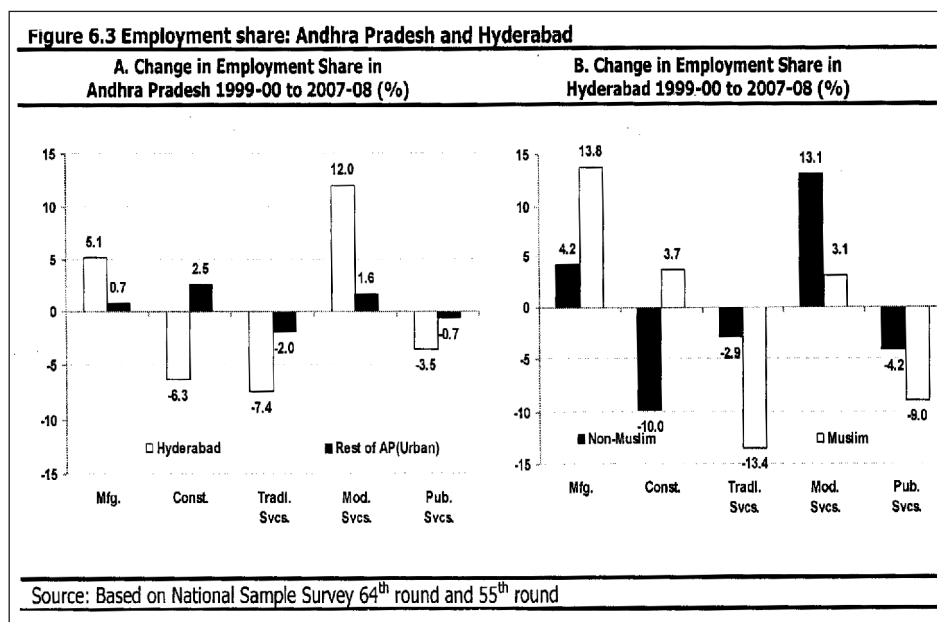
Figure 6.2. Change in Structure of GDP: Hyderabad and Rest of Andhra Pradesh



6.9 Structure of Employment

6.9.01 The structure of employment is only slightly different. As expected, based on NSS 64th round, the share of modern services in Hyderabad, which is about 18%, is much more than in any of the other regions. In Rayalaseema, it is only 3.7%. However, the share of employment is much less than the share of GDP, reflecting the significantly higher productivity of this sub-sector, as compared to the other sectors. Furthermore, relative to other regions, the importance of public services, as an employer, is less in Hyderabad, as is that of manufacturing.

6.9.02 However, it is in the change over time that this aspect of the difference between Hyderabad and the other regions becomes really evident. As Figure 6.3 shows, the increase in the share of employment in modern services, over the period 1999-2000 to 2007-08, far exceeds that of other urban areas, which are now experiencing a rise in the share of construction. This is matched by a decline in the share of traditional and public services in Hyderabad, which is much more muted in other regions. Hyderabad's economy, it would appear, is making the transition to being based on the private sector and modern services at a more rapid pace than other urban areas in Andhra Pradesh.



6.9.03 This structure of employment in Hyderabad, does, however, vary by social groups. One striking aspect of this difference is with respect to Muslims. As compared to the rest of the city, the Muslims have been less in modern and public services and more in traditional services and manufacturing, as seen in Table 6.3. Moreover, over time, this difference is becoming sharper, as they are participating much less in the transition to modern services. While the decline in the share

of public employment is common across the city, the Muslims seem to be moving more towards manufacturing and construction while the non-Muslims are moving towards modern services, as seen in Figure 6.3B. Taken to an extreme, this may have social repercussions, as they may feel excluded if the policies of the city become oriented more towards a service city, rather than a manufacturing city.

Table 6.3. Employment Share (2007-08) and Change (1999-2000 to 2007-08) by Major Sectors in Hyderabad

	Scheduled Tribe		Scheduled Caste		Other Backward Class		Non-Muslim Others		Muslim	
	Share	Change	Share	Change	Share	Change	Share	Change	Share	Change
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Manufacturing	5.0%	-4.1%	10.7%	1.2%	17.4%	5.5%	7.3%	-2.6%	24.8%	1.3%
Construction	40.0%	3.6%	21.4%	-11.7%	5.6%	-12.9%	5.3%	2.7%	14.0%	7.8%
Traditional Services	35.0%	7.7%	17.9%	-13.4%	43.7%	6.0%	32.0%	-9.4%	47.9%	-10.9%
Modern Services	10.0%	5.5%	10.7%	9.4%	16.0%	10.3%	34.7%	17.5%	5.0%	0.8%
Public Services	10.0%	-12.7%	39.3%	15.1%	16.9%	-9.4%	20.0%	-8.4%	8.3%	-7.7%

Source: Based on National Sample Survey 64th round

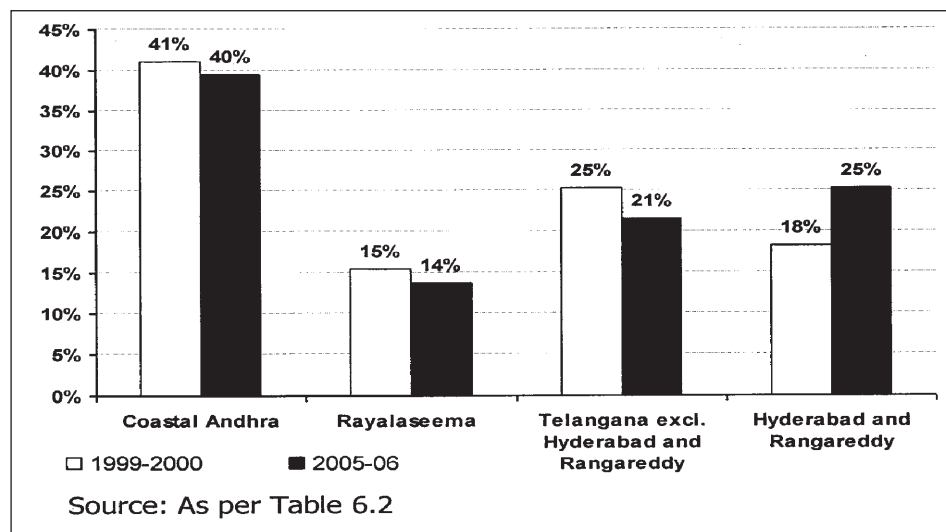
Note: Traditional services are trade, transportation, hotels and restaurants; Modern services are finance, real estate and business services, Public services are community, social and personal services and electricity, gas and water supply.

6.9.04 There is also dynamism in the share of other social groups. The case of Scheduled Caste Hyderabadis is particularly interesting. Not only are they overly concentrated in the public services (39.3%, as compared to a city average of 18.1%), this share has grown over the period 1999-2000 to 2007-08 by a massive 15.1%, when it has declined for all the other social groups including the Scheduled Tribes and Muslims. Indeed, the share of public services for non- Muslims in the city as a whole fell by 5.8% in this period (see Figure 6.3B). In part, this could reflect the effect of job reservations coupled with increased education but what is especially encouraging is the concomitant rise in the share of modern services for the Scheduled Tribe and Scheduled Caste categories, reflecting increasing participation in the modern Hyderabad economy. In this, their dynamism is distinct from that of the Hyderabad Muslim, whose participation in this sector has remained virtually unchanged.

6.9.05 The Other Backward Classes show a slightly different change in their employment structure. They do withdraw from public services and construction and move to modern services, but they also go to manufacturing and traditional services. The Scheduled Tribes, on the other hand, seem to prefer construction and traditional services more than manufacturing. The Hyderabad Muslims thus seem to prefer a mix of the occupational choices of OBCs and the STs. For them, the share of manufacturing increases, as for the OBCs, as does the share of construction, like the STs.

6.9.06 Finally, the Non-Muslim Others or upper castes seem to be moving rapidly into the new economy, and somewhat into construction; shifting away from traditional services and public employment. The change in employment structure in Hyderabad over 1999-2000 to 2007-08 is thus quite a complex story.

Figure 6.4. Regional Share of State GDP from Modern Services



6.10 Concentration around Hyderabad

6.10.01 The share of modern services in the economy of Hyderabad and its environs, i.e., Rangareddy, has been growing. Figure 6.4 shows the change in the share of different regions in the state GDP from modern services. Over the short period of 1999-00 to 2005-06, the share of Hyderabad and Rangareddy has grown from less than a fifth (18%) to a quarter (25%), while the shares of all other regions have decreased.

6.10.02 Another aspect of this regional concen-

tration of activity can be seen from the location of the Special Economic Zones (SEZs). Rangareddy has the maximum number of SEZs. As Table 6.4 shows, of the 72 notified (103 approved) SEZs, 40 notified zones (57 approved) are located around Hyderabad, with Rangareddy accounting for 35 zones (49 approved). The rest of Telangana has only three notified zones (10 approved). In comparison, all of coastal Andhra has only 22 notified zones (28 approved), of which 10 are in Visakhapatnam district. Rayalaseema has all of 7 notified zones (8 approved).

Table 6.4. SEZs in Andhra Pradesh

District/Region	Formally Approved Number	Area (km ²)	Notified Number	Area (km ²)
(1)	(2)	(3)	(4)	(5)
Coastal Andhra	28	76.28	22	62.59
Visakhapatnam	12	33.03	10	32.70
Rayalaseema	8	17.06	7	21.44
Telangana	67	27.68	43	21.72
Rangareddy	49	17.64	35	17.78
Medak	5	1.88	3	1.54
Hyderabad	3	2.13	2	1.14
Andhra Pradesh	103	121.02	72	105.75

Source: Calculated based on data from <http://www.sezindia.nic.in>

6.10.03 However, in terms of area, SEZs in coastal Andhra occupy almost 60% of the area of SEZs in the state with the remaining 40% being evenly split between Telangana and Rayalaseema. Thus, not only are the SEZs numerous around Hyderabad, they are also small, oriented to IT and ITES sectors and as such unlikely to contribute to the overall network infrastructure.⁸ However, they provide the possibility of capitalizing on infrastructure investments in Hyderabad. These SEZs demonstrate the link between the IT and ITES sector and real estate, which plays a major role in Hyderabad's economy. 6.11 IT and ITES Services in Hyderabad

6.11.01 Andhra Pradesh's contribution to India's total information technology and information technology enabled services (IT and ITES) exports has been steadily growing over the past few years. As a share of India's exports, it has grown from 12% in 2005-06 to 15% in 2008-09. In terms of actual figures, this translates to Rs 32,500 crore out of the total of Rs 217,000 crore exports for India in 2008-09.⁹ Within Andhra Pradesh, the industry is almost solely in Hyderabad, which accounted for 99% of the total exports from the state in the year 2005-06, and

8. This is not a feature peculiar to Hyderabad. Nationally too, SEZs are concentrated in urbanized areas, with 289 of 344 SEZs being situated in the most (top quartile) of urbanized districts, of which 222 are less than 1 km² in size.

9 "Export Performance of IT/ITES Industry for the Year 2008-09" by STPI, Hyderabad downloaded from <http://www.hyd.stpi.in/index.html>, accessed on 30 August 2010.

has consistently accounted for 98% of the total exports from the state in the years 2006-07, 2007-08, and 2008-09.

6.11.02 This initial growth of the IT and ITES industry in Hyderabad can be largely attributed to the deliberate policies of consecutive political regimes to develop the city as an IT/ITES centre, such as the development of Cyberabad Development Area, since subsumed under Hyderabad Metropolitan Development Authority (HMDA).¹⁰ It would now appear that Hyderabad has now grown as the fifth largest centre after Bangalore, Mumbai, the National Capital Region, and Chennai, and much ahead of locations such as Pune and Kolkata. There have been a number of interventions since that have improved Hyderabad's infrastructure and increased its capacity to absorb such investments. This is discussed later in this chapter.

6.11.03 However, this would not have been possible without some natural advantages of Hyderabad. First, it has over the years, been a centre for higher education. Second, because of its cosmopolitan nature, it has been able to attract trained and talented personnel from within the state as well as outside the state. The diversity of its population and the use of Hindi as a language for interaction are to its advantage. Third, the agglomeration feeds on itself and the very concentration of quality human resources and active labour market in IT and ITES personnel now attract both firms and employers to the city. The employers come because the people and infrastructure are here and the people come because the employers are here.

6.11.04 While there are local investors in IT and ITES sector (with the infamous Satyam being a leading but not typical example), the composition of the firms established in the city is largely national and international in character, with over a hundred distinct firms. As such, this industry is connected more to the national (through investment) and global economy (through the market) than it is to the regional economy.

6.12 Real Estate

6.12.01 The real estate sector in Hyderabad is intricately linked to the IT and ITES sector and its character within the city have been shaped by investments by the sector. Since facilities are an integral part of productivity in the IT and ITES sectors, the investment by IT majors also saw the arrival of real estate developers from cities like Bangalore, Mumbai and Delhi, as suppliers to these firms. These high-end infrastructure projects improved standards in the city and led to a more diverse industry structure. Unlike other cities, where the real estate market has until recently been dominated by local firms, the Hyderabad market has participation from firms across the country. In part, this is also due to the use of auctions as a mechanism for land allocation by agencies such as the erstwhile HUDA (Hyderabad Urban Development Authority).

6.12.02 In terms of location, the real estate market has spread beyond Hyderabad to its surrounding environs, in particular, Rangareddy district, which forms a large part of the erstwhile HUDA boundaries and now a major part of the HMDA area. While there are no clear estimates about the extent of real estate sector investments or business, the revenue to the state due from property transferred is an indication of the location of this

10. For an interesting discussion about how infrastructure-led growth model to facilitate IT/ITES sector had an impact on peri-urban areas in Hyderabad, see Kennedy, Loraine 2007 Regional industrial policies driving peri-urban dynamics in Hyderabad, India. *Cities* 24 (2), 95-109

activity. As Table 6.5 shows, Hyderabad's share declined steadily from 17% in 2004-05 to 11% in 2008-09, while over the same period, Rangareddy's share has been around 30%, starting in 2005-06. Together the two districts account for

over 40% of the total revenues from property transferred. This is also supported by the change in the regional share of GDP, presented earlier in Figure 6.4.

Table 6.5. Revenue from Property Transfers (share by region)

	2004-05	2005-06	2006-07	2007-08	2008-09
(1)	(2)	(3)	(4)	(5)	(6)
Coastal Andhra	40%	33%	32%	33%	36%
Rayalaseema	10%	8%	7%	8%	9%
Telangana (excluding Hyderabad and Rangareddy)	13%	14%	14%	15%	15%
Hyderabad	17%	15%	13%	12%	11%
Rangareddy	20%	30%	33%	32%	29%
Total Revenue (Rs Cr)	1827	2382	3184	3518	3343

Source: AP Statistical Abstract 2009

6.12.03 Apart from the majors, the smaller and medium IT industries provide a market for regional firms. These are also the firms that have moved into the development of other commercial real estate like malls, entertainment services etc. and the residential housing market. The residential housing market covers a wide spectrum, which has seen the involvement of both regional and national firms.

6.12.04 Though the recent past has been turbulent due to global economic trends, indicators about residential real estate prices show that certain parts of Hyderabad survived and weathered the economic crisis of 2008 rather well. The Residex, an index of residential prices compiled by the National Housing Bank fell in cities that are driven by IT sector in the country, and this was true for Hyderabad too, as Table 6.6 shows. However, though the overall Residex value has decreased along with other cities, it actually rose

substantially in the periphery of Hyderabad. This is in contrast to cities like Bangalore, which experienced a city-wide slowdown.

6.12.05 While the IT sector helped real estate to boom, the operational side of the real estate development continues to have a number of problematic aspects such as unclear land titles, uncertain land use, etc. A number of transactions may not be formal and registered. Another aspect of Hyderabad's real estate industry is the formal linkage to political leadership, often from other regions in Andhra Pradesh. For example, LANCO, an infrastructure and real estate company is associated with Lagadapati Rajagopal, an MP from Vijayawada; the Gayatri construction firm is associated with T Subbirami Reddy, a former MP from Visakhapatnam; and Transstroy, a firm involved in building the Outer Ring Road, is associated with Rayapati Sambasiva Rao, the MP from Guntur.

Table 6.6. Residential price index for Hyderabad and other cities (2007 = 100)

	2008(2H)	2009(2H)	2010(1Q)
(1)	(2)	(3)	(4)
Bangalore	76	59	65
Delhi	130	113	104
Hyderabad	92	81	75
East Zone	93	144	143
Other Zone	186	192	192

Source: National Housing Board Residex

6.13 Infrastructure Investments in Hyderabad

6.13.01 A positive aspect for Hyderabad is that regardless of the uncertainty engendered by the current political situation, investments in city infrastructure have continued. A number of major infrastructure projects have contributed to improve Hyderabad's capacity to absorb investments. Some of the key projects that have been implemented or are in the process of getting implemented are:

(a) The Rajiv Gandhi International Airport, built on an area of 22 km², has a current capacity of 10 million passengers and is designed for an eventual capacity of 40 million passengers per annum. This is a public private partnership (PPP) project, where the principal private investor is GMR Projects Ltd.

While GMR is a group that originated in coastal Andhra, it is now a global investor. Apart from being the concessionaire at the New Delhi airport, it is also a major investor in ISGIA airport in Istanbul, Turkey, in addition to its significant investment in highways and energy, which includes the acquisition of Interger, which has power plants located across the UK, the Netherlands, Mexico, Australia and Philippines.

(b) The Narasimha Rao Expressway is an 11.6 km elevated Expressway connecting the Rajiv Gandhi International Airport to the city, which was constructed by HMDA and

built by Simplex-Som Datt consortium, a joint venture between two national construction firms.

(c) The Outer Ring Road, which is a 159 km ring road connecting Patancheru, Shamshabad, Hayathnagar and Medchal. It provides connectivity to various state and national highways and the Rajiv Gandhi International Airport. An initial 22 km section from the Airport to Gachibowli (Hi Tech City) has already been completed. This section of the project has been contracted to Transstroy, referred to above and Continental Engineering.

(d) The Hyderabad Growth Corridor initiative is a plan to develop "*well planned and well connected urban settlements*", around the Outer Ring Road. This is a joint venture of HMDA and Infrastructure Corporation of Andhra Pradesh (ICAP), both state parastatal agencies.

(e) The Hyderabad Multi-modal Transport Service (MMTS) is a city train service, associated with South Central Railway (SCR), which has integrated ticketing with APSRTC. It presently runs 84 services a day, covering 27 stations and connecting Secunderabad, Falaknuma and Lingampally, over the existing railway network.

(f) The Hyderabad Metro Rail project acquired infamy in the wake of the Satyam scam, since it was being implemented by Maytas, an affiliate of the Satyam group. Recently, in the midst of the current uncertainty, Larsen & Toubro, a leading national infrastructure firm acquired the rights to the PPP concession through a competitive bid process. The first phase envisages a route length of 72 km covering three high density traffic corridors of Hyderabad.

6.13.02 In the above projects, one can discern two complementary approaches. First, the airport is being used to leverage the overall development pattern around the city. Second, in addition to developing the environs, there have also been significant investments in inner city transport. Such an approach provides Hyderabad with room to grow, an aspect that is not so clearly evident in other metropolitan cities like Mumbai, Bangalore, Chennai and the NCR.

6.13.03 In addition to these investments, Hyderabad

has a relatively wellfunctioning public sector delivery mechanism for water and electricity. Both of these are through parastatals, viz., the Hyderabad Water Supply and Sewerage Board, chaired by the Chief Minister himself and the AP Central Power Distribution Company Ltd., which has acquired a reputation for efficiency.

6.14 Hyderabad: Inter-Linkages

6.14.01 Questions about city-level inter-linkages are difficult to address empirically since systems to capture data at city level are poorly developed. As such, the following approach has been used to understand the inter-linkages. First, migration patterns and transportation links have been used to assess interconnections. Second, a broad examination of the individual city economies was undertaken by looking at the nature of major economic activities located in each of the regional urban centres. Much of this analysis is based on qualitative information from field interviews.

Table 6.7. Migration Patterns in Hyderabad and Other Regions

Region	In-migration Households reporting in- migrants*	Out-Migrants					
		Migrants as % of Population	Female as % of Migrants	Reasons for migration (share of total)			
				Job Search	Employment and Business	Studies	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Coastal Andhra	0.7%	3.4%	10.8%	16.9%	59.4%	20.8%	2.9%
Rayalaseema	0.4%	3.3%	14.3%	27.3%	37.8%	32.1%	2.7%
Telangana excluding Hyderabad	0.4%	3.1%	15.2%	17.3%	53.4%	25.6%	3.7%
Hyderabad	10.6%	1.8%	11.4%	15.9%	57.4%	24.1%	2.6%
Andhra Pradesh	1.0%	3.2%	13.0%	19.0%	53.2%	24.7%	3.1%

Note: Data excludes out-migration within the same district and migration due to marriage and migration of parent/earning member of the family. Job Search refers migrants in search of employment. Employment/Business includes migrants in search of better employment, business, to take up employment/ better employment, and transfer of service/contract. Others include migrants moving for proximity to place of work, natural disaster, social/political problems, due to displacement by development projects, due to acquisition of own house or flat, housing problems, health care, post-retirement and other unclassified reasons.

* This includes only households who have migrated to the place of enumeration in the past year

6.15 Hyderabad: Migration

6.15.01 In Hyderabad as of the last Census, of the total population, 1.4 million, i.e., about 25% are migrants. In the recent NSS survey of 2007-08, 35.7% of people in Hyderabad reported a different last usual place of residence from the one in which they were enumerated. Indeed, across Andhra Pradesh, 31.2% reported a different last usual place of residence from the one in which they were enumerated. Even so, a level of in-migration of 10.6% of the population per year for Hyderabad, as seen in Table 6.7, seems unnaturally high. The comparable Census number for 2001 for the Hyderabad district was 0.31%, (and 0.4% for Hyderabad urban agglomeration) while for Andhra Pradesh, it is 0.84%, which is comparable to the figure in the NSS Survey. Contrasted with this level of in-migration, migration from Hyderabad appears to be low, even relative to the other regions of Andhra Pradesh, as seen in Table 6.7. However, though low, its reasons for out-migration are similar to the rest of the state, except for Rayalaseema, where a much higher proportion migrate to seek employment or for studies, as compared to the other regions of Andhra Pradesh.

6.15.02 While most migrants (84%) are from other parts of the state, their share has been falling. In 2001, 82% of such male migrants who had moved for work or business reasons and who had been in Hyderabad for ten years or more were from within the state. However, among the same group who moved in the year before the census, only 73% were from within the state.¹¹ However,

as Table 6.8 shows, this is still far behind Mumbai, where only 26% of male migrants who had moved for work or business reasons were from within the state, with most such migrants being from out of the state. Thus on a scale of cosmopolitanism, while Hyderabad (and indeed Visakhapatnam) is progressing, they are still not like cities like Mumbai.

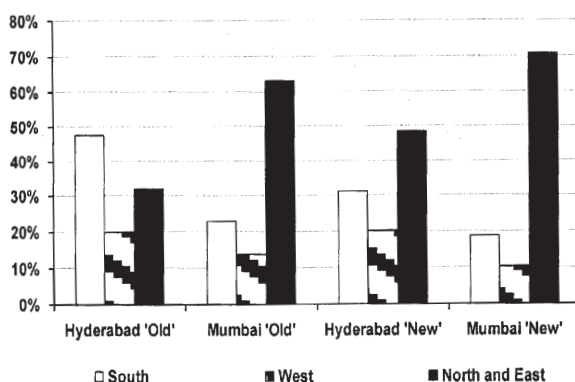
6.15.03 Furthermore, as seen in Table 6.8, even the regional composition of out of state migrants is changing for Hyderabad and Mumbai. For both cities, old linkages of migration in terms of origin continue to be still strong, though the share is decreasing. For Hyderabad, the share of Karnataka and Maharashtra, erstwhile areas under the Hyderabad state of the Nizam, is still high, but it has come down from 39% to 28%. The three southern states, which contributed almost half the migrants (47%) ten years ago, are now down to 30%, while the traditional out-migrating areas of Eastern India, Rajasthan and Uttar Pradesh, which accounted for less than a quarter (23%) earlier, are now contributing 40% of the migrants. Mumbai continues to receive a large share of migrants, over 60%, from these four states with the declining share of Uttar Pradesh being more than made up by the three Eastern states. However, Hyderabad's pattern is beginning to look more like Mumbai's, as Figure 6.5 shows. This is consistent with observations about Hyderabad's greater integration with national and international markets and its growth as a national and global city.

11. In Visakhapatnam, this effect was even more pronounced. While it was 86% for migrants who had moved for ten years or more, it was only 63% for the group who moved in the year before the census.

Table 6.8. Migrants by State of Origin 2001 (Males migrating for work and business)

	Hyderabad		Mumbai	
	Moved Last year	Resident in city for more than 10 yrs	Moved Last year	Resident in city for more than 10 yrs
(1)	(2)	(3)	(4)	(5)
Within State	73%	82%	26%	39%
Outside state of which	27%	18%	74%	61%
Andhra Pradesh	..	..	6%	3%
Karnataka	14%	25%	6%	9%
Tamil Nadu	11%	13%	3%	5%
Kerala	5%	9%	3%	5%
Maharashtra	14%	14%	..	..
Gujarat	3%	4%	8%	12%
Bihar	10%	4%	11%	4%
West Bengal	9%	4%	9%	2%
Orissa	8%	3%	4%	1%
Uttar Pradesh	7%	6%	34%	46%
Rajasthan	6%	6%	5%	8%
Others	13%	12%	11%	5%

Source: Census of India 2001

Figure 6.5: Work and Business Related Male Migration by Region

Source: Census 2001. 'Old' refers to migrants resident in the city for more than ten years, while 'New' refers to migrants in the immediate past year

6.15.04 However, even as Hyderabad grows into a globally interconnected city, its linkages to the region remain strong. During *Sankranti* in January every year, there is usually a substantial increase in travel demand as people resident in

the city travel to their 'native place'. Bus operators, including the state-run APSRTC run additional services at higher fares. By some estimates, the travel demand reaches near 800,000 passengers over this period.¹²

12. Surya (Telugu Newspaper), 13 January 2010

6.16 Settlers

6.16.01 "Settlers" connotes a rather amorphous section of population in Hyderabad and other parts of Telangana. While it generally refers to migrants from coastal Andhra, their character may differ based on the time of migration. Four distinct such phases can be discerned in the popular perception, viz.:

- (i) The first phase was when the Nizam's government invited farmers from coastal Andhra to settle and cultivate lands in the downstream of Nizam Sagar dam. This coincides with the capital accumulation and expansion of capitalist farming class in central coastal Andhra districts. These settlers are the people who established the original Guntur Palles in Telangana.¹³
- (ii) According to some sources, the second phase was when the Communists were losing ground in the late 1950s and the Communist Party encouraged many of their cadres to settle in parts of Telangana and benefit from the irrigation projects being implemented by the Karnataka government in the upstream.
- (iii) The third phase was in the 1980s, involving largely investors and businessmen. This was associated with the advent of TDP regime.
- (iv) The fourth phase was in the 2000s, when the IT driven economic boom in Hyderabad attracted several educated professionals from all parts of AP.

6.16.02 Over the period since the first phase of migration, the distinctions between the locals and settlers have diminished. Many migrants in the first two phases no longer either consider or claim to be having origins from elsewhere. Indeed, news

reports now indicate the participation of such groups in the current agitation, supporting the demand for a separate state of Telangana.¹⁴ However, there is a continuing narrative of settlers depriving locals of economic opportunities.

6.16.03 This narrative does not find overwhelming support in the data. Detailed population figures of Hyderabad and Rangareddy by place of birth are provided in Table 6.9. The persons born in coastal Andhra and Rayalaseema together are 7.2% of the total population in the Hyderabad and Rangareddy districts and less than half of the population born outside the two districts, a measure of the 'non-local population'. Taking the two districts together, persons born in coastal Andhra are about 37% of the population born outside either of the two districts (which, in turn, is 16.3% of their total population). However, while their presence is limited in terms of the overall population, they may appear as a visible portion of the 'non-local population'. Added to this, if some people continue to perceive second and third generation settlers as 'non-local', this visibility can be larger.

6.17 Circulatory Migration

6.17.01 This section focuses on migrants who spend short spells of time outside their usual place of residence, i.e., circulatory, short-term migrants. For Andhra Pradesh as a whole, only about 1% of the population report undertaking such migration. However, among rural males of working age (between the ages of 15 to 60), this number is higher, at around 3%, with variations within the state, e.g., in the coastal Andhra region about 5% of this group report undertaking such migration.

¹³ Maringanti, Anant 2010 Telangana: Righting historical wrongs or getting the future right? *Economic and Political Weekly*, Vol. 45, No. 4, P. 33.

Upadhyaya, Carol. B. 1988a; The farmer-capitalists of coastal Andhra Pradesh, *Economic and Political Weekly* Vol. 23, No. 28, Pp. 1433-42.

Upadhyaya, Carol. B. 1988b; The farmer-capitalists of Coastal Andhra Pradesh, *Economic and Political Weekly* Vol. 23, No. 27, Pp. 1376-82.

¹⁴ <http://www.deccanchronicle.com/karimnagar/andhra-settlers-active-t-stir-801>

Table 6.9 Population of Hyderabad and Rangareddy by Place of Birth

	Hyderabad		Rangareddy		Hyderabad and Rangareddy	
	Number	%	Number	%	No	%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total district population	3,829,753		3,575,064		7,404,817	
Total persons born outside the district	478,152	12.5%	927,917	26.0%	1,206,708	16.3%
Born in other districts of Telangana	219,008	5.7%	542,445	15.2%	562,092	7.6%
Born in Coastal Andhra	168,036	4.4%	282,332	7.9%	450,368	6.1%
Born in Rayalaseema	36,566	1.0%	46,264	1.3%	82,830	1.1%
Unclassified	54,542	1.4%	56,876	1.6%	111,418	1.5%

Note: the persons born outside the two districts do not match with sum of respective numbers for individual districts as the former is corrected for inter-district migration between the two districts. Source: Census 2001

6.17.02 However, some districts may have a much larger share, e.g., 14% of rural males in Srikakulam report undertaking circulatory migration. Further, within these districts, migrants from particular income and social categories may be substantially higher. For example, in Srikakulam, 19% of the lowest three MPCE (monthly per capita consumer expenditure) deciles, i.e., the consumption class corresponding to the poorest 30%, report circulatory migration. Within these lowest three MPCE deciles, 24% of the OBCs report circulatory migration, much more than the district average of 14%. Other districts reporting relatively high circulatory migration are Mahabubnagar and Kurnool.

6.17.03 People who migrate to urban areas usu-

ally work in construction and traditional services. In Rayalaseema, 74% of the circulatory migrants move to urban areas and of these, 89% work in these two sectors. In coastal Andhra, 52% of the circulatory migrants move to urban areas and of these 86% (i.e., 45% of total) are in these two sectors. Telangana (excluding Hyderabad) is in between, with 67% moving to urban areas, of which 75% (i.e., 50% of total) are in these sectors. Most of those who migrate to rural areas in Rayalaseema and coastal Andhra work in agriculture, but such is not the case in Telangana (excluding Hyderabad) where only half of such circulatory migrants work in agriculture, as can be inferred from Table 6.10B. The patterns thus vary by region.

Table 6.10A. Destination of Circulatory Migrants by Region

Destination	Same District (Rural)	Same State (Rural)	Other State (Rural)	Same District (Urban)	Same State (Urban)	Other State (Urban)	Other Country
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Coastal Andhra	15%	29%	4%	9%	32%	9%	2%
Rayalaseema	1%	20%	5%	4%	26%	44%	..
Telangana (excluding Hyderabad)	21%	11%	1%	8%	29%	28%	2%

Source: Based on National Sample Survey 64th round

Table 6.10B. Occupation of Circulatory Migrants by Region

	Agr. and Mining	Mfg.	Constr.	Tradl. Svcs.	Modern Svcs.	Public Svcs.	Not avail-able
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Coastal Andhra	42.6%	7.8%	37.3%	9.4%	0.1%	0.7%	2.0%
Rayalaseema	24.4%	4.4%	45.2%	22.0%	0.3%	3.0%	0.7%
Telangana (excluding Hyderabad)	14.1%	8.5%	36.8%	9.5%	..	3.1%	28.0%

Source: Based on National Sample Survey 64th round

6.17.04 In central coastal Andhra districts, more migrants move within the district and to other districts for agricultural works compared to the other regions. In north coastal Andhra, the movement is more for urban work, and it could very likely be to Vishakapatnam, since many migrants in Vishakapatnam move to urban areas within the district. In Rayalaseema, the pattern is different, with significant migration to the urban areas outside the state especially from districts like Anantpur and Chittoor (which may reflect movement to cities like Chennai and Bangalore) while in Kurnool, the movement is to urban areas within the state but outside the district. In Telangana (excluding Hyderabad), the pattern appears similar to Rayalaseema, albeit with more rural movement within the district and lesser movement to urban areas outside the state.¹⁵

6.17.05 To sum up, while the overall extent of circulatory migration as a proportion of population is not high, the share is significant for particular regions and among particular social groups and the poor among them. Apart from central coastal Andhra, where such migration is undertaken for agricultural work, most of the circulatory migration is directed towards urban areas to work in construction and traditional services. However, this migration is not directed primarily

to Hyderabad. Migrants in Rayalaseema and even Telangana seem to be moving to urban areas outside the state, while those in north coastal Andhra may be moving to Vishakapatnam. This is to be expected since short-term migrants probably move to nearby urban centres.

6.18 Investment Linkages

6.18.01 It is difficult to determine investment linkages in the absence of specific data about investment inflows into the city. A very broad assessment can be made based on the analysis of projects over 2000 to 2010 in the CMIE data on capital expenditure on projects.¹⁶ There are ninety four groups identified separately in the database for investments in Hyderabad and Rangareddy. Of these, seventy four are from outside Andhra Pradesh, testifying to the breadth of investment linkages in the region. There are also a number of foreign firms who are investing in the Hyderabad region.

6.18.02 The broad conclusion from the completed projects is that there is significant investment from non-AP private investors and from Central and State investors. As shown in Table 6.11A, only 25% of the total investments are from private

15. This may reflect historical links dating from the time when parts of Maharashtra and Karnataka were linked to this region. However, there are some quirks in the data on this aspect. While the population weighted estimates (usually used for analysis and used here too) show that the movement is to urban areas outside the state, the unweighted sample proportions indicate that the movement is to urban areas within the state, but outside the district, indicating a movement to Hyderabad.

16. There are 447 completed projects over 2000 to 2010 in the CMIE Capex data for Hyderabad and Rangareddy. Of these 337 projects have information on project cost, aggregating to a total investment of Rs 31,268 crore. In addition, there are 213 announced projects. Of these 128 projects have information on project cost, aggregating to a total investment of 61,971 crore. There are also 312 projects under implementation, of which 223 projects have information on project cost, aggregating to a total investment of Rs 187,147 crore.

AP based investors. Even in Construction and Real Estate, Finance, Business Services, it appears that private AP based investors are not dominant, attesting to the diversified nature of the real estate industry.¹⁷ However, in some sectors like Pharmaceuticals, and Community, Social and Personal Services (mainly hospitals and educational institutions), private AP based investors account for much of the investment. This feature is also true for 128 announced

investments for which cost information is available. The lopsided share of non-AP investors in Real Estate, Finance and Business Services, with almost three-fourth of investments, is particularly pronounced.¹⁸ In projects under implementation, the shares are a little more balanced. Apart from non-AP investors, significant investment is also undertaken by the central government and state government entities. Indeed, many major projects in the database are attributable to them.

Table 6.11A. Investment in Hyderabad and Rangareddy by Investor Type

	Private (AP)	Private (Non- AP)	Central Govt.	State Govt.	Not Known	Total Cost (Number)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Completed Projects	25.1%	39.7%	13.5%	20.8%	1.5%	31,268 (337)
Projects under Implementation	33.9%	33.9%	3.6%	26.5%	2.0%	61,971 (128)
Announced Projects	14.1%	60.9%	1.8%	19.0%	4.2%	187,147 (223)

Source: Based on CMIE data on capital expenditure on projects

6.18.03 In considering the time profile of investment in completed projects, which is shown in Table 6.11B while the pattern is relatively gradual and rising for private investors, it is much more volatile for government investment. This is to be expected since many government investment projects are lumpy infrastructure investments.¹⁹ The time profile for announced projects tends to indicate some pattern of slowdown in 2008 for private (non AP) projects, and a relative continuing sluggishness, as compared to private AP investors, whose investments this year have improved considerably, though still below the peak of 2008.

6.18.04 Apart from a silicon wafer project, two photovoltaic projects and three large infrastructure projects, i.e., the outer ring road, the airport and the metro rail, which account for over a third of the large private investments, much of the rest of the large private investments are in real estate related projects. Across the sectors, however, the investors are diverse, from many regions. This indicates that Hyderabad is now quite closely linked to the national economy, and indeed to the global economy, as evidenced by recent investments by firms such as JP Morgan and Facebook. It is therefore not overly dependent on any single group of investors. Rather, its private investments would be driven by the overall climate of certainty and availability of infrastructure, labour and other services.

17. If it is the case (there is no information on this) that much of the civil works contracting for private non-AP investors and for projects initiated by the State and Central governments is done by local construction companies, a perception of local dominance in real estate and construction may be formed.

18. However, there are some issues with the database. In some instances, the entire investment for a multi-city project is reported, without separating the component for Hyderabad. This would tend to skew the share in favour of non AP investors, who are likely to have more projects outside Hyderabad, e.g., the database indicates an investment of Rs 28,500 crore in 2008 for Airtel's pan-India roll-out, which is not limited to Hyderabad.

19. For example, in 2007, it includes the State government's Rs 38,500 crore Pranahita-Chevella Sujala Sravanthi Irrigation Project.

Table 6.11B. Projects in Hyderabad and Rangareddy (Rs crore)

	2000-04	2005	2006	2007	2008	2009	2010 (part year)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Completed Projects	9168	1094	5005	1166	6970	4575	3290
Projects under Implementation	19603	4272	18105	87911	47841	7701	1714
Private (AP)	12814	313	10655	29809	5590	3801	540
Private (non AP)	2137	485	3930	13494	39450	3302	665
State Govt.	965	3375	250	42313	2280	50	442
Announced Projects	9174	69	6952	22810	5790	9536	7585
Private (AP)	..	..	1084	1556	3180	950	1925
Private (non AP)	3291	..	5868	17411	2550	6665	4448

Source: Based on CMIE data on capital expenditure on projects

Other Urban Centres

6.19 Visakhapatnam and Kakinada

6.19.01 Visakhapatnam is a port town and the second largest city in Andhra Pradesh. Till recently, it was the leading port in the country in

terms of the annual volume of cargo handled. The city also hosts several larger public sector industries and the Eastern Naval Command. These high-end industries and the naval base have attracted people from all over the country giving it a cosmopolitan image and making it attractive to investors in real estate (Box 6.1).

Box 6.1 Regional disparities and real estate investments

The Visakhapatnam based Andhra Pradesh Real Estate Developers' Association (APREDA) has around hundred members, an overwhelming majority of whom are from central coastal Andhra (CCA) districts of Guntur, Krishna and East and West Godavari districts. Barring a small fraction from Telangana, the rest are from north coastal Andhra (NCA) districts of Visakhapatnam, Vizianagaram and Srikakulam. Out these hundred members, about seventy have investments ranging above 100 crore and the rest are in the range of 10 to 100 crore. The investment capital comes mostly from the CCA districts. The reasons advanced by these investors for moving to Visakhapatnam are interesting. These are: (i) Hyderabad has already too many players, whereas Visakhapatnam has few, even though it is projected as the next growth centre in Andhra Pradesh; and, (ii) unlike their home districts, there is no competition from consolidation of capital and political power in any specific caste or community.

NCA has a peculiar social geography and political economy of caste groups. The traditionally dominant castes of *Kshatriya* and *Brahmins* were smaller in number and were not from the business community. As their upward mobility into the professional class progressed, they dispersed and their power dissipated. The *kapu* and *velama*, forming the majority of population, are not rich and are also deeply polarized with internal differences. This vacuum in spaces of power was conducive for the investors from CCA to locate and exert their position in real estate development in NCA districts.

6.19.02 According to the City Development Plan prepared by the Greater Visakhapatnam Municipal Corporation there are 55 large and medium manufacturing industries in Visakhapatnam. The rest include 42 private sector units and 5 units in cooperative sector. Some key industries are the HPCL owned Visakha refinery, which supplies oil to Hyderabad, Vijayawada, Suryapet and Rajahmundry through a pipeline running 571 km; South Asia LPG Company - a joint venture of HPCL and Total Gas, a French company; Visakhapatnam Steel Plant owned by SAIL - supplies steel to other parts of Andhra Pradesh as well as the country; and other industries like Andhra Petrochemicals, NTPC, BHEL, Hindustan Shipyard, NSTL etc.

6.19.03 The Andhra Pradesh government is promoting a PCPIR (Petroleum, Chemicals and Petrochemical Investment Region) along the Visakhapatnam- Kakinada coastal corridor to develop infrastructure and attract investments in petrochemical and pharmaceutical sectors. In addition, there is the Reliance and Essar-Gujarat promoted gas and power projects in the KG basin and power projects (both gas and coal based) by groups like GMR around Kakinada.

6.20 Vijayawada, Guntur and Rajahmundry

6.20.01 Vijayawada and Guntur, including Rajahmundry, are the towns of the prosperous Delta districts - Guntur, Krishna, East Godavari and West Godavari. These districts benefited from the canal irrigation developed by the British in the late 19th and early 20th century (see Figure 6.1). The continued emphasis of the Indian state on irrigation, and the subsequent Green Revolution helped extensive development of irrigated agriculture in these districts. These districts typically demonstrate the characteristics of the 'New Farmer Class' or the 'rich peasant class' after the Green Revolution.

6.20.02 The growth of Vijayawada, Guntur and Rajahmundry is partly a result of this prosperity. These cities showcase typical features of endogenously developed urban centres, driven by commercialized agriculture and development of agriculture commodity markets.²⁰ The canal irrigation combined with revenue reforms (removal of intermediary zamindars) ensured profits to the cultivators. The transformation from subsistence to commercial agriculture led to general prosperity of the region. The farmers, especially belonging to the Kamma and Reddy caste group formed an "entrepreneurial commercial farmer-capitalist class", and used the surplus to invest in different smaller enterprises. They began investing in grain trade, paddy collection and export to other parts of the country and agro-industries. Initially the investments were made locally in land, agriculture or agro-processing within the region; later, these entrepreneurs began to explore other regions to invest in land and agriculture activities. The *Guntur Palles* in Telangana were one of the manifestations of these migratory movements.

6.20.03 These trade links, networks and infrastructure development helped the emergence of market towns. This was associated with various other social processes: rural-urban migration, increase in awareness of education, and, improved class consciousness. They wanted their children to be educated in English and be eligible for employment within the state. Later in the 1930s, during depression, the fall of agriculture prices and failure of local enterprises prompted this newly educated and surplus rich farmer class to diversify their investments and they began investing in sugar and oil mills, film industry, financial institutions, transport companies, etc.

²⁰ Upadhyaya, Carol. B. 1988a; The farmer-capitalists of coastal Andhra Pradesh, *Economic and Political Weekly*, Vol. 23, No. 28, Pp. 1433-42

Upadhyaya, Carol. B. 1988b; The farmer-capitalists of Coastal Andhra Pradesh, *Economic and Political Weekly* Vol. 23, No. 27, Pp. 1376-82

6.20.04 While these centres developed as commercial hubs to facilitate agriculture markets and trade, there were also attendant benefits from these investments. The infrastructure development for grain and produce transport turned Vijayawada into a major transportation hub, a role it continues to fulfill today. The early awareness about education and development of educational institutions helped the two cities to grow into educational hubs. Cities like Guntur are seen as major education centres. In all these activities, their linkage with Hyderabad, beyond an overall policy level, is limited.

6.21 Rayalaseema

6.21.01 Urbanization in Rayalaseema region generally is low, as evident from the ranking of its settlements in AP. The largest town in the region, Kurnool (closely followed by Tirupati), has a small fraction of the population of Hyderabad, despite its short-lived status as capital of Andhra State from 1953 to 1956. Kurnool's economy is mainly driven by agriculture and transportation sectors. Kurnool district's sectoral share of GDP for the year 2005-06 includes 34% from primary, which is mainly from agriculture and 23% from traditional services. While the rest of the sectors are minor in proportion, the modern sector accounts for a significant 14%.²¹ There are no known exclusive interdependencies with Hyderabad or other urban centres in AP. The other large urban centre in the region is Tirupati - the temple town, which is entirely dependent and driven by the pilgrimage and tourist economy. As such, it has extremely deep linkages, especially across south India, but this has not moved beyond pilgrimage yet.

6.21.02 The above narrative of key cities in the rest of Andhra Pradesh suggests that the economic interdependencies between them may be limited. Hyderabad and each urban centre in coastal Andhra and Rayalaseema appear to have their own economic base hinterland and growth drivers. Each of these urban centres is well integrated

with the national and even global economy. Visakhapatnam and the Kakinada corridor is largely public sector dominated and globally oriented with steel, petroleum, natural gas and port based activities. Vijayawada, Guntur and Rajahmundry are agriculture based economies with strong trade links with other parts of country. Kurnool in Rayalaseema has similar characteristics, whereas the other city of Tirupati is a pilgrim and tourist based economy. This diversity of economic profiles appears not to deny strong sociocultural linkages and movement of people across regions. Rather, these trends suggest strong integration with national and global economies with simultaneous consolidation of regional clusters.

6.21.03 From the above description it is clear that Hyderabad is a dominating urban centre in Andhra Pradesh. However, the reality is more complex. The economic structure of the cities in coastal Andhra is different and lateral economic inter-linkages of the urban centres in coastal Andhra and Rayalaseema appear limited. However, each of them shows strong individual connections with the national economy and parts of the global economy. Thus, while Hyderabad is much larger than the other cities in the state, it appears that the other cities across AP do not seem to be solely dependent on it for market linkages and other services.

6.22 Summing up

6.22.01 Hyderabad's historical distinctiveness has always been well known. As a city, it is, as Nehru said of India, "an ancient palimpsest on which layer upon layer of thought and reverie had been inscribed, and yet no succeeding layer had completely hidden or erased what had been written previously".²² The social base of Hyderabad's politics is also distinct. While different communities have historically inherited strengths and weaknesses, they have all been able to find

21 One of the better known industrial houses of the region is that of Amara Raja batteries from Chittoor.

22. Nehru, Jawaharlal 1946 The Discovery of India, New York, Doubleday

their political niche within the city, creating a diverse political landscape of largely constructive contestation.

6.22.02 As a city, Hyderabad's economy operates across three levels: regional, national and international. At one level, it is strongly linked to the region, and its role as a driver of regional growth depends on its unique location, advantage of having concentration of high quality infrastructure from the period of the Nizams, extending into the present and its current position in the global economy of IT and ITES. Its role as a driver of regional growth depends on its position in the global economy of IT and ITES. Within Andhra Pradesh, the IT and ITES industry is almost solely in Hyderabad, which accounted for 99% of the total exports from the state in the year 2005-06, and has consistently accounted for 98% of the total exports from the state in the years 2006-07, 2007-08, and 2008-09. Hyderabad has now grown as the fifth largest centre after Bangalore, Mumbai, the National Capital Region, and Chennai, and much ahead of locations such as Pune and Kolkata. Modern services form 39% of the economic activity in Hyderabad, with transport accounting for another 19%. The real estate industry, which benefits from this, is also unusually diverse, with strong participation of national players, in addition to regional firms. To complement these strengths in services, it has a manufacturing base in the surrounding Rangareddy district. It has been able to draw in talent from across the state and country, not just at the high end but across the range of economic activities. Hyderabad has been able to attract investors from across the country and indeed across the globe. In fact, a sixth of Telangana's GDP comes from Hyderabad. The pattern of Hyderabad's migration and investment reflects a growing increase in its cosmopolitan identity and social

diversity. Hyderabad has also benefited from a number of public sector interventions at both the state and central level, in terms of institutions, investment and infrastructure. It is to be noted that a large number of Central institutions are Public Sector Companies/Units, National Institutes, Civil and Military Research and Development Organisations, and Defence Forces Institutions.

6.22.03 The data obtained from CEPT, Ahmedabad, put the population of Hyderabad Metropolitan region in 2001 at 75,86,813 and in 2011 it is projected to be 1,03,18,302. As mentioned earlier, information obtained from the State Government indicates that over 8 lakh people leave Hyderabad for coastal Andhra and Rayalaseema during the *Sankranti* festival every year. The immigration from within and outside the state indicates that the present character of the city is quite different from that inherited from the Nizam period or what it was even three decades ago. Migrants from the three regions, especially from coastal Andhra, have contributed substantially to the economic growth of the city and continue to hold a stake in important businesses. The recent profile of migrants has changed once again, with many now being from other parts of the country. Circulatory or temporary migrants to the city from other regions of the state, especially from among the poorer sections of the population also find work in the Hyderabad Metropolitan region for part of the year. Access to educational institutions in Hyderabad is also equally important to youth from all three regions of the state. Small tradespersons and semi-skilled workers from all over the state also find a niche in the city. People from the three regions have developed strong material and emotional attachment to the metropolis and fear loss of access in case of changes in the state's contours.

6.22.04 Keeping the above factors in mind, it is imperative to ensure that there is no destabilization of the economy of Hyderabad, flight of capital or erosion of business confidence and all stakeholders continue to have safe access to the city. It would be in the interest of all regions if the economy of Hyderabad, which is a growth engine for the state and the national economy, continues to grow rapidly as only economic growth can create an expansion of employment opportunities. The current economic inter-linkages of Hyderabad with all regions need to be fostered and further developed especially in the context of Hyderabad now having become a hub of the 'new economy', with an international brand image and interface. To grow, it cannot afford a continued climate of uncertainty. Its future now is vitally dependent on the ability of decision-makers to work out arrangements for effective and transparent governance for its all round growth and development.

CHAPTER 9 THE WAY FORWARD

9.1 Introduction

9.1.01 The Terms of Reference of the Committee which have been reproduced verbatim in Approach and Methodology of the Report, *inter-alia*, include 'to examine the situation in the State of Andhra Pradesh with reference to the demand for a separate State of Telangana as well as the demand for maintaining the present status of a united Andhra Pradesh to seek from the political parties and other organizations a range of solutions that would resolve the present difficult situation and promote the welfare of all sections of the people; to identify the optimal solutions for this purpose; and to recommend a plan of action and a road mapto make any other suggestion or recommendation that the Committee may deem appropriate'. The mandate

of the Committee was thus clear - to give possible options/optimal solutions to the issue with their *pros and cons*. In this Chapter, the Committee's suggestions/recommendations have, accordingly, been incorporated. Before proceeding towards outlining the possible solutions, it is important to look at the evolution and establishment of the states in the Indian Union, beginning from the country's Independence in 1947, and at other related issues.

9.1.02 After Independence, the sovereign Indian State has sought to model the polity and society on the principles of secularism, justice, liberty, equality and fraternity. The Preamble to the Constitution, *inter-alia*, states:

"WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens:

JUSTICE, social, economic and political;
LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity;
and to promote among them all

FRATERNITY assuring the dignity of individual and the unity and integrity of the Nation"

For this purpose, the nation adopted a Constitution which also provides for formation of new states and alteration of areas, boundaries or names of existing states if and when found necessary (Article 3).

9.1.03 Debates over the re-organisation of states have engaged the attention of the nation since pre-independence times. The provinces under British rule were based on administrative and military considerations and the British termed the

issue of re-organisation as an exercise in "rationalization of provinces".¹ The Indian Government, on the other hand, wished to reorganise the states on different grounds and despite various uncertainties, a consensus emerged around the linguistic principle.

9.1.04 After Independence and up to the adoption of the Constitution, the country was guided by the Government of India Act, 1935 which continued to be the Constitutional Law of India. The first act of the new government, post-independence, was the political integration of about five hundred and fifty Princely States with the Indian Union and re-organisation of some of the provinces.² Most Princely States were merged into the then existing provinces; others were organised into new provinces, such as Rajputana, Himachal Pradesh, Madhya Bharat and Vindhya Pradesh and a few, including Mysore, Hyderabad, Bhopal and Bilaspur were made into separate provinces.

9.1.05 Under the Constitution of India (which was adopted by the Constituent Assembly on November 26, 1949 and came into effect on January 26, 1950), India became a Sovereign Democratic Republic and a Union of States (replacing the word provinces) and Territories. While the States were to have extensive autonomy with their own legislatures, the Union Territories

were to be administered by the Union Government. Before the Amendment in 1956, the Constitution distinguished between different types of states as follows:

- * **Part A States:** These included those provinces of British India, which had been ruled by a Governor and had an elected legislature. The nine Part A States were Assam, West Bengal, Bihar, Bombay, Madhya Pradesh (formerly Central Provinces and Berar), Madras, Orissa, Punjab, and Uttar Pradesh (formerly United Provinces);
- * **Part B states:** These included those former Princely States or groups of Princely States, which were governed by a Rajpramukh who was often a former prince, and had an elected legislature. The Rajpramukh was appointed by the President of India. The eight Part B States were Saurashtra, Mysore, Travancore-Cochin, Madhya Bharat, Vindhya Pradesh, Patiala and East Punjab States Union (PEPSU), Rajasthan and Hyderabad (in 1948);
- * **Part C states:** These included both former Chief Commissioner provinces and the Princely States that were governed by a Chief Commissioner. The Chief Commissioner was appointed by the President of India. The Part C States included Delhi,

¹ Note: British India, which included present-day India, Pakistan and Bangladesh was divided into two types of territories: provinces which were governed directly by British officials, responsible to the Viceroy and Governor-General of India and Princely States, under the rule of local hereditary rulers who recognised British sovereignty in return for local autonomy, as established by treaty between them. As a result of the reforms of the early 20th century, most of the provinces had elected legislatures and governors, although some of the smaller provinces were governed by a chief commissioner appointed by the Viceroy and Governor-General. The 20th century reforms of British India also established the principle of federalism, which also got reflected in the Government of India Act 1935. These principles were carried forward into the governance of Independent India and found their rightful place in the Constitution.

² On 15 August 1947, British India was granted independence as the separate dominions of India and Pakistan. The British also dissolved their treaty relations with the (over 600) Princely States, who were encouraged to accede to either India or Pakistan. Most of the states acceded to India, and a few to Pakistan. Hyderabad opted for independence, although the police intervention of India brought Hyderabad into the Indian Union. The Nawab of the Princely state of Junagarh opted for Pakistan. But on public pressure the state of Junagarh acceded to India in November 1947. Bhutan was a Protectorate of British India (spelled Bhootan) from November 1865. From January 1910 it continued to be a Protectorate of Britain under British India. The Government of India Act 1935 recognised Bhutan's autonomy from British India. After Independence, Bhutan became Protectorate of India (formally from 8th August, 1949)

Kutch, Himachal Pradesh, Bilaspur, Coorg, Bhopal, Manipur, Ajmer-Marwar and Tripura.

Jammu and Kashmir was given a special status until 1957. The Andaman & Nicobar Islands were established as a Union Territory in the year 1950 to be administered by a Lieutenant Governor appointed by the Central Government.

9.1.06 During this period, political movements, primarily for the creation of linguistic-based states gained momentum across the country. On July 7, 1952, a debate on linguistic states took place in the Lok Sabha. Speaking on the occasion, Prime Minister Jawaharlal Nehru stated:

"The latest position is as embodied in the election manifesto of the last General Elections May I read out?"

The demand for redistribution of provinces on a linguistic basis has been persistently made in the south and west India. The Congress expressed itself in favour of linguistic provinces many years ago. A decision on this question ultimately depends upon the wishes of the people concerned. While linguistic reasons have undoubtedly cultural and other importance, there are other factors also such as economic, administrative and financial, which have to be taken into consideration. Where such a demand represents the agreed views of the people concerned, the necessary steps prescribed by the Constitution including the appointment of a Boundary Commission, should be taken'.

That more or less represents the policy and the position of the Government in this matter".

Subsequently, as mentioned in Chapter 1, the first linguistic state of 'Andhra' was created in 1953 by carving out sixteen northern/ north western Teluguspeaking districts of the then Madras State. However, this political step did not lead to any

general consensus on the important subject of reorganization of states. The Union Government, accordingly, in December 1953, appointed the States Reorganization Commission (SRC), inter-alia, to examine this question *"objectively and dispassionately" in order to "promote the welfare of the people of each Constituent unit as well as the Nation as a whole"*. The SRC took into account the growth in the development of regional languages that had taken place particularly since the beginning of the nineteenth century and also the emotional integration among the people in different language groups and generally favoured the principle of language based reorganization of states (Chapter 1). The SRC recommendations were followed by the enactment of the States Reorganization Act (SRA), 1956. The SRA reorganized the boundaries of India's states, particularly the southern and western states, on broadly linguistic lines. The Constitution was also amended to replace the then existing division of states as Part A, B and C states with only two categories i.e., 'State' and 'Union Territory'. Although additional changes in state boundaries have been made since 1956, the States Reorganisation Act of 1956 provided the most extensive reorganization of states since Independence. As on November 1, 1956 the country was divided into the following States and Union Territories:

States

1. Andhra Pradesh: Andhra was renamed Andhra Pradesh, and enlarged by the addition of the Telangana region of erstwhile Hyderabad State ;

2. Assam: No change of boundary in 1956 at the time of SRA. However, later new states were created in the North Eastern region also by carving out areas from Assam.

3. Bihar: No change of boundary in 1956. The state was, however, divided in the year 2000 with the formation of Jharkhand.

4. Bombay State: The State was enlarged by the addition of Saurashtra and Kutch, the Marathi-speaking districts of Nagpur division of Madhya Pradesh and the Marathwada region of Hyderabad. The southernmost districts of Bombay were transferred to Mysore State. In 1960, the State was split into the two states of Maharashtra and Gujarat.

5. Jammu and Kashmir: No change of boundary in 1956.

6. Kerala: Formed by the merger of Travancore-Cochin state with the Malabar district of Madras State while adding southern part of Travancore (Kanyakumari) to Madras State.

7. Madhya Pradesh: Madhya Bharat, Vindhya Pradesh, and Bhopal were merged into Madhya Pradesh and the Marathi-speaking districts of Nagpur Division were transferred to Bombay State. Madhya Pradesh was divided in the year 2000 to form the state of Chhattisgarh.

8. Madras State: The State was given its present boundaries by the transfer of Malabar district to the new state of Kerala. The southern part of Travancore (Kanyakumari) was added to the State. The State was renamed Tamil Nadu in 1969.

9. Mysore State: The State was enlarged by the addition of Coorg State and the Kannada speaking districts from southern Bombay State and western Hyderabad State. The State was renamed Karnataka in 1973.

10. Orissa: No change of boundary in 1956.

11. Punjab: The Patiala and East Punjab States Union (PEPSU) was merged into Punjab.

12. Rajasthan: Rajputana was renamed Rajasthan, and enlarged by the addition of Ajmer-Marwar State.

13. Uttar Pradesh: No change of boundary in 1956. The State was, however, divided in the year 2000 to form the State of Uttaranchal, now Uttarakhand.

14. West Bengal: No change of boundary in 1956.

Union Territories

1. Andaman and Nicobar Islands
2. Delhi
3. Himachal Pradesh
4. Lakshadweep
5. Pondicherry
6. Tripura
7. Manipur

9.1.07 Pondicherry on the southern coast was under French control at the time of Indian Independence in 1947. It was incorporated into the Indian Union in November 1954 and became a Union Territory. In 1962, after the Fourteenth Amendment of the Constitution, Pondicherry became a Union Territory with an elected assembly. It has now been renamed as Puducherry.

9.1.08 Goa is a small state in the western coast of India. When India became independent in 1947, Goa was under Portuguese control. In December 1961 it was incorporated in the Indian Union and became a Union Territory. It attained statehood in 1987.

9.1.09 Like Goa, Daman and Diu, the enclaves on the Arabian Sea Coast were part of Portuguese India along with Dadra & Nagar Haveli. Goa, Daman and Diu were incorporated into the Republic of India on 19th December 1961 and were administered as a single Union Territory until 1987, when Goa was granted statehood. Daman & Diu and Dadra & Nagar Haveli are now Union Territories.

9.1.10 On November 1, 1966, Haryana was carved out from Punjab taking away the "Hindi

speaking" areas.³ The same principle was followed in the creation of Himachal Pradesh in 1971.⁴

9.1.11 North East India consists of eight states, i.e., Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. The regional composition of the North East at the time of Independence consisted of Assam Province, the Hill districts, the North-East Frontier Tracts and the Princely States of Manipur and Tripura. The Constitution, right from the beginning, included special provisions in the form of the Sixth Schedule, which were to be applied to tribal areas and ethnic groups of North East. The reorganization of states in the North East in the present form came about in the seventies and eighties giving due consideration to political aspirations of different ethnic and cultural identities and the need for overcoming the alleged neglect of economic development of these areas. Sikkim, earlier ruled by a Chogyal joined the Indian Union in 1975.⁵

9.1.12 Most recently, three new states, namely Uttaranchal (now renamed Uttarakhand), Chhattisgarh and Jharkhand were created in the year 2000 in order to give special focus to the economic and social development of Hill Area and Tribal Area people.

9.1.13 In this context, it is important to note the ethos behind the Seventh Amendment to the Constitution and the introduction of Article 371 in 1956. This Article, which has undergone several additions and amendments, the last being Article 371-I, inserted after 56th Amendment in 1987, has brought in special provisions, keeping in mind local needs and considerations for the states of Maharashtra, Gujarat, Nagaland, Assam, Manipur, Andhra Pradesh, Sikkim, Mizoram, Arunachal Pradesh and Goa, in the interests of providing better governance by taking care of specific needs articulated by the people of these states.

9.1.14 Presently there are twenty eight states and seven Union Territories. Of the Union Territories, Delhi and Puducherry have an elected Assembly with Chief Minister/Ministers.

3. Haryana state was formed on the recommendation of the Sardar Hukum Singh Parliamentary Committee. The formation of this committee was announced in the Parliament on 23 September 1965. On 23 April, 1966, acting on the recommendation of the Hukum Singh Committee, the Indian government set up the Shah Commission under the chairmanship of Justice J. C. Shah, to divide and set up the boundaries of Panjab and Haryana. The commission gave its report on 31 May, 1966. According to this report the then districts of Hissar, Mahendragarh, Gurgaon, Rohtak and Karnal were to be a part of the new state of Haryana. Further the Tehsils of Jind (district Sangrur), Narwana (district Sangrur) Naraingarh, Ambala and Jagadhari of Distt. Ambala were also included. The Commission recommended that Tehsil Kharar (including Chandigarh) should also be part of Haryana. The city of Chandigarh, also a Punjabi speaking area of district Ambala was made a Union Territory to serve as capital of both these states. Chandigarh was due to be transferred to state of Punjab in 1986, according to the Rajiv-Longowal Accord, but the transfer has been delayed pending an agreement on which parts of the Hindi speaking areas of Abohar and Fazilka currently part of Firozpur District of Punjab should be transferred to Haryana in exchange.

4. The Chief Commissioner's province of Himachal Pradesh came into being on 15th April, 1948. Himachal Pradesh became a Part C state on 26th January, 1950 with the adoption of the Constitution by the country. Bilaspur was merged with Himachal Pradesh on 1st July, 1954. Himachal Pradesh became Union Territory on 1st November, 1956. Kangra and most of the other hill areas of Punjab were merged with Himachal Pradesh on 1st November, 1966 though its status remained that of a Union Territory. On 18th December, 1970 the State of Himachal Pradesh Act was passed by Parliament and the new state came into being on 25th January, 1971. Thus, Himachal Pradesh emerged as the eighteenth state of Indian Union.

5. North East India consists of eight states- Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. The population of North East consists of indigenous inhabitants together with various ethnic groups including those from Tibet, Burma and Bengal (including Bangladesh) who had migrated to the region at various points and periods and were integrated into the local population over many years. Besides, large inflow of migrants in the last couple of decades has also taken place from Bangladesh affecting the demographic profile of some of these North Eastern States in a major way. In the colonial period North Eastern region was part of Bengal province. It continued to be treated as a subordinate area of Bengal by the British, even after it became a separate province of Assam in 1874. Separation and isolation continued during the British rule for North East. Due to this, at the time of Independence, a sense of incompatibility grew in the North Eastern region. At the time of Independence, the North Eastern region consisted of Assam Plains, of the old Assam province, the Hill Districts, the North East Frontier Tracts (NEFT) and the Princely States of Manipur and Tripura. These two Princely States opted for merger with India in 1949. The British portion of North Eastern region was transferred to Government of Assam which acted on behalf of the Government of India.

The Constitution provided the Sixth Schedule which was applied to the ethnic groups and the hill areas of Assam. Under this provision Part A and Part B areas were divided. Part A (Hill districts) was made part of Assam administration. Part B involving NEFT and others were under the control of Governor of Assam. State formation in the North Eastern region followed a process whereby the area once unified into Assam was separated and ultimately turned into a state. Sikkim was a kingdom having a treaty with British from 1819. In 1947 Sikkim signed a treaty with India with the status of a Protectorate of India. After Independence, the status continued until Sikkim became the twenty second State of India on May 16, 1975. As mentioned earlier, the following States presently constitute the North Eastern region:

... (Contd.)

9.2 Regional identity and new states

9.2.01 The turn of events at the time of the country's partition, preceding the birth of free India, had impelled the Constituent Assembly to favour the "strong-centre" concept, staying away from the idea of a loose federation. In the foregoing Para, the reasons for carving out new states have been covered at length. During this process, no discernible trend emerged on the optimal size of a state for governance considerations. However, over a period of time, relying upon the experience of the working of the Union and States, a broad concept of a governance model based on "strong Centre with strong States" has found favour with the nation's polity in general. States, both big and small, have generally fared well on economic growth, social equity and political stability wherever strong leadership and good governance have been ensured. Conversely, irrespective of the size of the state, weak leadership and lack of good governance have contributed to a decline in the fortunes of the state. Another noticeable feature in most of the new states that have been created post-independence is that smaller units of the state have separated to form new states. State capitals housing a very

large number of Government and private sector employees have remained with the larger constituent of the divided state thereby posing fewer problems in the course of division. In the case at hand, however, the capital city is located in the area with the relatively smaller population.

9.2.02 It may also be useful to mention here the stand taken by the leading national level political parties with regard to the creation of new states. The approach of the Congress party in general has been not to be overly enthusiastic in the creation of new states though at the same time facilitating such creation/establishment, keeping in view ethno-cultural, socio-economic and political considerations and if the need became absolutely imperative. Creation of several new states in the sixties, seventies and eighties bears testimony to this approach. In fact, the Telangana issue was also included in the National Common Minimum Programme (NCMP) of the Congress led UPA-1 Government in 2004. The Bharatiya Janata Party (BJP) has, by and large, been in support of smaller states. As a matter of fact, the three new states of Uttaranchal, Chhattisgarh and Jharkhand were carved out of Uttar Pradesh, Madhya Pradesh and Bihar respectively in the year 2000 during the BJP-led NDA regime. In the present case,

(Note 5 Concl'd.)

North Eastern States:

1. Arunachal Pradesh: Arunachal Pradesh, at the time of Independence was called North East Frontier Tracts (NEFT) and became part of Indian Union. In 1954 it became North East Frontier Agency (NEFA) and was administered as a Union Territory with a Lt. Governor. It was named as Arunachal Pradesh in 1972 and continued as a Union Territory until 1987 when it was granted full-fledged Statehood.
2. Assam: Assam enjoyed statehood at the time of Indian Independence. During the States Reorganisation (under SRA) in 1956, the area of Assam consisted of the NEFA and the Hill districts. Assam was divided over a period of time to carve out (with Statehood) to form (i) Nagaland (1957 and with Statehood in 1963), Meghalaya (1972, as full-fledged State), Mizoram (1972, as Union Territory and as State in 1987), and Arunachal Pradesh as Union Territory in 1972 and full State in 1987.
3. Manipur: Manipur was a Princely State and became part of the Indian Union in 1949. It was administered as Union Territory until 1972 when it attained separate statehood.
4. Meghalaya: Meghalaya was a part of Assam state at the time of Independence. It was made a sub state for a short period of time before it became full-fledged state in 1972.
5. Mizoram: Mizoram was part of Assam state until 1972 when it became a Union Territory. In 1987 Mizoram was granted full statehood.
6. Nagaland: Nagaland was part of Assam Hill districts. It became a Union Territory in 1957 and was granted statehood in 1963.
7. Tripura: Tripura was a Princely State and became part of the Indian Union in 1949. It was administered as Union Territory until 1972 when it was granted full statehood.
8. Sikkim: Sikkim became a Protectorate of India at the time of Independence. It was ruled by a Chogyal until 1975 when on a popular demand joined the Indian Union and became a full-fledged twenty second State of the Union in 1975.

reportedly, in spite of the Kakinada resolution of 1997 of the BJP's national executive promising the creation of separate Telangana, the same was not implemented during the six years regime of the BJP-led NDA Government (1998-2004).⁶ This was reportedly on account of the fact that BJP respected the position taken by the senior partner of NDA, the Telugu Desam Party (TDP). The TDP at that time had taken a stand against bifurcation of the state. In its 2009 election manifesto, however, BJP once again advocated the cause for smaller states. To quote:

"The BJP has always been in favour of formation of smaller states. It was during the NDA's rule that the three small states of Uttarakhand, Jharkhand and Chhattisgarh were created. Keeping in mind its commitment to good governance and all-round development, the BJP in future, too, would encourage the cause of establishment of smaller States. In consonance with its policy, the BJP supports the creation of Telangana as a separate State of the Union of India.

*We will sympathetically examine and appropriately consider the long pending demands of the Gorkhas, the Adivasis and other people of Darjeeling district and Dooars region".*⁷

The General Secretary of the state unit of CPI (M), during the meeting of their delegation with the Committee, reiterated that in keeping with the national policy of the party, which is against the division of states, CPI(M) was opposed to Andhra Pradesh being divided and hence was not in favour of a separate state of Telangana. The CPI(M)'s policy, the General Secretary explained, is based on the ideology that the autonomy of states in relation to the centre may be compromised in case of smaller states. In the case of CPI, however, the General Secretary of the state unit stated that although the national

policy of the CPI is also against the division of states and not in favour of creation of smaller states, an exception had been made by the national executive of CPI as far as Telangana is concerned, due to widespread popular demand for a separate state. The views of Bahujan Samaj Party (BSP) which came out in the national media soon after the announcement of December 9, 2009 are well recorded. In principle, the party has supported the formation of smaller states. It would thus appear that political discourse in the country has not arrived at any unanimity on the important subject of creation of new states.

9.2.03 It may be useful to record here the factors that the States Reorganisation Commission (1955-56) had examined which, in the Commission's view, had an important bearing on reorganization of states. These included: i) the cost of change; ii) unity and security of India; iii) language and culture; iv) financial viability; v) requirements of national development plans; vi) regional planning and a balanced economy; vii) smaller vs larger states and viii) some other relevant areas of importance, such as, a) the wishes of the people or public sentiment; b) historical factors; c) geographical factors and d) administrative considerations (governance in today's context). Having examined these factors, the SRC (in Chapter II of the document) emphasized the importance of language as a key factor. Thus the objective was conceptualization of linguistically homogeneous units while at the same time laying emphasis on balancing the linguistic principle with other equally important factors. The SRC took into account the Government's view as quoted by the Prime Minister, Jawaharlal Nehru in the Lok Sabha *"we must give top priority to developing a sense of unity and anything that may come in the way of that unity might perhaps be delayed a little"*. Observations

6 (UNI report April 11, 2006 The BJP had lost people's mandate in the last Assembly elections for not showing interest in the party's Kakinada Resolution (one vote, two states) made in 1997 and due to alliance with Telugu Desam Party (TDP), he (R.K. Prasad, BJP City President) pointed out.

7. (Bharatiya Janata Party Manifesto - Lok Sabha Election 2009)

made by the SRC while dealing with the exercise on reorganization, as given below, are worth taking note of:

- * *"no change should be made unless it is a distinctive improvement in the existing position, and unless the advantages which result from it, in terms of promotion of 'the welfare of the people of each constituent unit as well as the nation as a whole'."* (para 106 page 29);
- * reorganisation of States has to be regarded *'a means to an end and not an end in itself..* i.e., if *'there is on the whole a balance of advantage in any change'* (para 106, p. 29);
- * unity and security of India is of paramount importance (p. 30-34).

The SRC in conclusion said *"after a full consideration of the problem in all its aspects, we (SRC) have come to the conclusion that it is neither possible nor desirable to reorganise the States on the basis of the single test of either language or culture, but that a balanced approach to the whole problem is necessary in the interests of our national unity"* (para 162 page 45).

On smaller states, the SRC's view was that *"the objective is that every State should have adequate resources to assume the responsibility devolving on a full-fledged constituent unit of the Union. This however does not mean that units should be so unwieldy as to be without any intrinsic life of their own or to defeat the very purpose for which larger units are suggested, i.e., administrative efficiency and co-ordination of economic development and welfare activity"* (para 220 page 62). Thus it would appear that in the SRC's view the key principle for considering reorganization has to be a "balanced approach" keeping in mind all the factors enumerated above.

9.2.04 The Committee is also aware of the fact that there are pending demands in several states by regions seeking full-fledged statehood. While some of these demands such as Gorkhaland in West Bengal and Bodoland in Assam, besides

Telangana, have been rather active, there is an undercurrent of other demands along similar lines in other regions such as Vidarbha in Maharashtra, Bundelkhand, Poorvanchal and Harit Pradesh in U.P., Ladakh and Jammu in J&K, and so on. As a matter of fact, it has come to the notice of the Committee that a "National Federation of Small States" has been formally established in August, 2010, with its headquarters in Lucknow. The Federation, it is learnt, was inaugurated in Hyderabad in September 2010, with a well attended conference. The participants at this conference reportedly included several prominent leaders belonging to different regions. The goal of smaller states to meet the regional (including socio-cultural, ethnic and economic) aspirations of the people, was strongly articulated at this conference. In a way, therefore, the Report of this Committee may end up serving a reference point for political parties and other groups demanding smaller separate states.

9.2.05 It is also learnt that the issue of creation of smaller states was discussed during the Seventy-Fourth Conference of the Presiding Officers of Legislative bodies in the country held at Bhopal during February 3-4, 2010 with Smt. Meira Kumar, Speaker of Lok Sabha in the Chair. It is understood that the Report of the States Reorganisation Commission (1956) was one of the reference points for this discussion. Reportedly the majority view was that the emphasis should be on good governance and overall and balanced development of all parts of the country rather than creation of more and more states. On the other hand, a view to the contrary was also articulated that the need for smaller states was a reality which could not be wished away and it would definitely be a positive step towards fulfilling the aspirations of the neglected and underdeveloped parts of the country. Notwithstanding these two divergent views, there was unanimity on the fact that nothing is more sacrosanct than the unity and integrity of the country and that this important matter, keeping

the present scenario in view deserves a rational approach and needs to be discussed threadbare at the national level with the active involvement of all political parties. The Constitution vests the powers to create new states in Parliament and Parliament as such may be the best institution to delineate definite parameters and facilitate a national view in the matter. Parliament, in our view, may be the best forum to consider as to whether the time is ripe for the constitution of the second States Reorganisation Commission.

9.2.06 There is also a robust academic debate on the demand for smaller states. The pros and cons have been discussed in terms of development and governance advantages on the one hand, and the weakening of the federal structure with the prospect of "strong centre and weak states" on the other hand. Views have also been expressed in various fora on the desirability of constituting the second States Reorganization Commission. Although a considered view point on a second SRC was beyond the scope of this Committee's mandate, the Committee felt it contextually appropriate to discuss this question. The perspective of the Committee on the issue has been incorporated in the preceding paragraph.

9.2.07 To arrive at its view, the Committee has briefly examined the functioning of the three most recently created states i.e. Uttaranchal (now Uttarakhand), Chhattisgarh and Jharkhand, which were established in the year 2000. While Uttarakhand was created to provide a focus for rapid/speedier development of the hill region, Chhattisgarh and Jharkhand were created primarily to bring in accelerated economic prosperity to tribal areas. Our impressions do suggest that the performance of these states in their decade long existence has been somewhat of a "study in contrast". In terms of governance, political stability and economic performance, Uttarakhand has done reasonably well. The state received

"special category status", as a hill state, which facilitated a more generous funding pattern from the Plan funds which has certainly contributed to its rapid economic growth. Chhattisgarh, although, it has seen political stability and decent economic growth, has continued to face serious internal security problems particularly from the Maoists. The state has not been able to control and even contain successfully the violence and extortions perpetrated by the Naxalites thereby causing a huge demand and burden on the resources of both the state and Central exchequer. Jharkhand, unfortunately, despite initial signs of better economic performance, has failed to impress in most areas of governance. In ten years, the state has had eight Chief Ministers, besides being under President's Rule twice. Its economic performance has been dipping steadily and the internal security problems created by the Maoists/Naxals continue to exist. The unemployment in the state presently is also among the highest in the country.⁸ Creation of these three states has also generated academic discussion and public discourse on the political, financial and economic viability of "smaller states" together with their governance advantages/disadvantages in a liberalised economy. The growth of regionalism and the demand for smaller states are born out of a feeling among the people of a particular region that their region would develop better and fulfil its economic and political aspirations on its own rather than as part of the larger unit. Besides, the growth of regional parties has also provided a platform for articulating the cause of smaller states promising enhancement of the growth prospects in the region through local involvement and larger participation in the electoral process. In the meanwhile, major reforms in the form of 73rd and 74th Constitutional Amendments on devolution of powers to the people at the grass root level, as envisioned by Rajiv Gandhi, the former Prime Minister, and

⁸ Table 9.1 Report on Employment-Unemployment Survey 2010, Labour Bureau, Ministry of Labour and Employment, Government of India, Chandigarh (p. 83).

structured and executed during P.V. Narasimha Rao's Prime Ministership, also came about in 1993, raising people's expectations of taking part in governance at all levels. The carving out of these three states at the turn of the century provided a fresh opportunity for the demand for creation of states in other parts of the country also in order to meet the political, economic and regional aspirations of diverse ethno-cultural groups. However, looking at their performance, it would be difficult to say whether mere creation of small states is a panacea for all ills and would ensure all round development of the region and its people. The other view is that the goals of development can best be served by providing good governance irrespective of the size of the state.

9.3 OPTIMAL SOLUTIONS/OPTIONS

9.3.01 In the preceding Chapters of the Report, the Committee has examined in detail the issues pertaining to current demand for a separate state of Telangana as well as the demand for maintaining the present status of keeping the state united. In the foregoing two paragraphs, the issue of creation of new states has been briefly discussed. After going into all aspects of the situation as well as keeping in view the local, regional and national perspective, the Committee considers that the following solutions/possible options may offer the best way forward.

(i) Maintain status quo

This implies treating the issue as basically a law and order/public order challenge to be handled by the state government, not requiring any major intervention by the Union Government. Such an approach is based on the history of the last 54 years when the demand for a separate state of Telangana was dealt with mainly in a political manner by accommodating different interest groups in the government and the party structure. At the same time, it is noticed that the emotional

appeal of "Telugu Pride" was invoked to keep separatist sentiments in check with the result that the demand for Telangana subsided but did not entirely disappear. It resurfaced in the post -2000 period with the rationale virtually being the same as in the earlier movements for Telangana, such as the partial implementation of the Gentlemen's Agreement, unsatisfactory implementation of Presidential Order of 1975 on employment issues, the gap in educational standards among the regions, the denial of fair share of water and irrigation resources, and perceived neglect in economic development of Telangana region. Above all, there were the sentimental and emotional reasons and attachment to a long held desire for a separate state of Telangana. The Committee did not find any real evidence of any major neglect by the state government in matters of overall economic development (Chapter 2). However, there are some continuing concerns regarding public employment, education, and water and irrigation, which have been dealt with in the respective Chapters of the Report. Since the emotional satisfaction of the people of Telangana will not be met if no steps are taken, it is anticipated that immediate backlash will take place in the form of violent agitations in the region which may continue for some time. Besides, sporadic agitations on specific demands in different areas may continue even for a longer period. With Telangana Praja Front (TPF-Gaddar) once again joining hands with TRS, indications are that such agitations are likely to be highly emotional and serious. These agitations will have immediate impact on the normal life in and around Hyderabad, thus once again affecting the city's image and putting a question mark on its economic growth momentum. As has happened earlier, people's representatives from the region MLAs/MLCs/MPs belonging to different political parties would come under pressure to resign, which may once again lead to a political crisis. The Maoist movement is also likely to get a fillip in such a situation. In view of the complex background of the situation and the rather serious

and sensitive emotional aspects involved, the Committee is of the unanimous view that it would not be practical to simply maintain the status quo in respect of the situation. Some intervention is definitely required and though maintaining the existing status quo is an option, it is favoured the least.

(ii) Bifurcation of the State into Seemandhra and Telangana; with Hyderabad as a Union Territory and the two states developing their own capitals in due course

(a) This option underscores the pivotal position of Hyderabad historically and its economic significance at all levels - regional, national and international. Hyderabad is now regarded as an engine of growth in view of its position in the global economy as being a hub of information technology and Information Technology Enabled Services (ITES). Besides, it has a thriving real estate industry with strong participation of national players in addition to regional firms. It also has a manufacturing base in the nearby Rangareddy district which has attracted investors from the coastal Andhra and Rayalaseema regions as well as from outside. A number of public sector organizations, national institutions, civil and military establishments and defence institutions are also located in and around Hyderabad. Over the years migration has completely changed the demographics of the city and the total number of people from other regions and from outside the state residing in the metropolis is very substantial and estimated to be more than one third of the population of the Greater Hyderabad Metropolitan area. Only continued economic growth can lead to expansion of employment opportunities and therefore the current economic inter-linkages of Hyderabad with other regions need to be developed and preserved so that there is an assured climate of certainty and stable business environment.

The situation of Hyderabad can be compared with the metropolis of Brussels in Belgium. In 1968, Belgium had erupted in a series of riots on the question of who had a claim to Brussels city, which is barely inside the northern Flammand region. The only way to settle the issue was to declare that Belgium was a country of two cultures and three regions. It is to be noted that Belgium has a population of about 10 million out of which 6 million in the northern part of the country are Flemish speaking while 4 million, who are mainly concentrated in the south of Belgium, speak French. There is also a small German speaking minority. Belgium is thus constituted as a federation of three language communities - Flemish, French and German. The capital region of Brussels, therefore, is organized altogether as a separate bilingual capital region with an independent administrative set up and jurisdiction. Andhra Pradesh, however, by and large, has a common culture and was constituted as the first linguistic (Telugu) state. In our context, when there are equally strong competing claims on a thriving urban conglomerate, the Union Territory model is often considered workable and accordingly, in this option it is suggested that if the state of Andhra Pradesh is divided into two units then Hyderabad could become a Union Territory with a common capital for the present and the states eventually developing their own capitals over time. As the revenues from the proposed Union Territory would go to the Central Government, a mutually agreed formula for equitable apportionment of the grants could be devised for all the three regions.

(b) It was considered that this option would be more acceptable to the people from coastal Andhra and Rayalaseema regions as their economic interests in Hyderabad would remain protected though they would prefer that the state stays united with Hyderabad as its capital. However, this option also has severe implications and will, in all probability, give rise to a renewed and serious agitation by the people of Telangana

insisting on inclusion of Hyderabad only in Telangana and making the functioning/ governance of the Union Territory a very difficult task. Besides, the geographical contiguity and access to Hyderabad, to which strong economic and personal linkages of people from coastal Andhra and Rayalaseema exist, will be physically cut off with two districts, i.e., Nalgonda towards coastal Andhra and Mahabubnagar towards Rayalaseema (both districts part of Telangana) lying in between the boundaries of the three regions. This situation could be used by agitators in blocking supplies, drinking water etc. Another drawback of this option would be that the sentimental and emotional satisfaction of having a new state of Telangana would remain unfulfilled if Hyderabad were not to be included in it. If Hyderabad which has always been considered an integral part of Telangana does not form part of the new state, it will give rise to serious discontent and agitations and the problem will continue. In the Committee's assessment, there is a definite likelihood of serious immediate backlash in Telangana region causing similar problems as have been indicated in option (i) above. On overall consideration, therefore, the Committee found this option also not practicable.

(iii) Bifurcation of State into Rayalaseema, Telangana and coastal Andhra regions with Hyderabad being an integral part of Rayalaseema

(a) This suggestion was put to the Committee as the second preference by some sections of the people of Rayalaseema region. Their first preference was for a united Andhra. AIMIM also, while strongly advocating the cause of 445 united Andhra Pradesh as being in the best interest of economic growth and welfare of the minority Muslim community, stated that in the event of division of the state it would be in the community's interest to form a new state combining the regions of Telangana and Rayalaseema. Their

argument is based on the demographic composition of Rayalaseema which has over 12% Muslim population as compared to just about 8% in the rest of Telangana (i.e., excluding Hyderabad). The Muslim community in this scenario will get greater political space. A second rationale for combining the two regions is suggested by the economic analysis of the state which has shown that Rayalaseema is the most backward of the three regions. It is dependent on Telangana for water and irrigation resources and values its access to Hyderabad for employment and education. There is also greater social homogeneity between the two regions. It is for these reasons that given a choice between coastal Andhra and Telangana, the Rayalaseema people may prefer to join Telangana. Our analysis suggests that primarily taking economic and social parameters into account this would be a viable and sustainable option.

(b) On the other hand, however, such a move will be strongly resisted by all political parties and groups from Telangana region (outside of the old city of Hyderabad) as most of them believe that Rayalaseema political leadership has been one of the most important contributory factors in keeping them at a disadvantage while at the same time exploiting their land resources. The Committee discussed the possibility of this option with almost all the groups of Telangana and noted that not even one of them favoured such an option and as a matter of fact conveyed their vehement opposition to it.

(c) In a nutshell, this scenario is not likely to be accepted either by the pro-Telangana or by the pro-united Andhra protagonists. Besides, it is one in which one can anticipate emergence of fundamentalist forces from amongst the competing political parties and groups. Agitations, particularly in Telangana area, against such a recommendation are also not ruled out. While this option may have economic justification, the

Committee believes that this option may not offer a resolution which would be acceptable to people of all three regions.

(iv) Bifurcation of Andhra Pradesh into Seemandhra and Telangana with enlarged Hyderabad Metropolis as a separate Union Territory. This Union Territory will have geographical linkage and contiguity via Nalgonda district in the south-east to district Guntur in coastal Andhra and via Mahboobnagar district in the south to Kurnool district in Rayalaseema

(a) This option flows from option (ii) which highlights the characteristics of Hyderabad as a

growing global city. The city's boundaries have recently been revised to extend the municipal limits from the 175 Km² of the erstwhile MCH to 625 km² of the current GHMC. The erstwhile HUDA has been replaced by an expanded HMDA, headed by the Chief Minister, with a substantial area of 7073 km², which is about twice the size of the state of Goa. In this option an extended Union Territory of approx. 12,000 km² has been proposed, the contours of which are given in the map below:

The extended Union Territory will comprise 67 Mandals, 1330 Villages, 12430 KM² area as indicated below:

Sl.No.	Name of the District	No. of Mandals	No. of Revenue Villages	Area (KM ²)
(1)	(2)	(3)	(4)	(5)
1.	Ranga Reddy	21	576	4186
2.	Medak	10	262	1776
3.	Mahboobnagar	9	163	3109
4.	Nalgonda	11	263	3142
5.	Hyderabad	16	66	217
Total		67	1330	12430

(b) In the view of the Committee, Hyderabad region is critical to the growing economy of the state and the nation as a whole. Its GDP is becoming increasingly centred in the modern services and transport sector which accounted for 58% of its GDP in 2005-06, up from 43% in 1999-2000. Being the main software centre of Andhra Pradesh it also accounts for 15% of the national IT exports. Besides, infrastructure and real estate are the other key growth areas in Hyderabad. As discussed in the Chapter on Hyderabad, the city has deep social linkages with the rest of the state and this is reflected in the transport links as well as in the in-migration from the other regions. Earlier migrants from outside the state were mainly from Karnataka and Maharashtra but of late the share of eastern and northern states has visibly increased and the pattern is now closer to that of Mumbai which

reflects its growing integration with the national economy. Hyderabad is also a strategically important city for the nation. It hosts many institutions of excellence and establishments of strategic importance. These not only source talent from all over the country, but are also vital from the national security perspective.

(c) In view of these considerations it was found necessary to suggest an expanded Union Territory as an option. The merit of this suggestion is that all the three regions will have geographical contiguity and physical access to Hyderabad metropolis. It may also house the capitals of both Telangana and Seemandhra as in the Chandigarh model with a separate Union Territory administrative set up. Most of the administrative, police, etc., officers will be drawn from the existing state cadres. Plenty of space would be available for

infrastructure development. Since this would be a reasonably larger area with a population of well over 10 million people, the model could be a mix of Chandigarh and Delhi UTs, i.e., it may have its own Legislative Assembly. As has happened in Chandigarh, over the years its neighbouring towns Mohali, Derabassi, Panchkula and Parwanoo, etc., in Punjab, Haryana, and Himachal Pradesh have seen remarkable growth and development. Also around Delhi, towns like Gurgaon, Sonapat and Faridabad in Haryana and Ghaziabad, NOIDA in U.P. have come up and are experiencing high growth and appreciable development owing to the capital growth centre. Similarly, within this proposed new Union Territory, all the three neighbouring regions (Telangana, coastal Andhra and Rayalaseema) will automatically piggyback on the economic engine of Hyderabad metropolis and gain full momentum for achieving appreciable economic growth and employment. This option can perhaps be made acceptable to all three regions. It is anticipated that demand for a separate Rayalaseema may also get initiated in the event of separation of Telangana and if a decision to that effect is taken for a separate Rayalaseema at any given time in the future, the Rayalaseema capital could also be housed in this larger Union Territory. Since the revenues from the U.T. will go to the Central exchequer, the Union Government in consultation with the new states, representing all the three regions, can work out a mutually acceptable formula for equitable apportionment of the grants based on the revenues earned from the Union Territory.

(d) On the flip side, it may be stated that this proposal will receive stiff opposition from Telangana protagonists for two reasons i) Telangana has always considered Hyderabad as an integral part of the region and they would not be happy with a common capital of all the regions located in Hyderabad and ii) partly merging portions of the two Telangana districts, i.e.,

Nalgonda and Mahabubnagar may also be resented (although in the long term these districts/Mandals are expected to grow economically at a much faster pace than at present). Besides, there may be opposition from all the three regions that part of the state, i.e., Hyderabad and adjoining areas will become a Union Territory. As Hyderabad is a major economic hub and the capital city, which the state has nourished and developed over a period of time, this proposal may find opposition from several quarters. As such, while there are some positives of this option it may be difficult to reach a political consensus in making this solution acceptable to all. Particularly from Telangana, serious resistance and agitation on this issue could be expected. It also has to be borne in mind that Telangana with or without Hyderabad is likely to experience a spurt in Maoist activity. This aspect has been covered in detail in the Chapter on Law and Order and Internal Security.

(v) Bifurcation of the State into Telangana and Seemandhra as per existing boundaries with Hyderabad as the capital of Telangana and Seemandhra to have a new capital

a) In this option there would be a clear division of Andhra Pradesh into two states - Telangana and Seemandhra and in the interim Hyderabad will continue to house both the capitals till a new capital for Seemandhra is created. For creation of a new capital, a large investment would be required, provision for which will have to be made both by the Union and the state governments. This option implies accepting the full demands of a large majority of Telangana people for a separate state that will assuage their emotional feelings and sentiments as well as the perceived sense of discrimination and neglect. The Committee's impression, gained during its extensive tours of Telangana region indicated that a very large number of people from Telangana were highly

supportive of the demand for a separate Telangana; an appreciable segment was found to be neutral; while some sections were not in favour of it. The Committee observed:-

- * Strong pro-Telangana elements in Warangal, west Khammam, Nizamabad, Karimnagar, southern Adilabad, Siddipet area of Medak, parts of Nalgonda and Mahabubnagar and some areas of Ranga Reddy. The most vociferous and agitating sections are the students (particularly in Osmania and Kakatiya Universities), the unemployed youth, the lawyers and the non-gazetted Government employees;
- * The neutral elements include the original population of Hyderabad, including large segments of AIMIM, the villages/mandals bordering Maharashtra, Chhattisgarh, coastal Andhra, Rayalaseema and Karnataka; the settler villages/mandals in the Telangana heartland (Khammam, Karimnagar, Nizamabad, etc.) and the migrant population in HMDA from Seem-andhra and other parts of the country;
- * The aspirations of a large section of tribals on the northern side of Telangana, particularly the hill tribals, are for a separate state of Manayaseema and of the tribal belt which cuts across Orissa, Chhattisgarh, Andhra Pradesh and Maharashtra, to be under a single administrative system;
- * The SCs/BCs and the minorities have their own aspirations for appropriate political space, economic development and reservation benefits.

b) The implications of this option are that (i) if earlier agitations are anything to go by, this decision will give rise to serious and violent agitations in the coastal Andhra and Rayalaseema regions, where the backlash will be immediate; the key issues being Hyderabad and sharing of water and irrigation resources; (ii) there will be every likelihood of pressure being put by the general public on the leaders of the political

parties of Seemandhra region (MLAs/MLCs/MPs) to resign and fight for united Andhra Pradesh; (iii) the agitation for separation of Rayalaseema from coastal Andhra may also start taking shape sooner than expected; (iv) even though water and irrigation issues can be handled by creating autonomous/semi-autonomous structures, the apprehensions of the people of coastal Andhra and Rayalaseema will continue to be voiced; and (v) the impact on internal security situation with the anticipated growth of Naxalism and religious fundamentalism.

c) The division of the state will also have serious implications outside Andhra Pradesh. It would not only give fillip to other similar demands but it will be for the first time, after the re-organisation of states, that a political demand for dividing a linguistically constituted state would have been conceded by the Union Government with the creation of two Telugu speaking states. The issue requires a most calm and dispassionate consideration of the consequences. The matter should also be seen in the larger context of whether a region can be allowed to decide for itself what its political status should be, as that would only create a demand for a great number of small states resulting in problems of coordination and management.

d) As noted in the Chapter on Economic and Equity Analysis, the economic dimension is also not to be lost sight of. The world over, there is a trend towards economic integration with economic blocs consisting of many smaller nations being formed in the interest of enhancing economic opportunities, markets and employment. It is normally believed that formation of smaller states contributes to pre-existing barriers to inter-state and intrastate trade and movement of goods and services. For example, a variety of local entry taxes and cess may impede free trade and enhance cost of business and increase prices of goods and services. There can also be local laws restraining physical movement of goods and

services between neighbouring regions and between states. Such fears are very strong in coastal Andhra and Rayalaseema and there is apprehension that Hyderabad city as a market destination and also a source of supply will be out of bounds on the creation of Telangana with Hyderabad as a separate state. Coastal Andhra would also lose a major market inherent in the huge population, business, and market concentration of the city of Hyderabad. On this count, division of Andhra Pradesh can only be a negative factor which would inhibit the economic growth of the newly formed states. Economically, the land locked region of Telangana may also lose out on access and opportunities to the eastern coastline which has a major port in Vishakhapatnam and many other sea ports. With vast discoveries of oil and gas on the anvil and the resultant likely spurt in economic growth and employment in the coastal region, an integrated economy is likely to benefit the people of both regions optimally rather than through separation by formation of Telangana state. However, the overall economic viability of Telangana with Hyderabad is projected to be stable and as a matter of fact the GDP of this state will be much larger than many other states in the country.

e) The Committee is of the view that given the long history of the demand for a separate Telangana, the highly charged emotions at present and the likelihood of the agitation continuing in case the demand is not met (unless handled deftly, tactfully and firmly as discussed under option six), consideration has to be given to this option. The grievances of the people of Telangana, such as non-implementation of some of the key decisions included in the Gentleman's Agreement (1956), certain amount of neglect in implementation of water and irrigation schemes, inadequate provision for education infrastructure (excluding Hyderabad), and the undue delay in the implementation of the Presidential order on public employment, etc., have contributed to the felt psyche of discrimination and domination,

with the issue attaining an emotional pitch. The continuing demand, therefore, for a separate Telangana, the Committee felt, has some merit and is not entirely unjustified. In case this option is exercised, the apprehensions of the coastal Andhra and Rayalaseema people and others who have settled in Hyderabad and other districts of Telangana with regard to their investments, properties, livelihood and employment, would need to be adequately addressed and confidence instilled that their safety and security would get the highest priority from the new dispensation. Considering all aspects, the Committee felt that while creation of a separate Telangana would satisfy a large majority of people from the region, it would also throw up several other serious problems as indicated above. The implications for the other two regions also cannot be ignored. Therefore, after taking into account all the pros and cons, the Committee did not think it to be the most preferred, but the second best option. Separation is recommended only in case it is unavoidable and if this decision can be reached amicably amongst all the three regions.

(vi Keeping the State united by simultaneously
) providing certain definite Constitutional/Statutory measures for socio-economic development and political empowerment of Telangana region - creation of a statutorily empowered Telangana Regional Council

a) In view of various considerations indicated earlier, the Committee is convinced that the development aspect was of utmost importance for the welfare of all the three regions and could best be addressed through a model that includes deeper and more extensive economic and political decentralisation. The Committee believes that overall it may not be necessary to have a duplication or multiplication of capitals, assemblies, ministries, courts, institutions and administrative infrastructure required by the other options. The Committee considers that unity is in the best interest of all the three regions of the state as

internal partitions would not be conducive to providing sustainable solutions to the issues at hand. In this option, it is proposed to keep the state united and provide constitutional/statutory measures to address the core socio-economic concerns about development of Telangana region. This can be done through the establishment of a statutory and empowered Telangana Regional Council with adequate transfer of funds, functions and functionaries in keeping with the spirit of Gentlemen's Agreement of 1956. The Regional Council would provide a legislative consultative mechanism for the subjects to be dealt with by the Council. This would imply that if the State Legislature has to enact a law which impinges upon such subjects as are being dealt with by the Council then the matter would be referred to the Council for comments/suggestions. Likewise, if the Council forwards a resolution to the Government for enacting certain legislation on the subjects within its domain, such a resolution shall be discussed in the Assembly for becoming a law. In case of any difference of opinion between the Regional Council and the Government/Assembly on such legislative issues, and such differences are bound to arise once in a while, an Apex Committee headed by the Governor with preferably an equal number of members from the two regions with the Governor having the casting vote may be constituted to resolve the matter. The suggested membership of this Apex Committee could be the Chief Minister, Deputy Chief Minister, Speaker, Chairman of the Legislative Council, Leader of the Opposition in the Assembly, Leader of Opposition in the Legislative Council, Chairman of the Telangana Regional Council and an eminent, apolitical and respected Jurist who is well versed with constitutional law and regional issues.

The suggested subjects that can be dealt with by the proposed Telangana Regional Council could be as follows:

- * Planning & Economic Development, including preparation of development sub-plan (excluding area under HMDA) for the region as part of State Plan
- * Water and Irrigation sector
- * Education (primary and secondary); Skill development and vocational education
- * Local Administration (PRIs and ULBs, other than HMDA)
- * Public Health (up to district hospitals excluding medical colleges and speciality health care)

The above list is only illustrative and other subjects having a bearing on the regional, social, economic and cultural aspects may also be considered for inclusion at the time of the constitution of the Council or whenever required.

The Chairman of the Regional Council should be an MLA enjoying the rank and status of a Cabinet Minister in the state government. The Council will implement the sub-plan for Telangana Region and for this purpose funds, functions and functionaries will be placed at the disposal of the Council. The Council will be served by its own Secretariat headed by an officer of the level of Additional Chief Secretary in the State who would report to the Chairman of the Council. The total membership of the Council which should essentially be from amongst the MLAs/MLCs should depend on the number of subjects transferred to the Council and its total work load. Some independent subject matter experts can be co-opted as non-voting members of the Council. Likewise the total number of officers and staff to be deputed to work in the Council Secretariat shall be determined by the number of subjects transferred and the work load keeping existing Government norms in view. The GFRs will continue to apply in the day to day functioning and for the expenditure to be incurred by the Council. However, any re-appropriation of sub-plan funds would only be done on the recommendation of the Regional Council. Other confidence building

measures that need to be initiated include providing adequate political space to Telangana, such as the positions of Chief Minister or Deputy Chief Minister and other key ministerial portfolios. It would also be necessary that for confidence building, important meetings in Government of India particularly where allocation of development and other funds are discussed such as the ones chaired by the Finance Minister, Deputy Chairman of the Planning Commission and the Chairman of Finance Commission are attended by both CM and Deputy CM. The Committee is of the considered view that the momentum for a separate Telangana started picked up from the time the decisions incorporated in the Gentlemen's Agreement were not implemented. With the constitution of the proposed statutory council, these grievances would be taken care of.

The united Andhra option is being suggested for continuing the development momentum of the three regions and keeping in mind the national perspective. With firm political and administrative management it should be possible to convey conviction to the people that this option would be in the best interest of all and would provide satisfaction to the maximum number of people in the state. It would also take care of the uncertainty over the future of Hyderabad as a bustling educational, industrial and IT hub/destination. For management of water and irrigation resources on an equitable basis, a technical body i.e. Water Management Board and an Irrigation Project Development Corporation in expanded role have been recommended. The above course of action should meet all the issues raised by Telangana people satisfactorily.

The Committee expects that the first reaction to this option will be of a total rejection by some political leaders, other groups and organizations and a majority of people from Telangana region, since their long standing demand for a separate Telangana would not have been met. Although the model recommended is considered to be in the best interest of all the people of the state some

segments of Telangana population, such as students and unemployed youth (who have been promised lakhs of jobs), non-gazetted officers (who are anticipating accelerated promotions), lawyers and farmers etc. may not feel satisfied and may resort to violent agitations. It is possible that the MLAs/MLCs and MPs belonging to different parties in Telangana may be pressurised to resign in order to create a political crisis. It would indeed pose a serious challenge to the leadership to deal with this immediate backlash and the agitations which are likely to continue for a period of time. This aspect has been covered at some length in the chapter on law and order and internal security implications. It is, however, also our anticipation that once the empowerment model as also the advantages of the state staying united have been understood by the people it would be possible for the Government to contain and control the agitational activities and take the state towards economic growth and progress. The other implication of the model proposed is that there could be similar demands for creation of such regional statutorily empowered councils in Rayalaseema, which as per our economic analysis is the most backward of the three regions, and in other backward sub-regions of the state like north coastal Andhra and the tribal areas on the northern border of the state and also in other similarly placed backward regions outside the state. However, it goes without saying that this option will receive a near unanimous acceptance by the people of coastal Andhra, Rayalaseema and large segments of Hyderabad Metropolis.

The Committee discussed all aspects of this option and while it acknowledges that there will be certain difficulties in its implementation, on balance, it found it the most workable option in the given circumstances and in the best interest of the social and economic welfare of the people of all the three regions. The core issue being one of socio-economic development and good governance, the Committee, keeping the national perspective in mind, is of the considered view that this option stands out as the best way forward.

This option, thus, suggests a model that carries forward the national goal of deepening and extending decentralization and of sustaining inclusive growth. It is hoped that the model suggested here would be useful in addressing regional aspirations elsewhere in the country.

9.4 CONCLUSION

9.4.01 The issues discussed in the Report and the recommendations covered in the 'summing up' part at the end of the individual chapters broadly suggest two courses of action, (i) pertaining to administrative measures that need to be taken; and (ii) relating to constitutional and legal steps to be initiated and the framework to be put in place. It would be seen that several key recommendations which will have a long term impact on sustaining peace and harmony in the state have been made. The Committee strongly feels that irrespective of the solution/option finally adopted, the Government should examine the recommendations expeditiously for taking further necessary action in a time bound manner. These suggestions have been made with a view to provide good governance and to ensure equitable regional development. Time bound action is imperative as undue delay or tardiness in approach will only further agitate the minds of the general public. Additionally, timely action will satisfy the people's emotions and sentiments. The Committee hopes that the examination of its recommendations and implementation of the decisions taken will get due and immediate attention.

9.4.02 In addition, the Committee makes the following observations in respect of the recommendations requiring legal or constitutional measures:

(a) The Committee favours setting up of a Medical College/University in a northern district of Telangana. The state government is competent to create such institutions under its existing legal and constitutional powers.

(b) The Committee has recommended establishment of a Water Management Board. This suggestion needs to be examined regardless of the decision that is finally taken on the issue. In case it is decided that the state will stay united, the Board will serve the purpose of ensuring fair and equitable distribution of water and irrigation resources in all three regions, scrutinizing schemes and projects and recommending budgetary requirements to the state government for adequate flow of funds to all the three regions. This Board can be constituted under the state laws with prior concurrence/agreement of the Union Government for deputing a senior officer of the level as recommended in para 4.5.06 (Chapter 4) for appointment as the Chairman of the Board. Creation of such a Board is within the competence of the state government. However, if the final decision is for bifurcation (or trifurcation as the case may be), then necessary legal provisions may have to be incorporated in the State Reorganisation Act to be passed by the Parliament, for the constitution of such a Board to discharge similar functions on inter-state basis. This kind of mechanism has been provided earlier also, and bodies like Bhakra Beas Management Board (BBMB) and Tungabhadra Board have been created to manage inter-state water distribution issues. Entry 56 of the Union List also empowers the Central Government to legislate on this subject. Indeed, if this Board has to function as an inter-state body, then the awards given by KWDT and GWDT will continue to have overriding effect. It is to be noted that other neighbouring states are also parties to the awards given by the two tribunals.

(c) The reconstitution of the State Irrigation Development Corporation(s) with an expanded role as suggested in paragraph 4.5.07 (Chapter 4) of the Report is again very much within the competence of the state government. In addition, inspiration can also be taken from the Maharashtra model. Other best practices elsewhere and emerging trends in the sector can be adopted for

enlarging the existing role of the current corporation or while constituting the new/regional corporation(s).

(d) Lastly, the Committee looked at the legal framework required for the constitution of a statutorily empowered Regional Council for Telangana in case the state is to remain united and also in case the bifurcation (or trifurcation, as the case may) of the state is to be effected. Earlier, a Regional Committee of the Legislature had been constituted by a Presidential Order under Article 371 through the Seventh Amendment in 1958. However, after the introduction of Six Point Formula, the Regional Committee was done away with by the Thirty Second Amendment in 1974. It has already been discussed in the Report (Chapter 1) that the Regional Committee did not fulfil the role envisioned for a statutory Regional Council under the Gentleman's Agreement, 1956. Similar models such as the statutorily empowered District and Regional Councils in the North Eastern Region are already in existence. Their creation, however, has been covered specifically under the Sixth Schedule of the Constitution. The view of the Committee is that since a new governance model giving powers to a Regional Council within the state is to be legally established, a suitable provision to that effect may be necessary to be incorporated in Part XXI (Article 371) of the Constitution. The intention of the Committee is that the Regional Council should exercise full powers for the implementation of the development sub-plan for the region in respect of the subjects transferred to it. The Regional Council will exercise adequate control on the funds, functions and functionaries (Group 'C' and 'D') for realizing the overall objectives of the sub-plan. However, the area under HMDA will not be a part of the development sub-plan since there is a separate authority for this purpose headed by the Chief Minister. The Regional Council will make a report of the progress

achieved in an Annual Report which will be placed in the state assembly. As it will possibly be the first case of an empowered Regional Council outside of the Sixth Schedule Areas, every care should be taken to ensure that the proposed Regional Council is fully empowered in real terms. This will be critical both for making the model acceptable across the board and for winning the confidence of the people. Needless to emphasize, the process for constituting the proposed Council must be completed expeditiously. It will also be important to add the existing provision of Article 371D (10) to give the Regional Council a legal and statutory force. The provision reads as follows:

"The provisions of this article and of any order made by the President there under shall have effect notwithstanding anything in any other provision of this Constitution or in any other law for the time being in force".

In case a decision is taken for bifurcation (or trifurcation), the procedure has been clearly prescribed in Article 3 of the Constitution and needs no further elaboration.

EPILOGUE

The Committee sincerely hopes that the recommendations in the Report will provide maximum satisfaction to the largest number of citizens of the State. The facts of the case have been fully investigated and findings placed on record. It is hoped that the Union Government may now be able to find a solution to this long-standing and contentious issue, while ensuring that such a resolution will be viable enough to stand the test of time. We conclude by echoing what the first Home Minister of India, Sardar Vallabhbhai Patel had said *"it will be a folly to ignore realities; facts take their revenge if they are not faced squarely and well"*.⁹

9. Menon, V.P. (1956) 1999 Integration of the Indian States Hyderabad: Orient Longman, p. 568

COMMITTEE FOR CONSULTATIONS ON THE SITUATION IN ANDHRA PRADESH

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Appendix - 1.1.
THE 'SRI BAGH PACT'

The Rayalaseema people formed an organisation known as 'Rayalaseema Mahasabha' in 1934 for protecting the interests of the Rayalaseema area. As a part of enlisting the support of Rayalaseema for the Andhra movement the leaders of Circars entered into an understanding with the leaders of Rayalaseema in 1937. This was known as "Sri Bagh Pact". The leaders of both the areas appointed by the Andhra Maha Sabha (AMS) met on 16th November, 1937 at Sri Bagh, the residence of K. Nageswara Rao in Madras and arrived at an agreement now known as "Sri Bagh Pact", on the conditions to be fulfilled if Rayalaseema should cooperate with the coastal districts in the demand for an Andhra province. The terms of the Pact were:

University: "That two University centers are to be developed under the Andhra University, one at Waltair and the other at Anantpur so as to distribute the centres of culture over the Andhradesa and create opportunities for social and cultural intercourse amongst the Andhras and locate colleges in areas favourable to the subjects dealt with.

Irrigation: That to ensure the rapid development of Agricultural and Economic interests of Rayalaseema and Nellore to the level of those in the coastal districts, schemes of irrigation should, for a period of ten years or such longer period as conditions

may necessitate, be given a preferential claim, specially in respect of the utilization of the waters of Thungabhadra, Krishna and Pennar, giving for ten years 34 exclusive attention in respect of major projects beneficial to these areas.

That whenever the question of sharing of waters arise, the needs of the aforesaid areas be first met and that this policy implemented as from today in the administration of the Province [and]

Legislature: That in the matter of general seats in the Legislature, the distribution shall be generally on an equal district basis.

It is agreed that the location of the University, the Headquarters and the High Court may advantageously be in different places so as not to concentrate all civil importance at the same centre.

Accordingly it is agreed that while the University may continue to be where it is, the High Court and the Metropolis be located in suitable places in the Coastal districts and the Rayalaseema, the choice being given to the Rayalaseema.

It shall, however, be open to vary these terms by common consent".

Thus, the safeguards related mainly to the location of the capital, parity of representation in the ministry between the Circars and Rayalaseema and the execution of irrigational projects like Tungabhadra.

Dr. Rajiv Sharma, I.A.S.,
Director General, CGG &
Nodal Officer, CCSAP

Centre for Good Governance
Road No. 25, Jubilee Hills,
Hyderabad - 500033.
: Ph : 040 - 23541952
23541953

Lr. No. CGG/CCSAP/01/2010, dated: 11-11-2010

To
Shri Vinod K Duggal, IAS (Retd.)
Member Secretary,
Committee for Consultations on the
Situation in Andhra Pradesh
248 A, Vignan Bhavan Annexe
New Delhi-110011.

Dear Sir,

I am enclosing the copies of the proceedings of the meeting held at 'Hyderabad Guest House', New Delhi on 20.2.56 popularly known as Gentlemen's Agreement 1956 as desired by you. An extracted copy from a printed publication is also attached, which makes a better reading. These are the same papers which were submitted earlier and although these are copies, the same have been authenticated by the concerned department.

Yours sincerely,
sd/-
(RAJIV SHARMA)

Encl: As above.

SECRET

Proceedings of the meeting held at Hyderabad Guest House. New Delhi on 20th February, 1956.
Present:

1. Shri B. Gopala Reddy
2. Shri Sanjeeva Reddy
3. Shri G. Latchanna
4. Shri Satyanarayana Raju
5. Shri B. Ramakrishna Rao
6. Shri R.V. Ranga Reddy
7. Mr. M. Channa Reddy
8. Shri J.V. Narsing Rao

The following points arising out of the unification of Telangana and Andhra were discussed and the conclusions arrived at as follows:-

1. The expenditure of the Central and General Administration of the state should be borne proportionately by the two regions and the balance of income from Telangana should be reserved for expenditure on the development of Telangana area. This arrangement will be reviewed after five years and can be continued for another five years if the Telangana members of the Assembly so desire.

2. Prohibition in Telangana should be implemented in the manner decided upon by the Assembly members of Telangana.

3. The existing educational facilities in Telangana should be secured to the students of Telangana and further improved. Admission to the Colleges including technical institutions in the

Telangana area should be restricted to the Telangana, or the latter should have admission to the extent of one-third of the total admissions in the entire state, whichever course is advantageous to Telangana students.

4. Retrenchment of services should be proportionate from both regions if it becomes inevitable due to integration.

5. Future recruitment to service will be on the basis of population from both regions.

6. The position of Urdu in the administrative and judicial structure existing at present in the Telangana area may continue for five years, when the position may be revised by the Regional council. So far as recruitment to services is concerned, knowledge of Telugu should not be insisted upon at the time of recruitment, but they should be required to Pass a prescribed Telugu test in two years time after appointment.

7. Some kind of domicile rules e.g., residence for 12 years should be provided in order to secure the prescribed proportion to recruitment of services for Telangana area.

8. Sales of agricultural lands in Telangana area (is) to be controlled by the Regional Council.

9. A Regional Council will be established for the Telangana area with a view to secure its all-round development in accordance with its needs and requirements.

10. The Regional Council will consist of members as follows:-

9 members of Assembly representing each district of Telangana to be elected by the Assembly members of the Telangana districts separately.

6 members of the Assembly or the Parliament elected by the Telangana representatives in the Assembly.

6 members from outside the Assembly to be elected by the Telangana members of the Assembly.

All ministers from Telangana region will be members. The Chief Minister or Deputy Chief Minister, whoever is from Telangana will be the Chairman of the Council. Other Cabinet Ministers may also be invited.

11. (a) The Regional Council will be a statutory body empowered to deal with and decide about matters mentioned above and those relating to planning and development, irrigation and other projects, industrial development within the general plan and recruitment to services in so far as they relate to Telangana area. If there is difference of opinion between the views of the Regional Council and the Government of the State, a reference may be made to the Government of India for final decision.

(b) Unless revised earlier by agreement, this agreement will be reviewed at the end of ten years.

12. The cabinet will consist of members, in proportion of 60:40 per cent for Andhra and Telangana respectively. Out of the 40 per cent Telangana Ministers one will be a Muslim from Telangana.

13. If the Chief Minister is from Andhra, the Deputy Chief Minister will be from Telangana and *vice versa*. Two out of the following portfolios will be assigned to ministers from Telangana:

- (a) Home
- (b) Finance
- (c) Revenue
- (d) Planning and Development
- (e) Commerce and Industry

14. The H.P.C.C. President desires that the P.C.C. should be separate for Telangana up to the end of 1962. A.P.C.C. President has no objection.

All those above points were agreed upon in a meeting held as above on 20th February, 1956. We have today further discussed about the two following points, on which agreement could not be arrived at.

1) The name of the New State - the Telangana representatives wanted that the name of Andhra Telangana (as proposed in the draft bill) be

retained, while the Andhra representatives wanted that Andhra Pradesh, as awarded by the Joint Selection Committee be retained.

2) Regarding the High Court, the Telangana representatives desired that there should be a bench at Guntur with the principal seat at Hyderabad, while the Andhra representatives desired that there should no bench at Guntur and the entire High Court be located only at Hyderabad.

Sd/- B. Gopala Reddy

19.7.56.

Sd/- K.V. Ranga Reddy,

Sd/- J.V. Narsing Rao,

13.7.56

Sd/- M. Chenna Reddy

SECTION OFFICER
GENERAL ADMINISTRATION DEPT.
A.P. SECRETARIAT, HYDERABAD

APPENDIX-XIV

Gentlemen's Agreement, 1956

1. The expenditure of the Central and General Administration of the state should be borne proportionately by the two regions and the balance of income from Telangana should be reserved for expenditure on the development of Telangana area. This arrangement will be reviewed after five years and can be continued for another five years if the Telangana members of the Assembly so desire.

2. Prohibition in Telangana should be implemented in the manner decided upon by the Assembly members of Telangana.

3. The existing educational facilities in Telangana should be secured to the students of Telangana and further improved. Admission to the Colleges including technical institutions in the Telangana area should be restricted to the Telangana, or the latter should have admission to the extent of one-third of the total admissions in the entire state, whichever course is advantageous to Telangana students.

4. Retrenchment of services should be proportionate from both regions if it becomes inevitable due to integration.

5. Future recruitment to service will be on the basis of population from both regions.

6. The position of Urdu in the administrative and judicial structure existing at present in the Telangana area may continue for five years, when the position may be revised by the Regional council. So far (as) recruitment to services is concerned, knowledge of Telugu should not be insisted upon at the time of recruitment, but they should be required to pass a prescribed Telugu test in two years time after appointment.

7. Some kind of domicile rules e.g., residence for 12 years should be provided in order to secure the prescribed proportion to recruitment of services for Telangana area.

8. Sales of agricultural lands in Telangana area (is) to be controlled by the Regional Council.

9. A Regional Council will be established for the Telangana area with a view to secure its all-round development in accordance with its needs and requirements.

10. The Regional Council will consist of members as follows: 9 members of Assembly representing each district of Telangana to be elected by the Assembly members of the Telangana districts separately, 6 members of the Assembly or the Parliament elected by the Telangana representatives in the Assembly, 5 members from outside the Assembly to be elected by the Telangana members of the Assembly. All ministers from Telangana area will be (its) member.

11. a. The Regional Council will be a statutory body empowered to deal with and decide about matters mentioned above and those relating to planning and development, irrigation and other projects, industrial development within the general plan and recruitment to services in so far as they relate to Telangana area. If there is difference of opinion between the views of

the Regional Council and the Government of the State, a reference may be made to the Government of India for final decision.

- b. Unless revised earlier by agreement, this agreement will be reviewed at the end of ten years.

12. The cabinet will consist of members, in proportion of 60 to 40 per cent for Andhra and Telangana, respectively. Out of the 40 per cent Telangana Ministers one will be a Muslim from Telangana.

13. If the Chief Minister is from Andhra, the Deputy Chief Minister will be from Telangana and *vice-versa*. Two out of the following portfolios will be assigned to ministers from Telangana:

- a. Home; b. Finance; c. Revenue; d. Planning and Development; and e. Commerce and Industry

14. The Hyderabad Pradesh Congress Committee President desired that the Pradesh Congress Committee should be separated from Telangana up to the end of 1962. Andhra Provincial Congress Committee President has no objection.

The above agreement was arrived at on February 20, 1956. It was signed by (1) B. Gopala Reddy Chief Minister of Andhra; (2) N. Sanjiva Reddy, Deputy Chief Minister of Andhra; (3) G. Latchanna, Minister in the Andhra Cabinet & Leader of the Krishikar Lok Party - a constituent of the United Congress Front which contested the Andhra elections (1955) and formed the Ministry; (4) A. Satyanarayana Raju, President, Andhra

Provincial Congress Committee; (5) B. Rama Krishna Rao, Chief Minister, Hyderabad; (6) K.V. Ranga Reddy, Minister, Hyderabad; (7) Dr. M. Chenna Reddy, Minister, Hyderabad; and (8) J.V. Narsinga Rao, President, Hyderabad Provincial Congress Committee.

Section Officer
Genl. Admn. Department
A.P. Secretariat,
Hyderabad

Appendix - 1.4

MINISTRY OF HOME AFFAIRS

Subject: The Andhra Pradesh Regional Committee Order

A note (copy enclosed) on safeguards proposed for the Telangana area providing, inter alia, for the constitution and functions of a regional committee of the Legislative assembly of the Andhra Pradesh State for the Telangana area, was laid before Parliament, in the Lok Sabha, on August 10, 1956. A draft of the Andhra Pradesh Regional Committee Order, 1958 to be made by the President under clause 1 of article 371 of the Constitution, has now been prepared in consultation with the Ministry of law and the State Government to give effect to the scheme embodied in the note, and is placed below. Approval of the President to the issue of the order may be obtained.

(HARI SHARMA)
14-1-1958.

Secretary to President
M/HA n/o No. F40/3/57 - SRIR) dated 25-1-1958

F.48/3/56-SRI
Ministry of Home Affairs

**NOTE ON SAFEGUARDS PROPOSED FOR
 THE TELANGANA AREA**

(placed on the table of Lok Sabha on 10.8.56)

A. Regional Standing Committee

1. There will be one legislature for the whole of the Andhra Pradesh State which will be the sole lawmaking body for the entire State and there will be one Governor for the State aided and, advised by a Council of Ministers responsible to the State Assembly for the entire field of administration.

2. For the more convenient transaction of the business of government with regard to some specified matters, the Telangana area will be treated as a region.

3. For the Telangana region there will be a regional standing committee of the State Assembly consisting of the members of the State Assembly belonging to that region including the Ministers from that region but not including the Chief Minister.

4. Legislation relating to specified matters will be referred to the Regional Committee. In respect of specified matters proposals may also be made by the Regional Committee to the State Government for legislation or with regard to questions of general policy not involving any financial commitments other than expenditure of a routine and incidental character.

5. The advice tendered by the Regional Committee will normally be accepted by the Government and the State Legislature. In case of difference of opinion, reference will be made to the Governor whose decision will be final and binding.

6. The Regional Committee will deal with the

following matters:-

- (i) Development and economic planning within the framework of the general development plans and policies formulated by the State legislature;
- (ii) Local Self-government that is to say the constitutional powers of Municipal Corporations, Improvement Trusts, District Boards, and other district authorities for the purpose of local self-government or village administration;
- (iii) Public health and sanitation, local hospitals and dispensaries;
- (iv) Primary and secondary education;
- (v) Regulation of admissions to the educational institutions in the Telangana region;
- (vi) Prohibition;
- (vii) Sale of agricultural land;
- (viii) Cottage and small-scale industries; and
- (ix) Agriculture, Co-operative Societies, Markets and Fairs.

Unless revised by agreement earlier this arrangement will be reviewed after ten years.

B. Domicile Rules

A temporary provision will be made to ensure that for a period of five years, Telangana is regarded as a unit as far as recruitment to subordinate service in the area is concerned; posts borne on the cadre of the services may be reserved for being filled by persons who satisfy the domicile conditions as prescribed under the existing Hyderabad rules.

C. The Position of Urdu

The Government of India would advise the State Government to take appropriate steps to ensure that the existing position of Urdu in the administrative and judicial structure of the State is maintained for a period of five years.

D. Retrenchment of Surplus Personnel in the New State

The Government of India do not anticipate any retrenchment. The intention is that so far as possible, the service personnel from the Hyderabad State should be automatically integrated into the services of the Andhra Pradesh without any process of screening. Should, however, any retrenchment be found necessary, the entire personnel of the services of the enlarged State will be treated on an equal footing.

E. Distribution of Expenditure between Telangana and Andhra Regions

Allocation of expenditure within the resources of the State is a matter which falls within the purview of the State government and the State legislature. Since, however, it has been agreed between the representatives of Andhra and Telangana that the expenditure of the new State on central and general administration should be borne proportionately by the two regions and the balance of income from Telangana should be reserved for expenditure on the development of Telangana area, it is open to the State government to act in accordance with the terms of this agreement in making budgetary allocations. The Government of India propose to invite the attention of the Chief Minister of Andhra to this particular understanding and to express the hope that it would be implemented.

MINISTRY OF HOME AFFAIRS

NOTIFICATION

New Delhi-2, the 1st February, 1958.

S.R.O. 443-A - The following Order made by the President is published for general information:-

THE ANDHRA PRADESH REGIONAL COMMITTEE. ORDER, 1958.

In exercise of the powers conferred by clause (1) of Article 371 of the Constitution, the President hereby makes, with respect to the State of Andhra Pradesh, the following Order, namely:-

1. (1) This Order may be called the Andhra Pradesh Regional Committee Order, 1958.
- (2) It shall come into force on the 1st day of February 1958.
2. In this Order:-
 - (a) "Assembly" means the Legislative Assembly of the State
 - (b) "Chief Minister" means the Chief Minister of the State;
 - (c) "Minister" means a Minister of the State and includes a Deputy Minister of the State;
 - (d) "regional committee" means the regional committee constituted by paragraph 3 of this Order;
 - (e) "Schedule" means a Schedule appended to this Order;
 - (f) "scheduled matters" means the matters specified in the First Schedule;
 - (g) "State" means the State of Andhra Pradesh;
 - (h) "Telangana region" means the territories specified in clauses (a) to (g) of subsection (t) of section 3 of the States Reorganisation Act, 1956.
3. (1) There shall be a regional committee of the Assembly for the Telangana region consisting of the members of the Assembly who for the time being represent the constituencies within that region

Provided that the Chief Minister and the Speaker shall not be members of the regional committee.
- (2) Every Minister shall have the right to speak in and otherwise to take part in the proceedings of the regional committee, but shall not, by virtue of such right be

- entitled to vote at any meeting of the regional committee if he is not a member thereof.
4. All scheduled matters in so far as they relate to the Telangana region shall be within the purview of the regional committee to the extent and in the manner provided by this Order.
 5. Every Bill affecting the Telangana region which is not a Money Bill and contains mainly provisions dealing with any of the scheduled matters shall, upon introduction in the Assembly, be referred to the regional committee for consideration and report to the Assembly.
 6. Any Bill referred to the regional committee under paragraph 5 may, if so recommended by it, be passed by the Assembly with such variations as may be necessary in its application to the Telangana region.
 7. The regional committee shall have power to consider and pass resolutions recommending to the State Government any legislative or executive action affecting the Telangana region with respect to any scheduled matters, so however, that the executive action relates to general questions of policy and the legislative or executive action does not involve any financial commitment other than expenditure of a routine and incidental character.
 8. The modifications directed in the Second Schedule shall be made in the Andhra Pradesh Legislative Assembly Rules and shall not in any way be affected by any amendments that may hereafter be made in the said Rules by the Assembly under Article 208 of the Constitution.
 9. The modifications directed in the Third Schedule shall be made in the Andhra Pradesh Government Business Rules and shall not in any way be affected by any amendments that may hereafter be made in the said Rules by the Governor under clause (3) of Article 166 of the Constitution.
 10. The Governor shall have special responsibility for securing the proper functioning of the regional committee in accordance with the provisions of this Order.

FIRST SCHEDULE
[See paragraph 2(f)]
Schedule Matters

1. Local self-government, that is to say, the constitution and powers of municipal corporations, improvement trusts, district boards and other local authorities for the purpose of local self-government or Village administration.
2. Public health and sanitation; local hospitals and dispensaries.
3. Primary and secondary education.
4. Regulation of admissions to the educational institutions in the Telangana region.
5. Prohibition of the consumption, except for medicinal purposes, of intoxicating liquors and of drugs which are injurious to health.
6. Sale of agricultural land.
7. Cottage and small-scale industries.
8. Agriculture, co-operative societies, markets and fairs,
9. Development and economic planning within the frame-work of the general development plans and policies formulated by the State Legislature.

SECOND SCHEDULE
(See paragraph 8)

The Following modifications shall be made in the Andhra Pradesh Legislative Assembly Rules namely:-

1. In Rule 2 -

(i) after clause (k) the following clause shall be inserted namely:-

"(k1) 'regional bill means a Bill affecting the Telangana Region which is not a Money Bill and contains mainly provisions dealing with scheduled matters;

(k2) 'Regional committee' means the regional committee constituted by paragraph 3 of the Andhra Pradesh Regional Committee Order, 1958;"

(ii) after clause (m), the following clause shall be inserted, namely :-

"(mm) scheduled matters means the matters specified in the First Schedule to the Andhra Pradesh Regional Committee Order, 1958;"

(iii) after clause (o), the following clause shall be inserted, namely:-

"(p) 'Telangana region' means the territories specified in clause (a) to (g) of sub-section (1) of section 3 of the States Reorganisation Act, 1956".

2. After Rule 128, the following shall be inserted, namely:-

(dd) Regional Bills

128-A. Special provisions regarding regional Bills:-

Notwithstanding anything contained in Rules 104 to 128, the provisions hereinafter made in relation to regional Bills shall apply to all such Bills; and if any question arises whether a Bill is a regional Bill or not, the question shall be referred to the Governor and a certificate issued by him in this behalf shall be final.

128-B. Motion for introduction of regional Bills -

When a regional Bill is introduced or on some

subsequent occasion, the member-in-charge may make one of the following motions in regard to his Bill namely :-

- (a) that it be referred to the regional Committee, or
- (b) that it be circulated for purpose of eliciting opinion thereon by a date specified in the motion:

Provided that no such motion as aforesaid shall be made by any member other than the member-in-charge except by way of amendment to the motion made by the member-in-charge.

128-C. Discussion on principal [principles] of regional Bill - (1) On the date on which one of the motions referred to in Rule 128B is made, or on any subsequent day to which the discussion thereof is postponed the principles of the Bill and its general provisions may be discussed but the details shall not be discussed further than is necessary to explain its principles.

(2) Where a motion that a Bill be circulated for the purpose of eliciting opinion thereon is proposed and the Bill is circulated in accordance with that motion and the opinions are received thereon the member-in-charge if he wishes to proceed with the Bill thereafter may move that the Bill be referred to the regional committee.

128D. Procedure before regional committee - When a Bill has been referred to the regional committee, the regional committee shall follow the procedure laid down in Chapter XVIII-A.

128E. Procedure after presentation of report - (1) After the presentation of the report of the regional committee on a Bill, the member-in-charge may move that the Bill as reported by the regional committee be taken into consideration.

Provided that any member of the Assembly may object to its being taken into consideration if a copy of the report has not been made available

for the use of members for seven days and such objection shall prevail, unless the Speaker allows the report to be taken into consideration.

(2) When the member-in-charge moves that the Bill as reported by the regional committee be taken into consideration, any member may move, as an amendment, that the Bill be re-committed to the regional committee.

128-F. *Scope of debate on report of regional committee* - The debate on a motion that the Bill as reported by the regional committee be taken into consideration shall be confined to consideration of the report of the regional committee and the matters referred to in that report or any alternative suggestions consistent with the principle of the Bill.

123-G. *Restrictions on amendments to the Bill in certain cases* - A member of the regional committee who signs its report without a minute of dissent shall not move an amendment to the Bill when it is under consideration in the Assembly.

3. After Rule 152, the following Rule shall be inserted, namely:-

"152-A. *Special provisions regarding regional Bills* -

(1) When a Bill as reported by the regional committee is not passed by the Assembly in the form in which it has been reported but is passed in a form which, in the opinion of the Speaker, is substantially different from that as reported by the regional committee, or is rejected by the Assembly, the Speaker shall submit to the Governor-

(a) in any case where the Bill has been passed by the Assembly in a substantially different form, the Bill as passed by the Assembly together with the Bill as reported by the regional committee;

(b) in any case where the Bill is rejected by the Assembly, the Bill as reported by the regional committee.

(2) The Governor Shall, as soon as possible after the submission to him of the Bill, return the Bill to the Assembly with a message recommending either that the Bill be withdrawn or that it be passed in the form in which it has been reported by the regional committee or in the form in which it has been passed by the Assembly and the message received from the Governor shall be reported by the Speaker to the Assembly and accordingly, the Bill shall be deemed to have been withdrawn, or as the case may be, be deemed to have been passed by the Assembly in the form recommended by the Governor."

4. After Chapter XVIII, the following new Chapter shall be inserted, namely:-

**"CHAPTER XVIII-A.
Regional Committee.**

164-A. *Chairman and Vice-Chairman*- (1) The regional committee shall, as soon as may be elect two members of the committee to be respectively Chairman and Vice-Chairman thereof and, so often as the office of the Chairman or the Vice-Chairman becomes vacant, the regional committee shall elect another member to be Chairman or Vice-Chairman, as the case may be.

164-B. *Election of Chairman and Vice-Chairman* - (1) The Chairman of a regional committee shall be elected by the members of the regional committee from among themselves on such date as the Governor may fix for the purpose and the Secretary shall send to every member notice of this date.

(2) At any time before noon on the day preceding the date so fixed, any member may give notice in writing addressed to the Secretary of a motion proposing the name of another member

for the office of the Chairman, and the proposal shall be seconded by another member and shall be accompanied by a statement by the member whose name has been proposed that he is willing to serve as Chairman if elected:

Provided that a member shall not propose his own name or second a motion proposing his own name, or propose or second more than one motion.

(3) A member in whose name a motion stands on the list of business may, when called, move the motion or withdraw the motion, and shall confine himself to a mere statement to that effect.

(4) The motions which have been moved and duly seconded shall be put one by one in the order in which they have been moved, and decided, if necessary, by division. If any motion is carried, the person presiding shall, without putting the later motions, declare elected the member proposed in the motion.

(5) Before the election of the Chairman the Governor shall appoint a member of the regional committee, who does not intend to contest the election to preside at the meeting.

(6) The procedure for the election of the Vice-Chairman shall be the same as that in respect of the Chairman except that the date for the election shall be fixed by the Chairman and the Chairman shall preside at the meeting.

164-C. Vacation and resignation of and removal from the offices of the Chairman and Vice-Chairman - A member holding office as Chairman or Vice-Chairman of the regional committee -

- (a) shall vacate his office if he ceases to be a member of the Assembly;
- (b) may at any time by writing under No hand addressed, if such member is the Chairman

to the Vice-Chairman and if such member is the Vice-Chairman to the Chairman, resign his office; and

- (c) may be removed by a resolution of the regional committee passed by a majority of all the then members of the Committee.

164-D. Powers of the Vice-Chairman or other person to perform the duties of the office of or to act as Chairman - (1) While the office of Chairman is vacant the duties of the office shall be performed by the Vice-Chairman or if the office of Vice-Chairman is also vacant by such member of the regional committee as the Governor may appoint for the purpose.

(2) During the absence of the Chairman from any sitting of the regional committee, the Vice-Chairman or if he is also absent, such other person as may be elected by the regional committee shall act as Chairman for that meeting.

(3) The Vice-Chairman or any other member competent to preside over a meeting of the regional committee under these rules, shall, when so presiding, have the same powers as the Chairman when so presiding.

164-E. Chairman and Vice-Chairman not to preside while a resolution for his removal from office is under consideration - (1) At any meeting of the regional committee, while any resolution for the removal of the Chairman from his office is under consideration the Chairman or while any resolution for the removal of the Vice-Chairman from his office under consideration, the Vice-Chairman, shall not, though he is present preside, and the provisions of sub-rule (2) of Rule 164D shall apply in relation to every such meeting as they apply in relation to a meeting from which the Chairman, or as the case may be, the Vice-Chairman, is absent.

(2) In any such case, the Chairman or Vice-Chairman, as the case may be, shall be entitled to vote only in the first instance on such resolution but not in the case of an equality of votes.

164-F. *Quorum* - (1) In order to constitute a meeting of the regional committee, the quorum shall be as near as may be, one-third of the total number of members, the fraction, if any, being ignored.

(2) If at any time fixed for any meeting of the regional committee, or if at any time any such meeting, there is no quorum, the Chairman shall either suspend the meeting until there is a quorum or adjourn the meeting to some future day.

164-G. *Sittings of regional committee* - The sittings of the regional committee shall be held in private and within the precincts of the Assembly building on such days and at such time as the Chairman may fix.

164-H. *Voting* - (1) All-questions at any sitting of the regional committee shall be determined by a majority of votes of the members present and voting.

(2) In the case of an equality of votes on any matter, the Chairman or the person acting as such shall have a second casting vote.

164-I. *Power to appoint sub-committees* - (1) The regional committee may appoint one or more sub-committees to examine any matters that may be referred to the said sub-committee or sub-committees.

(2) The order of reference to a sub-committee shall clearly state the point or points for investigation. The report of the sub-committee shall be considered by the regional committee.

164-J. *Report by regional committee* - (1) As soon as may be after a Bill has been referred to the regional committee, the regional committee shall meet, time to time, in accordance with Rule 164-G to consider the Bill and shall make a report thereon within the time fixed by the Assembly;

Provided that the Assembly may, at any time on a motion being made, extend the time for the making of the report to a date to be specified in the motion.

(2) The report of the regional committee shall ordinarily be signed by the Chairman on behalf of the committee:

Provided that if the Chairman is absent or is not readily available, the report shall be signed by the Vice-Chairman or, in his absence, by any other member specially chosen for the purpose by the regional committee.

(3) Any member of the regional committee may record a minute of dissent on any matter or matters connected with the Bill or dealt with in the report.

(4) A minute of dissent shall be couched in temperate and decorous language and shall not refer to any discussion in the regional committee nor cast aspersions on the committee.

(5) If, in the opinion of the Chairman, a minute of dissent contain words, phrases or expressions which are unparliamentary or otherwise inappropriate, he may order such words, phrases or expressions to be expunged from the minute of dissent.

164-K. *Presentation of report* - (1) The report of the regional committee on a Bill, together with minutes of dissent if any, shall be presented to the Assembly by the Chairman thereof or in his absence, by any member of the regional committee.

(2) In presenting the report, the Chairman or in his absence the member presenting the report shall, if he makes any remarks, confine himself to a brief statement of facts but there shall be no debate at this stage.

164-L. *Printing and publication of reports* - The Secretary shall cause every report of the regional committee together with the minutes of dissent, if any, to be printed and a copy thereof shall be made available for the use of every member of the Assembly.

164-M. *Power to recommend legislative and executive action* - The regional committee shall have the power to consider and pass resolutions recommending to the State Government any legislative or executive action affecting the Telangana region with respect to Scheduled matters, so however that, the executive action relates to general questions of policy and the legislative or executive action does not involve any financial commitment other than expenditure of a routine and incidental character.

164-N. *Proceedings of regional committee* - The rules of procedure regarding debate and amendments in the regional committee shall be the same as those of the Assembly in these respects.

164-O. *Power of regional committee to regulate its procedure and that of its committee* - The regional committee shall have power to make bye-laws not inconsistent with these rules, to regulate its own procedure and the procedure of its sub-committees.

164-P. *Chapter XIX not to apply to regional committee* - The provisions of Chapter XIX relating to the Committees of the Assembly shall not apply to the regional committee.

THIRD SCHEDULE (See paragraph 9)

The following modifications shall be made in the Andhra Pradesh Government Business Rules, namely:-

In the said rules -

(i) in rule 2, after clause (b), the following clause shall be inserted, namely:-

"(bb) 'regional committee' and 'scheduled matters' shall have the meanings respectively assigned to them in the Andhra Pradesh Regional Committee Order, 1958";

(ii) after rule 8, the following rule shall be inserted, namely:-

"8-A. The Council shall normally give effect to the recommendations of the regional committee made under paragraph 7 of the Andhra Pradesh Regional Committee Order, 1958, in regard to any legislative or executive action affecting the Telangana region with respect to scheduled matters but if the Council is of the opinion that it would not be expedient to give effect to any such recommendation or that the regional committee was not competent to make any such recommendation, the matter shall be referred by the Chief Minister to the Governor whose decision thereon shall be final and binding on the Council and action shall be taken accordingly.

(iii) In the First schedule, in the entries under the heading 'General Administration Department, State subjects' after the entries relating to 'Raj Bhavan', the following shall be inserted, namely:-

"All matters relating to the regional committee constituted under paragraph 3 of the Andhra Pradesh Regional Committee Order 1958, including resolutions passed by it."

(iv) in the Second Schedule, entry 27 shall be renumbered as entry 28 and the following entry shall be inserted as entry 27, namely:-

"27. All matters relating to the regional committee, including resolutions passed by it."

[No. F 40/3/57/SR (R)]

MINISTRY OF HOME AFFAIRS
NOTIFICATION
New Delhi the 20th January 1959

G.S.R. 115 - In exercise of the powers conferred by clause (1) of the Article 371 of the Constitution, the President hereby makes the following Order, namely:-

1. (1) This Order may be called the Andhra Pradesh Regional Committee (Amendment) Order 1959.

(2) It shall come into force On the 20th day of January, 1959.

2. In paragraph 2 of the Andhra Pradesh Regional Committee Order, 1958 (hereinafter referred to as the "Principal Order", after clause (b), the following clause shall be inserted, namely:-

"(bb) "Council" means the Legislative Council of the State,"

3. For paragraph 5 of the Principal Order, the following paragraph shall be substituted, namely:-

"5. Every Bill affecting the Telangana region which is not a Money Bill and contains mainly provisions dealing with any of the scheduled matters shall, upon introduction in the Assembly or if it has been introduced in and passed by the Council, upon transmission to the Assembly be referred to the regional committee for consideration and report to the Assembly."

4. In the Second Schedule to the Principal Order, after item 3 inserting new rule 152-A, the following items shall be inserted, namely:-

"3-A. After rule 152-F, the following rule shall be inserted, namely:-

"152-FF. *Special provisions regarding regional Bills* - When a regional Bill as passed or deemed to have been passed by the Assembly is received from the Council under Rule 152-B with a message that it has rejected the Bill or is received back from the Council under Rule 152-C with amendments, the Bill shall be referred to the regional committee and the other provisions of the rules regarding regional Bills shall then, as far as may be, apply."

3-B. In section 3 of Chapter XVI, after Rule 152-U, the following rule shall be inserted namely:-

152-UU. *Special provision regarding regional Bills* - When a regional Bill originating in the Council has been passed by the Council and is received in the Assembly under Rule 152-I or when such a Bill as further amended by the Council is received by the Assembly and laid on the Table under Rule 152-Q, the Bill or the amended Bill as the case may be shall be referred to the Regional Committee and the other provisions of the Rules regarding regional Bills shall then, as far as may be apply."
 [No.F. 40/7/58-SR(R.)]

Appendix - 1.8

**EXCERPTS FROM LOK SABHA DEBATES ON
MULKI RULES - DECEMBER 21, 1972- PRIME
MINISTER'S REPLY**

**THE PRIME MINISTER, MINISTER OF
ATOMIC ENERGY, MINISTER OF ELEC-
TRONICS, MINISTER OF HOME
AFFAIRS, MINISTER OF INFORMATION
AND BROADCASTING AND MINISTER
OF SPACE (SHRIMATI INDIRA GANDHI):**

Mr. Speaker, Sir, there is really not much need for me to speak as my colleague, Shri Chavan, has brought a cooler and calmer atmosphere to prevail in the House and has dealt with the really important points. But some hon. Ministers even of the Opposition had earlier expressed the opinion that it might be misunderstood if I did not clearly state our views on some points which have been mentioned here before. They are not new, nevertheless, they thought I should do so and that is why I have got up.

Parliament discusses many important issues which are highly emotional, and the Mulki Rules have become one such issue. Matters which involve regional feelings quite often do arouse the emotions of the people in this country as in many other countries, and we certainly cannot ignore the emotions of the people. But I should like to stress what Chavanji has said, that no solution can be found while the atmosphere remains charged with emotion. Any solutions, any answer, has to be found in a very cool, calm and rational manner.

Therefore, although I was also, as were many other hon. Members, touched by the emotions expressed by hon. Members, by the difficulties of our friends from Telengana and friends from other parts of Andhra Pradesh, we were certainly touched by the difficulties and emotions - I should very respectfully say to them that all these matters have to be thought of not in terms of emotions but in terms of calm and collective thought. And

not in terms of today, or tomorrow or the day after but of what it will mean to them and the country ten years hence, 20 years hence, a hundred years hence.

Hon. Members have been discussing here, and separately with me, the question of a few posts or a few matters like this. As Chavanji very rightly said, does this really touch the lives of the people? It does not. The whole problem of employment has assumed vast proportions for us. There is unemployment all over the country. Not only in our country but in almost every country of the world. This is one of the phenomena of contemporary society. I am not saying this to excuse our own shortcomings or difficulties. The problem has to be faced. This is why this question has assumed such vast proportions.

Naturally, if you put to the people that a particular development has affected their employment, it has affected their rights they will become emotional. I do not know how many people have gone to the public at large and said, "Let us sit down and think about it, what difference will it make in terms of employment, in terms of other opportunities for the people in the Telengana region, for the people in the other districts of Andhra Pradesh?" So, I do not think that the issue has been fully and squarely put before all the people there. Therefore, the reaction today has to be also viewed in that light.

Now, the present debate, with all due respect to hon. Members, is not about socialism. It is not about the welfare of the country at large or many of the points which were raised, especially by the hon. Member who spoke first. This is a very limited issue; a very small issue. It deals specifically and only with the Mulki Rules, and the situation that arose because of the Supreme Court judgment. Some hon. Members said that nothing had happened. But I would respectfully say that a great deal has happened all these years. There was, if not to our entire satisfaction, certainly a

degree of calm; not the calm of the graveyard as some friends are so fond of repeating; and the situation was moving towards improvement. I am not saying that it had vastly improved. But certainly it was moving towards improvement. Then this judgment on the Mulki Rules was delivered and suddenly it was as if a fire had been started all over the State. How did the whole situation with regard to the Mulki rules arise? The State of Hyderabad was the largest of the old princely States. One hon. Member has said and rightly that in this State there were individuals, there were families of very high culture. But for the vast majority of the people there was poverty, they had not had opportunities of education or social welfare or of public health, or any kind of amelioration of their living conditions. When the composite Andhra State came into being all sections of the people recognized that for greater cohesions certain special measures of a transitory nature were necessary. The leaders of the people unanimously arrived at a gentlemen's agreement which we all accepted.

Since Shri Joshi is here I should like to just remind him. He cut a joke, he thought all our expense, on the word "gentleman". But in those days 'gentleman' was not a polite phrase at all; "gentleman" was used for a particular section of people who were completely divorced from the rest of the people. It is just like the earlier an argument over "lady" and "woman". I had then very categorically said that we were women, bearing burdens and responsibilities as well as wanting our rights, we did not want to be "ladies" and "gentlemen" sitting on some platform above everybody else.

So, there was this agreement. Now, regardless of any agreement we all know that even within a family there are differences and disputes. There is no State in India which does not have backward areas. Relatively backward and advanced areas exist not only in all States but in different regions of the same State. In the Andhra region many

Members have drawn attention to areas such as Rayalaseema and Srikakulam. The Telengana region, may be backward region but it does have better-off areas.

Merely because an area is comparatively backward is not reason enough for taking drastic or irreversible decisions. Where will this process end? I am not at all afraid of this being catching; that is not the point. But where does any one draw the line? Will each district want to be separated? Some people have advised the division of U.P. Where to divide into two, three, four, into how many areas do you divide it? Do you go back to the old, very small States, princely States, do you go back to that? Somewhere a line has to be drawn. You cannot just say that because of backwardness there should be division. As Chavanji has rightly pointed out, economic backwardness can go only through hard work and the effort of the entire nation.

While there will always be sympathy and understanding for the special hardship of the backwardness of any special group or any special area, I do not think that anyone should be allowed to develop a vested interest in backwardness.

This is really a general problem and it is a part of the very much larger problem of poverty itself. There is, I am afraid, no immediate solution to it. In the early stages of development it is always more difficult to allot resources because the general level is so low that any extra provision is extremely difficult, but in spite of this, an effort was made in the third and fourth Plans. As the House is aware, on the basis of the recommendations of the National Development Council 225 districts were earmarked for concessional finance from public financial institutions. In this are included district from the Andhra region as well from the Telengana region.

In the Fifth Plan, it is our intention to launch a massive minimum programme. I do not want to go into the premise of this programme, some of which you know and some you will soon learn about. This is the only way in which a real solution can be found. While transitional measures may be necessary in some areas for historical or other reasons, I think we should all view the problem and the possibilities of its solution in the proper perspective.

So far as the present Bill is concerned, Shri Mirdha has already explained the scope of its provisions and I do not want to go into it again. However, I should like to make just a few general observations. As the House is aware, the Supreme Court held that section 2 of the Public Employment (requirement also residence) Act, 1957 which sought to repeal the Mulki Rules, was bad. This was a complex situation. This was not the first time. In between many things have been going on. The Mulki Rules themselves were declared invalid and so on. It is not at all a static situation. But this has created a complex situation. It is obvious that the administration could not be run on the basis that Mulki Rules would apply to posts under the State Government at all levels. Certain appointments made in the past also had to be regularized. My friend opposite was much concerned about this. He felt that it might mean going back and reinstating people. I should like to re-assure him that this is not at all the case. I do not want to go into the details of this. But I think his fears are unfounded. We had also to consider the past assurances given to the people of Telengana area with regard to public employment and also their present needs. We have not at all gone back on any assurance given and I should like to re-assure the hon. Members that we are deeply concerned with their problems. But we feel that this is not the way of solving them. In fact, as I said on an earlier occasion, merely talking of separation is not an end of the problem. It is the beginning of another very big problem not for other States but also for that area,

that State itself. The decisions which we announced on the 27th November, 1972 were in the response to the request by the leaders of the State; they themselves have said that we should do something.

Regarding this Bill, several members have suggested that we might circulate it for public opinion, send it to the Supreme Court and so on. They asked, what was the hurry? The hurry is in the immediate interests of the proper administration of the State. It is obvious that any delay would create serious complications. I stand firmly for an integrated State, but I should like to say that so far as this matter is concerned, even had there been two States, it would have made no difference to this Bill because it deals mainly with the problem of the twin cities and also the rest of Telengana. That problem would remain no matter what other things you do because a large number of non-Mulkis is there. Unfortunately, even in the speeches have some little bitterness crept in. It does not matter how many States we have, you still will be neighbours and you still will have to deal with one another in a hundred and one things. Thinking that just because you are separated, you can get rid of these people or we have got rid of this problem is a very facile way of thinking. Our experience has not shown that this comes true.

Rightly there is a strong feeling in the country that any residential qualification for public employment goes against the very concept of common citizenship which is enshrined in our Constitution. But at the same time, the framers of the Constitution did realize that the safeguards available to people who suffer from special hardships could not be abrogated straightaway. This was one of the purposes of article 35. It kept alive the Mulki Rules, which had come to be looked upon as a valuable safeguard and had generated an emotional attachment. When the Telengana area was merged with Andhra, there were assurances from the Andhra region that this safeguard would be continued in certain respects.

This approach was accepted by successive Governments in Andhra Pradesh all along, even while there were different judicial pronouncements on the Mulki Rules.

This is a fact which some people tend to forget. The present Bill retains the Mulki Rules in certain respects but provides for their phased repeal. I should like to make it clear that it is not the intention of the Government to come to the House again to extend the time limits in the Bill. As I have said earlier, in the life of a State, a period of five to eight years is an exceedingly small one. Recognising the fact that the capital belongs to both regions, the Central Government has decided to repeal the Mulki Rules in the twin cities three years earlier than in the remaining Telengana region. Even during the intervening period, employment opportunities in the capital are being extended and educational facilities expanded for the citizens of the other regions of Andhra Pradesh also.

This again gives rise to certain doubts and fears in the minds of our friends from Telengana. I should like to assure them that the present Bill not only keep in tact the safeguards voluntarily agreed to in the Public Employment Act, which was struck down subsequently, but seeks to go a little way beyond that.

The Bill covers three of the five points mentioned in our decisions. The two other points do not require any legislation. I am mentioning this, because this matter was commented upon from the Benches opposite. Considerable work has already been done on the scheme of regionalisation of services, and the whole scheme will be finalized before long. The State Government will then make necessary amendments to their existing service rules and put the scheme into operation. The other decision related to the expansion of educational facilities in Hyderabad - Secunderabad. The Ministry of Education has already discussed this matter with the State

Government and in the light of these discussions the State Government is framing specific proposals. Suitable machinery will be devised so that these measures are faithfully carried out.

While we were seeking a solution to this particular situation, other points have been raised. It is said that the continuance of the Regional Committee for the Telengana area impedes the integration of the State of Andhra Pradesh. Shri Raghu Ramaiah and others have spoken about the separate budget for Telengana. A third point was that Telengana is not the only backward area in the State.

As you know, the Regional Committee is a committee of the legislature itself, set up at the time of the formation of the State, to give confidence to the people of the Telengana region that the assurances given to them were being properly implemented. It provided for the closer association of the people of Telengana in the development of their area.

The budget, of course, is not really separate, as Shri Raghu Ramaiah said. There are two separate sheets, but it still forms part of the same budget. But the basic problem is not of mathematical calculations. It is a question of the overall economic condition. I can appreciate the feelings of those who want all barriers which stand in the way of the fuller integration of the State to be removed. I look forward to a day when all these walls are demolished and there is no need to have such special arrangements. Such a situation will emerge progressively with the disappearance of economic disparities. May I remind this House that even the Constitution visualizes them as temporary and transitional? Meanwhile, of course we are giving special thought to what to do for the other backward areas of the State. The speedy development of those areas is equally important and suggestions have been made for some special arrangements which we are looking into. We would also be quite willing to have one or more

regional committees or development boards for such areas, if the people so desire, and the details of this can be worked out in consultation with the leaders of the State.

Perhaps, there is a feeling that the norms adopted in allocating receipts and expenditure under different heads could be improved so as to make them more equitable to both regions. This question can also be gone into and if any assistance from the Central Government is called for we shall try to provide it. Because what is really needed is the provision of adequate resources and this is always dependent upon how much Shri Chavan can find for the entire country. He also does not have a magic bag into which he can dip for resources.

It is obvious that the resources of the entire State will have to be mobilized for this purpose. This is generally the approach which we have adopted for the removal of imbalances in the development. Whatever resources the Central Government can provide for this purpose will, I hope, be forthcoming.

Mr. Frank Anthony is not here. I have just one rejoinder to make. He was speaking about minorities and our friends of the Scheduled Castes and Scheduled Tribes, and about their reservations. It is quite true that with all the reservations, everything that we had hoped to do has not been done. There are still many disabilities. But he addressed his remark to the wrong person, Shri Bhandare. Shri Bhandare is the one person who has always been elected from a general seat. He does not come from a reserved seat. So, his remark that "you will not be elected once the reservation is removed", was to the wrong person.

AN HON. MEMBER: Mr. B. P. Maurya also.

SHRIMATI INDIRA GANDHI: Yes, Shri B.P. Maurya also.

Sir, Parliament represents the will of the whole nation. Its duty is not merely to go into the rights and wrongs of a situation but also to view problems from the national point of view. Shri Chavan has stressed this point. But I would like to repeat it. While all of us here are elected from particular constituencies, once we are in this hall, I think we should consider ourselves not as merely the representatives of one little area but as the representatives of the whole country and the entire people of India. And each problem has to be viewed from that angle.

The very first article of our Constitution declares that India is a Union of States. Each State has had a long cultural and historical tradition and each State has become a political entity in its own special way. Andhra Pradesh has been a distinctive cultural unit for thousands of years. The name has been found in the earliest Buddhist writings. All the parts which now constitute Andhra Pradesh have been under one umbrella for long periods of history. Let us not look at just the immediate period of history.

Perhaps, it was this long history which inspired the Telugu-speaking people when they yearned and struggled for several decades to form a unified Andhra Pradesh. May I cite a little bit of my personal experience? I happened to be touring parts of the South just before the Report of the States Reorganisation Commission was made public and my ears are still reverberating with the full-throated cries of Vishal Andhra (Interruptions). It was really the will of the Telugu-speaking people which prevailed over the proposal of some people to retain the old Hyderabad State.

I have taken a lot of time. I should like to make one more point. Mr. Frank Anthony is absent. He spoke at length and he has on previous occasions spoken about the great mistake of forming linguistic States. There are some things which are

part of our national life. It is true that the question of linguistic States was very much a part of the national movement. There was no getting away from it. The units of every part which was in existence at a time, were formed on the basis of language in spite of the British Provinces having different areas. There is an overall rationality in the formation of our various States and we should be very careful not to break this foundation of rationality in momentary passions. As I said at the beginning we should consider the feelings of people but it would be very wrong for the Government to be swept away by feelings. We must see what is in the larger interest of the people themselves. We are not saying that the interest of the people of Telengana should be sacrificed for our interest or for the interest of other parts of India. But the Government must think in a very calm manner about the interest of the people of that very region and see what will serve their interest best.

The Telugu-speaking people have a reputation of forthrightness but they also have an unsurpassed tradition of service to the nation. I am sure that no Telugu-speaking person whether he lives in the coastal region or in Rayalaseema or in Telengana will ever do anything even in anger or in desperation which is not in the larger interest of their entire State and also in the interest of the country as a whole. I can understand the emotions of our friends here. This has been a period of great agony for us all to watch the developments in Andhra Pradesh and the tragedies that are taking place. I also should like to express my deep sympathy with the parents and families of those who have lost their lives. But we must look at this matter in the larger perspective. This particular Bill of course does not touch the larger aspect at all. This is a very limited Bill but because hon. Members have talked about other things, I also had to give my views on them.

Appendix - 1.9 THIRTY-SECOND AMENDMENT ACT

The thirty-second Amendment Act omits clause (1) of Art. 371 and makes special provision to the State of Andhra Pradesh by inserting new clause 371-D.

"371D. Special provisions with respect to the State of Andhra Pradesh: -

(1) The President may by order made with respect to the State of Andhra Pradesh provide, having regard to the requirements of the State as a whole, for equitable opportunities and facilities for the people belonging to different parts of the State, in the matter of public employment and in the matter of education, and different provisions may be made for various parts of the State.

(2) An order made under clause (1) may, in particular

(a) require the State Government to organize any class or classes of posts in civil service of, or any class or classes of civil posts under, the State into different local cadres for different parts of the State and allot in accordance with such principles and procedures as may be specified in the order the persons holding such posts to the local cadres so organized;

(b) specify any part or parts of the State which shall be regarded as the local area -

(i) for direct recruitment to posts in any local cadre (whether organized in pursuance of an order under this article or constituted otherwise) under the State Government;

(ii) for direct recruitment to posts in any cadre under any local authority within the State; and

(iii) for the purposes of admission to any University within the State or to any other educational institution which is subject to the control of the State Government;

(c) specify the extent to which, the manner in which and the conditions subject to which, preference or reservation shall be given or made -

(i) in the matter of direct recruitment to posts in any such cadre referred to in sub-clause (b) as may be specified in this behalf in the order;

(ii) in the matter of admission to any such University or other educational institution referred to in sub-clause (b) as may be specified in this behalf in the order, to or in favour of candidates who have resided or studied for any period specified in the order in the local area in respect of such cadre, University or other educational institution, as the case may

(3) The President may, by order, provide for the constitution of an Administrative Tribunal for the State of Andhra Pradesh to exercise such jurisdiction, powers and authority [including any jurisdiction, power and authority which immediately before the commencement of the Constitution (Thirty-second Amendment) Act, 1973, was exercised by any court (other than the Supreme Court) or by any tribunal or other authority] as may be specified in the order with respect to the following matters, namely :-

(a) appointment, allotment or promotion to such class or classes of posts in any civil service of the State, or to such class or classes of civil posts under the State, or to such class or classes of posts under the control of any local authority within the State, as may be specified in the order;

(b) seniority of persons appointed, allotted or promoted to such class or classes of posts in any civil service of the State, or to such class or classes of civil posts under the State, or to such class or classes of posts under the control of any local authority within the State, as may be specified in the order;

(c) such other conditions of service of persons appointed, allotted or promoted to such class or classes of posts in any civil service of the State or to such class or classes of civil posts under the State or to such class or classes of posts under the control of any local authority within the State, as may be specified in the order.

(4) An order made under clause (3) may -

(a) authorize the Administrative Tribunal to receive representations for the redress of grievances relating to any matter within its jurisdiction as the President may specify in the order and to make such orders thereon as the Administrative Tribunal deem fit;

(b) contain such provisions with respect to the powers and authorities and procedure of the Administrative Tribunal (including provisions with respect to the powers of the Administrative Tribunal to punish for contempt of itself) as the President may deem necessary;

(c) provide for the transfer to the Administrative Tribunal of such classes of proceedings, being proceedings relating to matters within its jurisdiction and pending before any court (other than the Supreme Court) or tribunal or other authority immediately before the commencement of such order, as may be specified in the order;

(d) contain such supplemental, incidental and consequential provisions (including provisions as to fees as to limitation, evidence or for the application of any law for the time being in force subject to any exceptions or modifications) as the President may deem necessary.

(5) The order of the Administrative Tribunal finally disposing of any case shall become effective upon its confirmation by the State Government or on the expiry of three months from the date on which the order is made, whichever is earlier;

Provided that the State Government may, by special order made in writing and for reasons to be specified therein, modify or annul any order of the Administrative Tribunal before it becomes effective and in such a case, the order of the Administrative Tribunal shall have effect only in such modified form or be of no effect, as the case may be.

(6) Every special or made by the State Government under the proviso to clause (5) shall be laid, as soon as may be after it is made, before both Houses of the State Legislature.

(7) The High Court for the State shall not have any powers of superintendence over the Administrative Tribunal and no court (other than the Supreme Court) or tribunal shall exercise any jurisdiction, power or authority in respect of any matter subject to the jurisdiction, power or authority of, or in relation to, the Administrative Tribunal.

(8) If the President is satisfied that the continued existence of the Administrative Tribunal is not necessary, the President may by order abolish the Administrative Tribunal and make such provisions in such order as he

may deem fit for the transfer and disposal of cases pending before the Tribunal immediately before such abolition.

(9) Notwithstanding any judgment, decree or order of any court, tribunal or other authority -

(a) no appointment, posting, promotion or transfer of any person -

(i) made before the 1st day of November, 1956, to any post under the Government of, or any local authority within, the State of Hyderabad as it existed before that date; or

(ii) made before the commencement of the Constitution (Thirtysecond Amendment) Act, 1973, to any post under the Government 96 of, or any local or authority within, the State of Andhra Pradesh; and

(b) no action taken or thing done by or before any person referred to in sub-clause (a), shall be deemed to be illegal or void or ever to have become illegal or void merely on the ground that the appointment, posting, promotion or transfer of such person was not made in accordance with any law, then in force, providing for any requirement as to residence within the State of Hyderabad or, as the case may be, within any part of the State of Andhra Pradesh, in respect of such appointment, posting, promotion or transfer.

(10) The provisions of this article and of any order made by the President there under shall have effect notwithstanding anything in any other provision of this Constitution or in any other law for the time being in force.

371E. Establishment of Central University in Andhra Pradesh - Parliament may by law provide for the establishment of a University in the State of Andhra Pradesh".

Appendix - 1.10**Six-point Formula and Presidential Order**

The Mulki Rules were completely repealed in 1973 by the Mulki Rules Repeal Act 1973 and after the Telangna Agitation of 1969 and Andhra Agitation of 1972; the Six Point Formula (SPF) was announced on 21st September 1973 and 22nd October 1973 through the statements of the political leaders highlighting the following principles:

1. Constitution of a Planning Board at the State Level as well as Sub-Committees for different backward areas;
2. Preference to local candidates in the matter of admission to educational institutions and establishment of a new Central University at Hyderabad;

3. Preference to specified extent to local candidates in the matter of direct recruitment and organisation of local cadres;
4. Constitution of Administrative Tribunal;
5. Amending constitution suitably for the above purpose;
6. The above approach would render the continuance of Mulki Rules and Regional Committee unnecessary.

The Six Point Formula (SPF) was incorporated in the form of special provisions with respect to the state of Andhra Pradesh in the Constitution vide Article 371-D and a Presidential Order was issued in the year 1975 through- G.O. Ms. No.674 dated 20.02.75 mainly specifying six zones for implementing the rules of employment in local area as given in the 2nd Schedule of the said order and shown in Table 1.

Table 1

Zones	Districts	Rati 0
Zone I	Srikakulam, Vizianagaram (1 June, 1979) and Visakhapatnam districts	12
Zone II	East Godavari, West Godavari and Krishna	18
Zone III	Guntur, Prakasam and Nellore Districts	15
Zone IV	Chittoor, Cuddapah, Ananthapur and Kurnool Districts	18
Zone V	Adilabad, Karimnagar, Warangal and Khammam Districts	15
Zone VI	Hyderabad, Rangareddy (1571 August, 1978) Nizamabad, Mahaboobnagar, Medak and Nalgonda Districts	22

SALIENT FEATURES OF PRESIDENTIAL ORDER

According to the Presidential Order the State is divided into six zones and there shall be a separate City Cadre for the city of Hyderabad for certain posts specified in the order. The scheme of the Order contains the following main components:

1. Organisation of local cadres comprising Government posts in different parts of the State;
2. Principles and procedures for allotment of persons to different local cadres;
3. Local cadres and transfer of persons from one local cadre to another and also from any local cadre to any office or establishment to

which the Presidential Order does not apply or vice-versa;

4. Specification of local areas relatable to each such local cadre;
5. Specification of who should be deemed to be a local candidate in relation to each local area; and
6. Percentage of posts in each local cadre to be reserved in the matter of direct recruitment in favour of local candidates of the local area relatable to such cadre.

Presidential Order applies generally to all non-gazetted categories, other than those specifically exempted. It also applied to certain specified gazetted categories.

The posts in the Secretariat Offices of Heads of Departments, state level offices and institutions, major development projects and special offices or establishments and post of Police officer as defined in clause (b) of section 3 of Hyderabad City Police Act stood excluded from the purview of the Presidential Order;

The categories of posts covered by the scheme were generally organised into different local cadres for different parts of the State as follows:

1. Lower Division Clerks and other categories of posts equivalent to, or lower than that of a Lower Division Clerk - District cadres.
2. Other non-gazetted categories - Zonal Cadres;
3. Specified gazetted categories - Zonal Cadres;
4. Separate cadres to be organised for city of Hyderabad in respect of certain posts in certain departments as notified in GSR 528 E.
5. The order also made enabling provision for organisation of multi zonal cadres where it was considered expedient to do so by combining more than one zone.

Reservation in the matter of direct recruitment was provided as per the following percentages based on level of posts.

1. 80% of the district cadre posts under the State Government and posts in the local authority, the scale of which does not exceed Lower Division Clerk, to be filled by direct recruitment at any time;
2. 70% of the zonal cadre posts under the State Government and posts in the local authority, the scale of which exceeds the scale of Lower Division Clerk to be filled by direct recruitment at any time.

3. 60% of the posts to be filled by direct recruitment at any time in any local cadres under the State Government comprising posts belonging to the categories of Tahsildars, Assistant Executive Engineers, Assistant Agricultural Officers, Inspector of Police and Motor Vehicle Inspectors and Civil Assistant Surgeons shall be reserved in favour of local candidates in relation to the local area in respect of such cadre.
4. 60%/70% of the multi-zonal posts to be filled by direct recruitment at any time shall be reserved in favour of local candidates.

ALLOTMENT COMMITTEES

The Presidential Order provided that the State Government may, in respect of different departments and different categories of posts, constitute Committees to advise on the allotment of persons holding posts required to be organised into local cadres.

Government vide G.O. Ms.No.784 dated 24.11.1975 constituted department-wise committees for advising on allotment of persons to local cadres for posts of different categories viz., Gazetted; Statewide Non-Gazetted etc., the present unit of appointment of which is a region or a group of districts required to be re-adjusted and brought in conformity with the local cadres, where allotment of persons is involved.

Each such committee consisted of four members headed by Second Secretary/Secretary, One Senior IAS Officer of other department, Secretary of the Department concerned and the Head of the Department concerned.

**GOVERNMENT OF INDIA
MINISTRY OF LAW**

New Delhi, dated the 31st December, 1978.

The following Act of Parliament received the assent of the President on 28th December, 1978, and is hereby published for general information:

THE MULKI RULES. (REPEAL ACT, 1978).
No. 68 OF 1978.

An Act to provide for the repeal of Mulki Rules.

BE it enacted by Parliament in the Twenty-fourth Year of the Republic of India as follows.

1. *Short title and commencement.* - (1) This Act may be called the Mulki Rules (Repeal) Act, 1978.
(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
2. *Definition* - in this Act, "Mulki Rules" shall have the same meaning as in the Mulki Rules Act, 1972.
3. *Repeal of Mulki Rules* - Upon the commencement of this Act, the Mulki Rules as in force immediately before such commencement shall, notwithstanding anything contained in the Mulki Rules Act, 1972, cease to have effect and are hereby repealed.

ANDHRA PRADESH GAZETTE PART III-B

Provided, that such repeal shall not affect the validity of any appointment previously made in accordance with those rules.

K. K. SUNDARAM,
Secretary to the Government of India

(Republished by Order and in the name of the Governor of Andhra Pradesh)

S.V. SUBBA RAO,
Secretary to Government, Law Department

Appendix 1.11

**Presidential Order vide G.O.No. 674, dated:
20-02-1975**

THE ANDHRA PRADESH PUBLIC EMPLOYMENT (ORGANISATION OF LOCAL CADRES AND REGULATION OF DIRECT RECRUITMENT) ORDER, 1975 - ORDERED.

**GENERAL ADMINISTRATION (SPF.)
DEPARTMENT**

G.O. Ms. No. 674. dated : 20th October,
1975.

Read the following :-

From the Government of India, Ministry of Home Affairs, No. 3/1/74-Poll. (K), dt. 18-10-1975

ORDER:

The following Order of President of India, G.S.R. 524 (E), dated the 18th October, 1975 is republished:

THE ANDHRA PRADESH PUBLIC EMPLOYMENT (ORGANISATION OF LOCAL CADRES AND REGULATION OF DIRECT RECRUITMENT) ORDER, 1975.

ORDER

G.S.R. 524 (E) in exercise of the powers conferred by clauses (1) and (2) of article 371-D of the Constitution, the President hereby makes, with respect to the State of Andhra Pradesh, the following order, namely:-

- 1. Short Title, extent and Commencement:-** (1)
This order may be called the Andhra Pradesh

Public Employment, (Organisation of Local Cadres and Regulation of Direct Recruitment) Order, 1975.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force at once.

2. Interpretation:- (1) In this Order, unless the context otherwise requires.

(a) (City of Hyderabad) means the part of the State comprising the territories specified in the First Schedule;

(b) (Direct Recruitment) Includes recruitment made on a temporary basis but does not include recruitment made in pursuance of any scheme approved by the State Government providing for the regularisation of the services of persons holding posts on a temporary basis before the commencement of this Order;

(c) (Local Area) in relation to any local cadre, means the local area specified in paragraph 6 for direct recruitment to posts in such local cadre, and includes, in respect to posts belonging to the category of Civil Assistant Surgeons, the local area specified in sub-paragraph (5) of paragraph 6 of this order;

(d) (Local Authority) does not include any local authority which is not subject to the control of the State Government;

(e) (Local Cadre) means any local cadre of posts under the State Government organised in pursuance of paragraph 3, or constituted otherwise for any part of the State;

(f) (Local Candidate) in relation to any local area, means a candidate who qualifies under paragraph 7 as a local candidate in relation to such local area

(g) (Major Development Project) means a development Project the cost or the estimated cost of which exceeds Rs. 5 crores and notified as such by the Central Government;

(h) (Schedule) means a Schedule appended to this order;

(i) (Special Office or Establishment) means as

Office or Establishment notified as such by Central Government;

(j) (Specified Gazetted Category) means any gazetted category specified in the Third Schedule and includes any other gazetted category notified as such by Central Government;

(k) (State Government) means the Government of Andhra Pradesh;

(l) (State-Level Office of Institution) means as office or institution serving, or the jurisdiction of which extends to the State as a whole and notified as such by the Central Government;

(m) (Zone) means a zone specified in the Second Schedule comprising the territories mentioned therein;

(2) The General Clauses Act, 1897 (10 of 1997) applies for the interpretation of this Order as it applies for the interpretation of a Central Act.

3. Organisation of local cadres :- (1) The State Government shall within a period of* twenty-seven months from the commencement of this Order, organise classes of posts in the civil services of and classes of civil posts under the State into different local cadres, for different parts of the State to the extent and in the manner, hereinafter provided.

(Vide G.O. Ms. No. 728, G.A. (SPF.A) Dept, dt. 27-10-1977).

Provided that, notwithstanding the expiration of the said period, the President may by order, require the State Government, whenever he considers it expedient so to do, to organise any classes of posts in the civil services of and clauses of civil posts under the State into different local cadres or different parts of the State.

(Vide G.O. Ms. No. 34, G.A. (SPF.A) Dept, date 24-1-81)

(2) The posts belonging to the category of lower division clerk and each of the other categories

equivalent to or lower than that of a lower division clerk in each department in each district shall be organised into separate cadre.

Explanation :- For the purposes of this sub-paragraph, sub-paragraph (1) of paragraph 6. and sub-paragraph (1) of paragraph 8 a category shall be deemed to be equivalent to or lower than that of a lower division clerk if the minimum of the scale of pay of a post belonging to that category or where the post carries a fixed pay, such fixed pay is equal to or lower than the minimum of the scale of pay of a lower division clerk.

(3) The posts belonging to each non gazetted category, other than those referred to in sub-paragraph (2), in each department in each zone shall be organised into a separate cadre.

(4) The posts belonging to each, specified gazetted category in each department in each zone shall be organised into a separate cadre.

(5) Notwithstanding anything contained in sub-paragraph (3) and (4), the State Government may where it considers it expedient so to do and with the approval of the Central Government, organised the posts belonging to any of the categories referred to therein, in any department, or any establishment thereof, in two or more contiguous zones into a Single cadre.

(6) Notwithstanding anything contained in sub Paragraphs (2), (3), (4) and (5), the Central Government may notify the departments in which and the categories of posts for which a separate cadre has to be organised for the City of Hyderabad and on such notification, the posts belonging to each such category in each such department in the said City (other than those concerned with the administration of areas falling outside, the said City) shall be organised into a separate cadre and

the posts so organised in pursuance of this paragraph or Constituted otherwise and comprising posts belonging to the category in that department.

(7) In organising a separate cadre in respect of any category of posts in any department for, any part of the State, nothing in this Order shall be deemed to prevent the State Government from organising or continuing more than one cadre in respect of such category in such department for such part of the State.

(8) Where the Central Government is satisfied that it is not practicable or expedient to organise local cadres under this paragraph in respect of any non gazetted category of posts in any department, it may, by notification, make a declaration to that effect and on such declaration the provisions of this paragraph shall not apply to such category of posts.

4. Allotment of Persons :- (1) Persons holding posts required to be organised into local cadres shall be allotted to such cadres by the State Government or any officer or authority authorised by it in this behalf in accordance with the principles and procedure hereinafter specified.

(2) In allotting persons to local cadres due regard shall be had to all or any of the following, namely:

- (a) the administrative needs of the posts in the local cadres :
- (b) the need for the composition of balanced local cadres with reference to age and seniority groups;
- (c) the length of service of the persons concerned in the part of the State for which the local cadre is organised.
- (d) knowledge of the persons concerned of the language spoken and the law in force in the part of the State for which the local cadre is organised;
- (e) preference of the persons concerned for allotment to any local cadre, where feasible.

(3) The State Government may, in respect of different departments and different categories of posts, constitute committees to advice on the allotment of persons to local cadres.

(4) Any person aggrieved by an order allotting him to any local cadre may submit a representation to the State Government within a period of sixty days from the Date of communication of the order.

(5) The State Government shall on receipt of such representation and after consultation with the appropriate committee constituted under sub-paragraph (3) make such order as it deems fit.

Provided that wherever such an order is likely to result in the change of allotment of any other person, no such order shall be made without giving an opportunity to that other person to make a representation.

(6) Every order passed by the State Government under sub-paragraph (5) shall subject to the provisions of clause (3) of article 371-D of the Constitution of India, be final.

5. Local Cadres and Transfer of Person's:-

(1) Each part of the State, for which a local cadre has been organised in respect of any category of posts, shall be a separate unit for purposes of recruitment, appointment, discharge, seniority, promotion and transfer, and such other matters as may be specified by the State Government, in respect of that category of posts.

(2) Nothing in this order shall prevent the State Government from making provision for

- (a) the transfer of a person from any local cadre to any office or Establishment to which this order does not apply, or Vice Versa.
- (b) the transfer of a person from local cadre comprising posts in any office or Establish-

ment exercising territorial jurisdiction over a part of the State to any other local cadre comprising posts in such part of Vice Versa.

- (c) the transfer of a person from one local cadre to another local cadre where no qualified or suitable person is available in the latter cadre for where such transfer is otherwise considered necessary in the Public interest.
- (d) the transfer of a person from one local cadre to another local cadre on a reciprocal basis subject to the condition that the persons so transferred shall be assigned seniority in the latter cadre with reference to the date of his transfer to that cadre.

(Vide G.O. Ms. No. 34, G.A. (SPF.A) Dept, dt. 24-1-1981)

6. Local Areas:-

(1) Each district shall be regarded as a local area

- (i) for direct recruitment to posts in any local cadre under the State Government comprising all or any of the posts in any department in that district belonging to the category of a lower division clerk or to any other category equivalent to or lower than that of a lower division clerk.
 - (ii) for direct recruitment to posts in any cadre under any local authority within under that district carrying a scale of pay, the minimum of which does not exceed the minimum of the scale of pay of a lower division clerk or a fixed pay not exceeding that amount.
- (2) Each Zone shall be regarded as a local area.
- (i) for direct recruitment to posts in any local cadre under the State Government comprising all or any of the posts in any department in that zone belonging to any non-gazetted category other than those referred to in sub paragraph (1)
 - (ii) for direct recruitment to posts in any local cadre comprising all or any of the post in any department in that zone belonging to the categories of Tahsildars, Asst. Executive

Engineers, Assistant Agricultural Officers, Inspectors of Police and Motor Vehicle Inspectors (Vide G.O. Ms. No. 498, dt. 16-7-1977 G.O.Ms. No. 34, dt. 24-1-1981 and G. O. Ms. No. 635, G.A. (SPF. A) Dept. dated 30-11-1993)

- (iii) For direct recruitment to posts in any cadre under any local authority within that zone, carrying a scale of pay, the minimum of which exceeds the minimum of the scale of pay of a lower division clerk but does not exceed Rs. 480/- per mensem or a fixed pay which exceeds the minimum of the scale of pay of a lower division clerk but does not exceed Rs. 480/- per mensem or any amount corresponding to it as may be specified in this regard in the successive revisions or pay scales granted by the State Government from time of time. (G.O.Ms. 635, G.A. (SPF.A) Dept. dated 30-11-93.

Provided that where a single cadre has been organised for two or more zones under sub-paragraph (5) of paragraph 3 of posts belonging to any of the categories referred to in clause (i) or clause (ii) each of such zones shall be regarded as separate local area in respect of such cadre.

(3) Notwithstanding anything contained in sub-paragraphs (1) and (2).

- (i) the City of Hyderabad shall be regarded as a local area for direct recruitment to, posts in any local cadre under the State Government comprising all or any of the posts in, the said City in the departments and belonging to the categories notified under Sub-paragraph (6) of paragraph 3 and the said City shall be excluded from the local area relatable to any other local cadre comprising posts in the departments and belonging to the categories so notified; and
- (ii) the City of Hyderabad shall be regarded as a local area for direct recruitment to posts in any cadre under a local authority within the said City comprising posts carrying a scale

of pay the minimum of which does not exceed Rs. 480/- per mensem or any amount corresponding to it as may be specified in this regard in the successive revisions of pay scales granted by the State Government from time to time, or a fixed pay not exceeding that amount, and the said City shall be excluded from the local area relatable to any cadre under any local authority not within the said City. (G.O. Ms. No. 635, G. A. (SPF. A) Dept. dated 30-11-93)

- (4) Notwithstanding anything contained sub-paragraphs (1), (2) and (3).
- (i) the districts of Medak, Ranga Reddy and Hyderabad shall be regarded as a local area for direct recruitment to posts in any cadre under the Hyderabad Urban Development Authority, comprising posts, carrying a scale of pay, the minimum of which does not exceed the minimum of the scale of pay of lower division clerk or a fixed pay not exceeding that amount.
- (ii) Zone VI shall be, regarded as a local area for direct recruitment to posts in any cadre under the Hyderabad Urban Development Authority comprising posts, carrying a scale of pay, the minimum of which exceeds the scale of pay of a lower division clerk but does not exceed Rs. 480/- per mensem, or a fixed pay which exceeds the minimum of the scale of the pay of a lower division clerk but does not exceed Rs. 480/- per mensem or any amount corresponding to it as may be specified in this regard in the successive revisions of pay scales granted by the State Government from time to time.

(Vide G.O.Ms. No. 498, G. A. (SPF. A) Dept. dt. 16-7-77 and G.O. Ms. No. 34, G. A. (SPF. A.) Dept, dt. 24-1-1981.)

7. Local Candidate:- (1) A candidate for direct recruitment to any post shall be regarded as a local candidate in relation to a local area.

- (a) in cases where a minimum educational qualification has been prescribed for recruitment to the posts.
 - (i) If he has studied in an educational institution or educational institutions in such local area for a period of not less than four consecutive academic years ending with the academic year in which he appeared or, as the case may be, first appeared for the relevant qualifying examination; or
 - (ii) where during the whole or any part of the four consecutive academic years ending with the academic year in which he appeared or as the case may be, first appeared for the relevant qualifying examination he has not studied in any educational institution, if he has resided in that local area for a period of not less than four years immediately preceding to date of commencement of the qualifying examination in which he appeared or as the case may be, first appeared.
- (b) In cases where no minimum educational qualification has been prescribed for recruitment to the post, if he has resided in that local area for a period of not less than four years immediately preceding the date on which the post is notified for recruitment.
- (iii) in reckoning the consecutive academic years during which a candidate has studied, any period of interruption of his study be reason of his failure to pass any examination shall be disregarded.
- (iv) the question, whether any candidate for direct recruitment to any post has resided in any local area shall be determined with reference to the places where the candidate actually resided and not with reference to the residence of his parents or other guardian (Vide G.O.Ms. No. 168, G.A. (SPF.A) Dept. dt.10-3-77).

(2) A candidate for direct recruitment to any post who is not regarded as a local candidate under sub-paragraph (1) in relation to any local area shall.

Explanations:- For the purpose of this paragraph.

- (i) educational institution means a University or any educational institution recognised by the State Government, a University or other competent authority;
- (ii) relevant qualifying examination in relation to a post means;
 - (a) the examination, a pass in which is the minimum educational qualification prescribed for the post;
 - (b) the Matriculation examination or an examination declared by the State Government to be equivalent to the Matriculation examination; which is lower; and
- (i) If he has studies in educational institutions in that State for a period of not less than seven consecutive academic years ending with academic year in which he appeared or as the case may be, first appeared for the relevant qualifying examination be regarded as a local candidate in relation to
 - (1) Such local area where he has studied for the maximum period out of the said period of seven years; or
 - (2) where the period of his study in two or more local areas are equal, such local areas where he has studied last in such equal periods;
- (ii) If during the whole or any part of the seven consecutive academic years ending with the academic years in which he appeared or as the case may be first appeared for the relevant qualifying examination, he has not studied in the educational institutions in any local areas, but has resided in the State during the whole of the said period of seven years, be regarded as a local candidate in relation to

- (1) such local area where he has resided for a maximum period out of the said period of seven years : or
- (2) where the periods of his residence in two or more local areas are equal, such local area where he has resided last in such equal periods;
- (b) in cases where no minimum educational qualification has been prescribed for recruitment to the post, if he has resided in the State for period of not less than seven years immediately preceding the date on which the post is notified for recruitment, be regarded as a local candidate in relation to
 - (i) such local area where he has resided for the maximum period out of the said period of seven years ; or
 - (ii) where the periods of his residence in two or more local areas are equal such local area where he has resided last in such equal periods.

(G.O.M s. No. 168, dated 10-3-1977)

8. Reservation in the matter of Direct Recruitment:-

- (1) 80% of the posts to be filled by direct recruitment any time.
 - (a) in any local cadre under the State Government comprising posts belonging to the category of lower division clerk or a Category equivalent to or lower than that lower division clerk; and
 - (b) in any cadre under a local authority comprising post carrying a scale of pay the minimum of which, or a fixed pay which does not exceed the minimum of the scale of pay or a lower division clerk, shall be reserved in favour of local candidates in relation to the local area in respect of such cadre.
- (2) 70% of the posts to be filled by direct recruitment at any time.
- (a) in any local cadre under the State Government comprising posts belonging to non-gazetted categories other than those referred to in item (a) of sub-paragraph (1) and
 - (b) in any cadre under a local authority comprising posts carrying a scale of pay, the minimum of which, or a fixed pay which exceeds the minimum of the scale of pay of a lower division clerk, but does not exceed Rs. 480/- per mensem on any amount corresponding to it as may be specified in this regard in the successive revisions of pay scales granted by the State Government from time to time shall be reserved in favour of local candidates in relation to the local area in respect of such cadre.
- (G.O.Ms. No. 635, G. A. (SPF. A) Dept, dated 30-11-93).
- (3) 60 % of the posts to be filled by direct recruitment at any time in any local cadre under the State Government comprising posts belonging to the categories of Tahsildars, Assistant Executive Engineers, Assistant Agricultural Officers, Inspector of Police and Motor Vehicle Inspectors shall be reserved in favour of local candidates in relation to the local area in respect of such cadre. (G.O.Ms. No. 498, G.A. (SPF. A) Dept, Dt. 16-7-1977) (G.O.Ms. No. 34, G.A. (SPF. A) Dept, Dt. 24-1-1981) (G.O.Ms. No. 635, G.A. (SPF: A) Dept, Dt. 30-11-1993).
- (4) Notwithstanding anything contained in sub-paragraph (2) or sub-paragraph (3) where, in respect of any of the categories referred to in the said paragraph a single cadre has been organised for two or more zones under sub-paragraph (5) of paragraph 3, 70% or as the case may be, 60 % of the posts to be filled by direct recruitment at anytime in such cadre shall be reserved in favour of and allocated amongst the local candidates in relation to each of the local areas in respect of such cadre in the ratio specified in the Second Schedule against the zone comprising each such local area.

(5) 60% of the posts under the State Government belonging to the category of Civil Assistant Surgeons to be filled by direct recruitment at any time shall be reserved in favour of and allocated

amongst the local candidates in relation to the local area specified in column (1) the Table below in the respective ratios specified in the corresponding entry is column (2) thereof.

THE TABLE

(1)	Local area (2)	Ratio (3)
I.	Districts of Srikakulam, Vizianagaram and Visakhapatnam	13
II.	Districts of East Godavari, West Godavari and Krishna	18
III.	Districts of Guntur, Prakasam and Nellore	15
IV.	Districts of Chittoor, Cuddapah, Anantapur and Kurnool	18
V.	Districts of AdUabadi Karimnagar, Warangal and Khammam	15
VI.	Districts of Rauaga Reddy (excluding such areas as form part of the City of Hyderabad) with effect from 15-8-1978, Nizamabad, Mithboobnagar, Medak and Nalgonda	17
VII.	City of Hyderabad.	04

(6) while determining under this paragraph the number of posts to be reserved in favor of Local candidates any fraction of a post shall be counted as one.

(7) while allocating under sub-paragraph (4) or sub-paragraph (5) the reserved posts amongst the candidates in relation to different local area fractions of a post shall be adjusted by counting successively the fractions in descending order of magnitude as one and where the fraction to be so counted cannot be selected by reason of the fractions being equal the selection shall be by lot.

(8) Notwithstanding any thing contained in the foregoing provisions of this paragraph.

- (a) there shall be at least one post left unreserved out of the post filled by direct recruitment at any time to any local cadre; and
- (b) there shall be, as far as possible, at least one post allocated for the local candidates in respect of each local area.

(9) Carry forward of reserved posts:-

If a qualified local candidate in respect of a local area is not available to fill a post reserved or allocated in favour of a local candidate in respect of that local area, such post shall be carried forward for recruitment of a local candidate in respect of that local area for period not exceeding three years:-

Provided that pending recruitment of a local candidate.- Such post may be filled in temporarily by borrowing the service of a person holding a

post of the same category in any other local cadre or under any other local authority as the case may be (Vide G.O. Ms. No. 34, dt. 24-1-1981).

10. Power to Authorise issue of Directions :-

(1) The President, may, by order, require the State Government to issue such directions as may be necessary or expedient for the purpose of giving effect to this Order to any local authority and such local authority shall comply with such directions.

(2) The State Government may, for the purpose of issuing any direction under sub-paragraph (1) or for satisfying itself that any directions issued under subparagraph (1) have been complied with require by order in writing any local authority to furnish them such information, report of particulars as may be specified in the order and such local authority shall comply with such order.

11. Order to have over - riding effect:-

The provision of this order shall have effect notwithstanding anything contained in any Statute, Ordinance, rule, regulation or other order made before or after the of this order in respect of direct recruitment to posts under the State Government or any local authority.

12. Removal of Doubts:- For the removal of doubts, it is declared that nothing in this Order shall affect the operation of provisions made by the State Government or other competent authority before or after the commencement of

this Order in respect of reservation in the matter of appointments to posts in favour of any backward classes of citizens, the Schedule Castes and Schedule Tribes in so far such provisions are not inconsistent with this order,

13. Certain appointment and promotions to be Provisional:-

Appointment or promotion made after the commencement of this Order or order made in pursuance of the provision to paragraph 3, as the case be and before any local cadre has been organised under the provisions this order or any order made in pursuance of the provision to paragraph 3, to any post which is required to be included in such cadre shall provisional and shall, within a period of twelve months after such organisation, be reviewed and readjusted in accordance with the provisions of this order.

Explanation:- For the purposes of this paragraph,

any local cadre shall be deemed to be organised with the allotment of persons to it under paragraph 4.

(Vide G.O. Ms. No. 34, G.A (SPF. A) Dept., dt. 24-1-81)

14. Saving:- Nothing in this Order shall apply to:-

- (a) any post in the Secretariat of the State Government.,
- (b) any post in an office of the Head of a Dept.,
- (c) any post in a special office or Establishment:
- (d) any post in a State-level office or institution.
- (e) any post other than a post belonging to any of the non-gazetted categories in the ministerial and technical services in a Major Development project; (G.O. Ms. No. 455, G.A. (SPF.A) Dept.,- dt.3-10- 1986 and
- (f) any post Police Officer as defined in clause (b) of Section 3 of the Hyderabad City Police Act, 1348 F.

THE FIRST SCHEDULE

[See paragraph 3 (1) (a) City of Hyderabad]

(a) Hyderabad Municipal Corporation area:-

- (i) Hyderabad Division.
- (ii) Secunderabad Division.

(b) Secunderabad Cantonment area

(c) Osmania University Campus

(d) Zamistanpur Village

(e) Fathenagar

(f) Bowenpalle

(g) Machabolaram

(h) Lallaguda Village

(i) Malkajgiri

(j) Uppal Khalsa

(k) Alwal

(l) Balanagar

(m) Musapet

(n) Kukatpalli

: Panchayat area

: Panchayat area

: Panchayat area

: Village

: Panchayat area

: Panchayat area

: Panchayat area

: Panchayat area

: Panchayat area

: Panchayat area

THE SECOND SCHEDULE

[See paragraph 2 (1) (m) and 8 (4)]

ZONES		RATIO
Zone I	Srikakulam, Vizianagaram (1st day of June, 1979) Visakhapatnam Districts.	12
Zone II	East Godavari, West Godavari and Krishna Districts.	18
Zone III	Guntur Prakasam and Nellore Districts.	15
Zone IV	Chittoor, Cuddapah, Ananthapur and Kurnool Districts.	18
Zone V	Adilabad, Karimnagar, Warangal and Khammam Districts.	15
Zone VI	Hyderabad, Rangareddy (15th August 1978), Nizamabad, Mahboobnagar, Medak and Nalgonda Districts.	22

The Third Schedule
[See Paragraphs 2 (i) (j) and 3 (4)]
SPECIFIED GAZETTED CATEGORIES

Sr. No.	Category	Name of the Department
(1)	(2)	(3)
1.	District Public Relation Officers Relation Department.	Information and Public
2.	Deputy Radio Executive Engineers (G.O.Ms. No. 635, G.A.(SPF.A) Dept. dated 3041-93).	-do -
3.	Assistant Directors of Agriculture	Agriculture Department
3A.	Assistant Agriculture Officers	-do -
4.	Assistant Directors, Marketing.	Marketing Department.
5.	Assistant Hydro Geologists. Department	Ground Water
6.	Assistant Hydrologists.	-do -
7.	Deputy Registrars of Co-operative.	Co-operative Department.
8.	Deputy Executive Engineers Municipal (G.O.Ms.No. 635, G.A.(SPF-A) Dept. dated 30-11-93)	Public Health and Engineering Department
8A.	Assistant Executive Engineers.	-do -
9.	Nursing Superintendents Grade-II	Health Medical and Family Welfare Services G.O.Ms.No. 635, GA. (SPFA) Dept. dated 30- 11-03.
10.	Nursing Tutors	-do-
11.	Unit Officers. (N.S.E.P)	-do-
12.	Senior Entomologists.	-do-
13.	Lay-Secretaries: and Treasurers, Grade-II	-do-
14.	Administrative officers.	-do-
15.	Second Grade Municipal Commissioners.	Municipal Administration Department.
16.	Assistant Public Prosecutors, Grade-I/Police Prosecuting Officers.	Revenue/Police Dept.
17.	Regional Transport Officers including Department. Asst. Secretaries.	Transport
17A.	A.Motor Vehicle Inspectors.*	-do-
18.	Tahsildars	Revenue Department.
19.	Deputy Commercial Tax Officers	Commercial Taxes Dept.
20.	Assistant Directors. Department	Settlements, Survey and Land Records
21.	Assistant Commissioners. Department	Endowments
22.	Assistant Excise Superintendents. Department	Endowments
23.	Deputy Educational Officers,* Head Master and Head Mistresses*	Education Department
24.	Principals of Junior Colleges other than those in Class-II of the A.P. Educational Subordinate Service.	-do-
25.	Lecturers in Govt Colleges.	-do-
26.	Lecturers, Govt Colleges of Education and Govt. Colleges of Comprehensive Education.	-do-
27.	Parishad Educational Officer.	-do-
28.	Lecturers in Polytechnics	Technical Educational Department.
29.	Principals of Industrial Training Institutes, other than of Industrial Training Institute, Hyd- erabad.	Employment and Training Department.

(Contd.)

The Third Schedule (Concl'd.)

Sr. No.	Category	Name of the Department
(1)	(2)	(3)
30.	Deputy, Executive Engineers. Engineering [G.O.Ms.No. 635, GA(SPF.A) Dept. dated, 30-11-93].]	Panchayat Raj Department
30A.	Assistant Executive Engineers.	-do-
31.	Mandal Development Officers. Department (G.O.Ms.No. 635, G.A.(SPF.A) Dept. dated 30-11-93).	Panchayat Raj
32.	District Panchayat Officers. Department	Panchayat Raj
33.	Assistant Treasury Officers / Assistant Accounts Officers.	Treasuries and Accounts Department.
34.	Audit officers Accounts. (G.O.Ms.No. 635, G.A.(SPF.A)Dept. dated 30-11-93).	-do-
35.	Statistical Officers.	Bureau of Economics and Statistics.
36.	Assistant Directors of industries including the post of Technical Officers (Rural Industries, Project Planning cum Survey Officers (RIP) and Techni- cal Officers (Half a Million Jobs Programmes) Vide G.O.Ms.No. 34, G.A. (SPF-A) Dept. dated 24-1-1981,	Industries Department.
40.	Assistant Executive Engineer Department (G.O.Ms.No. 635, G.A.(SPF-A) Dept. Dated 30-11-93).	Public Works (Irrigation).
41.	Deputy Executive Engineer (G.O.Ms.No. 635, G A.(SPF.A) Dept. dated 30-11-93).	-do -
42.	Assistant Executive Engineers Department (G.O.Ms.No. 635, G A.(SPF.A) Dept. (R & B) dated 30-11-93).	Public Works
43.	Deputy Executive Engineers (G.O.Ms.No. 635, G.A.(SPF.A) Dept. dated 30-11-93).	-do -
44.	Assistant Executive Engineers (G.O.Ms.No. 635, G.A.(SPF.A) Dept. dated 30-11-93).	Port Department
45.	Deputy Executive Engineers (G.O.Ms.No. 635, G.A.(SPF.A) Dept. dated 30-11-93).	-do-
46.	District Social Welfare Officers/Service Officers.	Social Welfare Dept.
47.	Women and Child Welfare Officers. Welfare	Women and Child Department.
48.	Labour Officers G.O.Ms.No. 34, G.A. (SPF-A) Dept dated-1-1981).	Labour Department.
49.	Veterinary Assistant Surgeon.	Animal Husbandry Dept.
50.	Assistant Director of Fishers.	Fisheries Department.
51.	Inspectors of Police.	Police Department.
52.	Gazetted Administrative Officers to D.E.Os. Vide (G.O.Ms.No. 458, GAD, dated 5-8-1988).	
53.	Assistant Director of Handlooms and Department of Handlooms Textiles. (Vide G.O.Ms.No. 682, G.A. (SPF.A) Department, dated 29-11-1989).	and Textiles.

No. 3/1/74 Poll. (k).

(By Order and in the name of the President**P.P. Nayyar,**

Joint Secretary to the Government of India.

(By Order and in the name of the Governor of Andhra Pradesh.)

N. BHAGWANDAS,

Chief Secretary to Government

Appendix 2.1
AP & Comparison of Regions

Items / Variables	Andhra Pradesh	Region		
		Telangana	Rayalaseema	Coastal Andhra
(1)	(2)	(3)	(4)	(5)
General Profile				
Area (000 km)	275	114.8	67.4	92.8
Per cent to total	100	41.8	24.6	33.7
Population (lakhs)	665	261	117	287
Per cent to total	100	39.2	17.5	43.1
Population density/Km ²	242	227	174	, 309
Rural population (lakhs)	48.6	18.2	9	21.4
Urban population (laths)	17.9	7.9	2.7	7.3
Total number of towns	264	88	52	124
Per cent Rural population	73.1	69.8	76.8	74.6
Education and Health				
Per cent literates to total population (Males)	55.1	52.9	58.6	55.7
Per cent literates to total population (Females)	32.7	29.2	30.7	36.6
Per cent of literates to total population (Total)	44.1	41.3	44.9	46.2
Number of beds available % of total	100	44.7	16.8	38.3
Agriculture				
Per cent net sown area to total area	37.8	33.6	41.4	40.3
Per cent net area irrigated to net sown area	37.5	31.4	20.7	56.3
Area irrigated more than once (% of total)	100	30.0	13.0	56.8
Per cent of irrigation pumps	100	59.8	21.3	18.8
Per cent of irrigated to total area	100	30.9	14.4	54.7
Average size of operational holdings (ha)	1.56	2.7	2.1	1.15
Per cent of distribution of holdings < 1.0 ha	56.1	50.6	42.3	60.5
Per cent of distribution of holdings > 10 ha	1.3	1.5	2.6	0.5
Industry				
Number of factories (%)	100	54.2	16	29.7
Number of factory worker (%)	100	66.6	7.28	26.1
Total capital (%)	100	24.5	6.6	68.7
Capital/labor ratio	2.37	0.88	1.68	6.53
Large and medium factories Number (%)	100	47.3	12.6	40
Large and medium factories Investment (%)	100	53	4.8	42
Large and medium factories Employment (%)	100	55.4	7.5	37

Source: Various issues of AP State Statistical Abstracts

Appendix 2.3. Productivity growth Kgs/Hectare for Rice, Groundnuts and Cotton by Regions in AP

Crop YieldsKg/Ha	Period	Telangana	Growth Rate(%)	Rayalaseema	Growth Rate(%)	Coastal Andhra	Growth Rate(%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rice	1956-65	778		1292		1004	
	1966-75	1326	70.4	1552	20.12	1392	38.73
	1976-85	1823	37.4	1823	17.47	1914	37.44
	1986-95	2219	21.8	2353	29.08	2419	26.41
	1996-2005	2589	16.6	2589	10.03	2873	18.77
	2006-07	2980	15.1	3040	17.44	3219	12.02
Groundnut	1956-65	581		971		959	
	1966-75	644	10.7	849	-12.51	972	1.29
	1976-85	800	24.3	832	-2.10	984	1.21
	1986-95	850	6.3	850	2.18	1130	14.91
	1996-2005	956	12.5	727	-14.50	1157	2.34
	2006-07	1293	35.2	763	4.98	1383	19.59
Cotton	1956-65	339		168		922	
	1966-75	310	-8.7	170	1.25	1436	55.74
	1976-85	517	67.0	564	231.08	2420	68.48
	1986-95	1033	99.9	1251	121.90	2098	-13.30
	1996-2005	1546	49.6	1144	-8.51	2195	4.65
	2006-07	2057	33.1	1234	7.90	3045	38.71

Appendix 2.4. Per capita DDP (in Rs.) at 1999-2000 Prices

Districts/Regions	1993-94	2000-01	2007-08
(1)	(2)	(3)	(4)
Andhra Pradesh	12235	16615	26310
Adilabad	11916	13578	22148
Nizamabad	10165	13816	19850
Karimnagar	11911	16886	26254
Medak	14153	19909	31195
Mahaboobnagar	7757	11494	20496
Khammam	13054	18497	28493
Warangal	9036	14142	19970
Nalgonda	10255	14496	24344
Rangareddy	15118	18786	31986
Hyderabad	12745	22135	39145
Telangana inc Hyd	11558	16566	27006
Telangana exc Hyd	11391	15746	25237
Kadapa	12391	14829	32629
Kurnool	12159	13705	21446
Ananthapur	12402	16413	23055
Chittoor	12671	15328	20840
Rayalaseema	12414	15105	23860
Visakhapatnam	13585	21555	35757
East Godavari	12868	18024	27043
West Godavari	13659	18604	27326
Krishna	13983	19398	30044
Guntur	14133	17366	24645
Prakasam	12468	15719	25608
Nellore	14122	16480	24737
Srikakulam	8254	11743	17912
Vizianagaram	9364	11309	18498
Coastal Andhra	12809	17301	26655

Source: GOI, Ministry of Statistics & Programme Implementation.

Appendix 2.5 Growth in Per capita DDP at 1999-2000 Prices across Districts/Regions

(Per cent)

Districts/Regions	1993-94 to 2000-01	2000-01 to 2007-08
(1)	(2)	(3)
Andhra Pradesh	35.8	58.4
Telangana inc Hyd	43.3	63.0
Telangana exc Hyd	38.2	60.3
Adilabad	13.9	63.1
Nizamabad	35.9	43.7
Karimnagar	41.8	55.5
Medak	40.7	56.7
Mahaboobnagar	48.2	78.3
Khammam	41.7	54.0
Warangal	56.5	41.2
Nalgonda	41.4	67.9
Rangareddy	24.3	70.3
Hyderabad	73.7	76.8
Rayalaseema	21.7	58.0
Kadapa	19.7	120.0
Kurnool	12.7	56.5
Ananthapur	32.3	40.5
Chittoor	21.0	36.0
Coastal Andhra	35.1	54.1
Visakhapatnam	58.7	65.9
East Godavari	40.1	50.0
West Godavari	36.2	46.9
Krishna	38.7	54.9
Guntur	22.9	41.9
Prakasam	26.1	62.9
Nellore	16.7	50.1
Srikakulam	42.3	52.5
Vizianagaram	20.8	63.6

Source: GOI, Ministry of Statistics & Programme Implementation.

Appendix 2.6. Contribution to State Gross Domestic Product (constant prices, 1999-2000) at factor cost by District/Region

	(Per cent)				
District/Region	1993-94	1997-98	2001-02	2005-06	2007-08(I)
(1)	(2)	(3)	(4)	(5)	(6)
Andhra Pradesh	100	100	100	100	100
Telangana inc Hyd	38	40	42	43	43
Telangana exc Hyd	33	34	34	36	35
Adilabad	3	3	3	3	3
Nizamabad	3	3	2	2	2
Karimnagar	5	5	5	5	5
Medak	4	5	4	4	4
Mahbubnagar	3	3	3	4	4
Khammam	4	4	4	4	4
Warangal	3	3	3	3	3
Nalgonda	4	4	4	4	4
Rangareddi	5	6	6	7	7
Hyderabad	5	6	7	8	8
Rayalaseema	18	16	15	14	16
Kadapa	3	3	3	3	4
Kurnool	4	4	4	4	4
Anantapur	5	4	4	4	4
Chittoor	5	5	5	4	4
Costal Andhra	44	44	43	42	41
Visakhapatnam	6	6	7	8	7
East Godavari	7	6	7	7	6
West Godavari	6	6	5	5	5
Krishna	6	7	6	6	6
Guntur	7	7	6	6	5
Prakasam	4	4	4	4	4
Nellore -	4	4	4	3	3
Srikakulam	2	2	2	2	2
Vizianagaram	2	2	2	2	2

Source: GOI, Ministry of Statistics and Programme Implementation

Appendix 2.7. Sectoral Contribution to GDDP (constant prices, 1999-2000) at factor cost by District/Region)

District/Region	(per cent)					
	Agri. & Allied		Industry		Service	
	1993-96	2005-08	1993-96	2005-08	1993-96	2005-08
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana exc Hyd	27	24	30	30	43	46
Adilabad	25	26	29	26	46	47
Nizamabad	34	27	24	24	43	49
Karimnagar	29	27	29	29	42	44
Medak	22	22	39	36	39	42
Mahbubnagar	30	28	24	27	46	45
Khammam	28	25	29	29	42	46
Warangal	36	28	20	23	44	49
Nalgonda	31	31	27	27	42	42
Rangareddi	19	10	40	38	41	51
Hyderabad	4	1	31	18	65	82
Rayalaseema	39	27	20	26	42	46
Kadapa	37	19	20	40	44	42
Kurnool	40	34	18	20	42	46
Anantapur	39	29	21	22	40	48
Chittoor	37	28	21	23	42	49
Coastal Andhra	38	29	18	23	43	47
Visakhapatnam	17	10	32	37	51	53
East Godavari	36	30	22	25	42	45
West Godavari	49	42	13	16	38	42
Krishna	42	31	16	18	42	51
Guntur	46	39	13	16	41	45
Prakasam	43	33	15	24	42	42
Nellore	41	33	18	22	41	46
Srikakulam	36	27	14	22	50	51
Vizianagaram	36	28	15	20	49	52

Source: GOI, Ministry of Statistics & Programme Implementation.

Appendix 2.8. Outstanding Credit (All & Agriculture) of Scheduled Commercial Banks across Regions/Districts of AP

State/Region/District	All Occupations		Agriculture	
	No. of Accts. Per Thousand Population	Amount Outstanding per Acct (Rs)	No. of Accts. per Thousand rural Population	Amount Outstanding per Acct (Rs)
(1)	(2)	(3)	(4)	(5)
Andhra Pradesh	143	188061	104	58533
Telangana inc Hyd	125	333808	86	69856
Telangana exc Hyd	113	94405	85	47565
Adilabad	121	68714	98	30535
Nizamabad	140	67782	110	40857
Karimnagar	103	76015	71	49782
Medak	118	122162	89	44098
Mahboobnagar	122	58203	90	40912
Khammam	123	67562	81	43346
Warangal	116	97405	78	68569
Nalgonda	120	70037	88	44240
Rangareddy	75	242743	64	82048
<i>Hyderabad</i>	211	1225897		1641722
Rayalaseema	159	71104	127	42591
Kadapa	164	69815	119	41989
Kurnool	132	78214	99	54294
Anantapur	196	47078	188	33199
Chittoor	148	96747	102	47720
Coastal Andhra	154	118599	110	58635
Vishakhapatnam	116	230472	60	65208
East Godavari	135	146801	85	75149
West Godavari	160	116949	111	85130
Krishna	159	138753	100	68854
Guntur	187	111423	167	53318
Prakasam	209	64632	173	46044
Nellore	188	94513	139	50854
Srikakulam	118	58068	74	33083
Vizianagaram	104	63801	67	32918

Source: Reserve Bank of India

Appendix 2.9. Percent Share in Enrolment and Expenditure Under SSA by District/Region (upto end of 2007-08)

District	Share in Enrolment	Share in Expenditure
(1)	(2)	(3)
Andhra Pradesh	100.0	100.0
Telangana inc Hyd	41.5	39.0
Telangana exc Hyd	38.8	36.1
Adilabad	4.1	4.5
Nizamabad	3.4	3.0
Karimnagar	4.4	3.4
Medak	4.3	4.0
Mahabubnagar	5.7	5.5
Khammam	3.9	4.4
Warangal	4.3	3.9
Nalgonda	4.5	4.2
Rangareddy	4.4	3.2
<i>Hyderabad</i>	2.7	2.9
Rayalaseema	18.7	19.9
Kadapa	3.0	3.8
Kurnool	5.5	5.0
Ananthapur	5.0	5.6
Chittoor	5.1	5.5
Costal Andhra	39.8	41.1
Visakhapatnam	4.9	4.7
East Godavari	6.3	6.6
West Godavari	4.8	5.2
Krishna	4.5	5.5
Guntur	5.0	4.2
Prakasam	4.1	3.8
Nellore	3.3	3.8
Srikakulam	3.8	3.9
Vizianagaram	3.2	3.4

Source: SSA-Andhra Pradesh Annual Report, 2008-09; Geetha Rani, Background, Paper, NUEPA, March 18-20, 2010.

Appendix 2.10. Gross Cropped Area across Districts/Regions

(5 Year Moving Average/Lakh Hectares)

District/Region	1956-60	1961-65	1966-70	1971-75	1976-80	1981-85	1986-90	1991-95	1996-00	2001-05	2006-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Telangana	47.6	48.2	49.7	52.9	50.0	51.4	47.9	46.8	47.7	46.6	49.8
Adilabad	5.3	5.2	5.6	6.2	5.9	6.2	6.1	5.8	5.7	5.6	5.8
Nizamabad	3.2	3.4	3.3	3.4	3.6	3.8	3.4	3.3	3.6	3.4	4.1
Karimnagar	5.2	4.9	5.1	5.4	5.3	5.2	5.1	5.1	5.4	5.0	6.5
Medak	4.8	5.0	4.7	5.0	4.8	5.1	4.5	4.6	5.0	5.4	5.3
Mahabubnagar	9.7	9.4	9.7	10.3	9.8	9.6	8.5	8.2	8.1	8.5 -	8.0
Khammam	3.4	3.8	4.4	4.6	4.3	4.7	4.8	4.9	4.8	4.4	5.1
Warangal	4.8	4.8	5.6	5.6	5.2	5.8	5.4	5.2	5.6	5.8	6.0
Nalgonda	7.8	8.3	7.7	8.6	7.6	7.4	7.0	6.4	6.3	5.7	6.6
Ranga Reddy	0.0	0.0	0.0	0.0	1.4	3.6	3.1	3.2	3.2	2.9	2.5
Hyderabad	3.5	3.4	3.5	3.7	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Rayalaseema	31.9	31.6	30.4	30.5	28.9	27.7	27.3	29.6	29.7	28.9	29.9
Kadapa	4.5	4.6	4.6	4.4	4.2	3.9	4.0	4.3	4.3	4.4	4.6
Kurnool	12.2	11.6	11.7	10.9	9.8	9.5	9.3	10.0	9.8	9.5	9.9
Ananthapur	10.7	10.4	9.0	9.7	9.1	9.2	9.2	9.9	10.2	10.7	11.2
Chittoor	4.6	4.9	5.0	5.4	5.7	5.1	4.9	5.3	5.4	4.3	4.2
Coastal Andhra	42.1	46.0	46.3	46.3	46.7	48.3	49.5	52.9	53.0	49.9	52.5
Visakhapatnam	4.1	5.1	5.0	4.9	4.9	3.6	3.8	4.4	4.5	3.9	3.8
East Godavari	5.3	5.4	5.4	5.5	5.4	6.0	6.5	7.2	7.6	7.2	7.5
West Godavari	4.9	5.3	5.3	5.3	5.4	6.0	6.5	6.5	6.9	6.6	7.0
Krishna	6.1	6.4	6.8	6.7	7.0	7.3	7.3	7.4	7.2	6.6	7.2
Guntur	9.7	10.3	10.3	8.2	7.5	7.7	8.1	8.6	8.6	8.0	8.1
Prakasam	0.0	0.0	1.5	6.5	6.5	6.7	6.5	6.4	5.8	6.1	6.5
Nellore	7.0	7.6	6.4	3.7	3.9	3.7	3.5	3.7	3.6	3.5	3.9
Srikakulam	5.0	5.9	5.6	5.6	5.4	3.8	3.7	4.5	4.2	4.0	4.3
Vizianagaram	0.0	0.0	0.0	0.0	0.7	3.5	3.7	4.3	4.6	4.2	4.1

Source: Directorate of Economics & Statistics, GoAP.

Appendix 2.11. Net Irrigated Area Across Districts/Regions

(5 Year Moving Average/Lakh Hectares)

District/Region	1956-60	1961-65	1966-70	1971-75	1976-80	1981-85	1986-90	1991-95	1996-00	2001-05	2006-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Telangana	7.6	8.5	7.9	7.8	9.5	10.6	11.9	13.4	14.5	14.1	16.6
Adilabad	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.7	0.8	0.8
Nizamabad	1.1	1.3	1.2	1.1	1.4	1.5	1.4	1.5	1.5	1.4	1.6
Karimnagar	1.3	1.2	1.2	1.2	1.4	1.6	2.1	2.4	2.5	2.4	3.1
Medak	0.9	1.0	0.9	0.8	0.9	1.1	1.1	1.1	1.2	1.2	1.3
Mahabubnagar	1.0	1.1	1.0	1.0	1.3	1.2	1.1	1.3	1.5	1.5	1.8
Khammam	0.6	0.7	0.7	0.7	0.8	1.1	1.5	1.8	1.8	1.6	2.0
Warangal	1.1	1.2	1.2	0.9	1.2	1.4	2.0	2.2	2.6	2.8	3.1
Nalgonda	0.9	1.3	1.0	1.5	1.8	1.7	1.7	1.8	2.0	1.7	2.4
Ranga Reddy	0.0	0.0	0.0	0.0	0.2	0.4	0.5	0.6	0.6	0.6	0.6
Hyderabad	0.5	0.5	0.4	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Rayalaseema	3.8	4.6	4.6	5.1	5.0	4.9	5.1	5.6	6.2	5.7	6.0
Kadapa	0.9	1.2	1.1	1.2	1.2	1.1	1.1	1.2	1.4	1.3	1.4
Kurnool	0.7	0.9	0.9	0.9	1.0	1.1	1.2	1.5	1.7	1.6	1.9
Ananthapur	0.9	1.1	1.1	1.4	1.2	1.3	1.4	1.4	1.4	1.3	1.2
Chittoor	1.3	1.4	1.4	1.5	1.6	1.4	1.4	1.6	1.7	1.5	1.5
Coastal Andhra	16.8	17.7	17.7	18.9	19.7	20.7	21.0	22.1	22.0	20.0	21.9
Visakhapatnam	1.6	1.4	1.5	1.5	1.5	1.0	1.0	1.3	1.2	0.9	1.0
East Godavari	2.5	2.6	2.4	2.6	2.6	2.6	2.7	2.7	2.8	2.6	2.8
West Godavari	2.9	3.0	3.0	3.1	3.1	3.3	3.5	3.5	3.6	3.5	3.7
Krishna	3.2	3.2	3.1	3.2	3.3	3.5	3.5	3.3	3.2	3.0	3.1
Guntur	2.1	2.1	2.6	3.0	3.1	3.3	3.4	3.4	3.5	3.1	3.7
Prakasam	0.0	0.0	0.2	1.2	1.5	1.6	1.7	2.0	1.9	1.6	1.9
Nellore	2.4	2.9	2.5	2.1	2.3	2.3	2.5	2.6	2.6	2.3	2.5
Srikakulam	2.1	2.6	2.4	2.3	2.2	1.8	1.6	1.9	1.8	1.7	1.9
Vizianagaram	0.0	0.0	0.0	0.0	0.2	1.2	1.2	1.4	1.4	1.2	1.4

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.12. Irrigation Intensity Across Districts/Regions

(Per cent)

District	1955-56	1964-65	1974-75	1984-85	1994-95	2004-05	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	17.2	20.9	23.1	27.0	36.5	37.6	50.4
Adilabad	5.6	6.3	7.3	8.2	12.5	13.3	17.2
Nizamabad	40.3	46.5	48.9	53.0	62.7	59.6	69.3
Karimnagar	24.5	31.5	33.1	47.3	64.3	55.8	75.7
Medak	20.7	22.8	25.1	26.0	28.5	29.1	39.8
Mahabubnagar	10.1	14.5	13.9	15.9	17.2	21.6	33.6
Khammam	15.4	18.0	17.0	22.3	40.6	42.8	48.6
Warangal	25.5	27.3	25.6	30.6	50.9	59.8	69.6
Nalgonda	15.1	19.2	32.4	33.7	45.1	42.2	59.8
Ranga Reddy				17.7	19.4	26.3	32.9
Hyderabad	13.8	17.3	15.3				
Rayalaseema	14.7	20.4	22.7	21.7	22.6	22.2	25.3
Kadapa	25.6	31.2	33.6	31.2	31.2	33.1	38.1
Kurnool	5.1	11.0	13.6	15.7	17.9	21.3	25.5
Ananthapur	11.5	15.4	19.6	15.0	15.3	12.5	12.7
Chittoor	38.0	42.2	37.7	36.5	37.9	37.0	43.6
Coastal Andhra	44.7	46.5	51.4	54.8	53.7	52.2	60.6
Visakhapatnam	43.7	36.4	36.4	34.5	33.8	34.5	36.8
East Godavari	53.1	59.4	63.4	68.8	58.3	62.4	68.1
West Godavari	70.1	75.0	79.2	85.2	84.9	87.1	89.7
Krishna	53.7	57.7	54.8	59.9	62.7	51.3	64.6
Guntur	21.2	24.3	50.6	48.8	42.4	46.5	62.0
Prakasam			26.3	30.0	34.9	25.5	34.5
Nellore	45.9	43.8	64.4	69.9	83.4	69.8	78.0
Srikakulam	46.5	46.4	42.1	51.1	43.7	47.8	49.1
Vizianagaram				39.5	35.3	37.6	43.6

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.13. Percentage of Net Irrigated Area by Canals across Districts/regions

District/Region	1955-56	1964-65	1974-75	1984-85	1994-95	2004-05	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	16.2	18.6	27.5	31.4	18.5	9.1	14.5
Adilabad	13.0	22.6	26.5	41.0	27.3	7.1	10.0
Nizamabad	51.0	50.0	47.8	53.0	11.2	2.6	16.3
Karimnagar	11.4	15.7	12.8	27.5	19.7	0.0	15.0
Medak	6.3	5.1	7.5	10.7	2.0	2.0	1.4
Mahabubnagar	6.4	10.3	20.7	15.0	7.5	13.4	13.7
Khammam	20.8	15.7	22.9	46.2	34.6	16.7	29.4
Warangal	5.7	4.4	6.3	0.7	1.3	2.1	1.0
Nalgonda	15.9	24.8	57.0	58.4	44.4	28.3	27.7
Ranga Reddy				7.3	2.2	1.9	1.8
Hyderabad	9.3	8.0	11.8				
Rayalaseema	19.3	22.2	24.8	31.1	23.1	20.4	22.1
Kadapa	29.0	30.8	20.5	22.5	16.5	17.7	16.9
Kurnool	35.5	47.7	71.6	70.9	50.7	37.4	44.2
Ananthapur	22.4	23.3	22.8	33.3	24.2	20.5	17.8
Chittoor	2.3	0.0	1.3	2.1	1.3	0.0	0.0
Coastal Andhra	65.8	55.1	62.8	64.7	57.7	54.3	54.5
Visakhapatnam	34.3	25.4	27.3	45.2	39.3	35.0	39.6
East Godavari	77.1	77.5	75.9	82.6	68.1	67.0	62.2
West Godavari	81.7	72.9	67.2	67.2	53.7	52.8	50.7
Krishna	83.3	78.6	79.8	83.7	75.2	69.4	69.2
Guntur	87.5	77.3	93.2	95.4	88.1	78.5	77.5
Prakasam			44.3	50.0	42.0	27.8	34.1
Nellore	39.1	10.0	37.2	32.9	35.9	29.2	36.5
Srikakulam	35.6	29.8	31.2	43.4	47.6	56.0	53.8
Vizianagaram				18.2	24.3	27.7	26.1

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.14. Percentage of Net Irrigated Area by Tanks across Districts/regions

District/Region	1955-56	1964-65	1974-75	1984-85	1994-95	2004-05	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	64.4	60.1	40.2	29.7	17.3	9.9	12.7
Adilabad	78.3	74.2	52.9	38.5	25.8	10.0	48.8
Nizamabad	42.2	42.5	34.8	22.5	17.9	4.3	6.8
Karimnagar	68.4	62.8	27.2	26.9	13.0	4.1	7.1
Medak	73.8	70.7	58.5	49.5	15.3	5.9	9.7
Mahabubnagar	72.3	62.4	43.1	33.8	3.2	0.8	1.4"
Khammam	69.8	70.0	60.0	26.4	27.6	28.7	22.5
Warangal	77.1	77.2	61.1	43.0	29.4	14.4	23.4
Nalgonda	54.9	46.8	21.2	13.9	4.7	4.8	6.5
Ranga Reddy				26.8	2.2	1.9	3.5
Hyderabad	44.2	42.0	23.5				
Rayalaseema	44.0	44.8	28.2	19.5	10.5	5.4	7.1
Kadapa	32.3	24.8	22.7	15.7	7.3	0.8	4.4
Kurnool	38.7	36.4	12.6	10.3	6.3	5.8	4.3
Ananthapur	43.5	40.8	27.6	8.8	2.5	0.9	5.9
Chittoor	55.5	68.0	43.4	38.6	22.9	13.4	15.0
Coastal Andhra	27.3	33.6	23.0	18.9	19.2	15.6	15.8
Visakhapatnam	38.5	57.4	59.3	39.4	31.3	26.0	25.5
East Godavari	21.7	20.3	13.8	3.4	11.5	8.3	11.1
West Godavari	15.0	17.6	12.7	9.0	11.1	5.0	6.1
Krishna	15.4	12.3	9.3	5.1	9.6	7.0	7.9
Guntur	8.7	8.2	1.6	0.9	1.2	1.5	1.3
Prakasam			22.1	16.7	16.5	9.3	9.7
Nellore	47.9	67.8	37.7	33.3	31.3	28.0	30.2
Srikakulam	55.4	62.1	64.9	48.1	40.1	35.7	35.0
Vizianagaram				73.5	64.7	59.6	59.2

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.15. Percentage of Net Irrigated Area by Wells across Districts/regions

District/Region	1955-56	1964-65	1974-75	1984-85	1994-95	2004-05	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	16.7	16.8	29.3	35.0	59.3	77.7	69.5
Adilabad	4.3	3.2	17.6	15.4	43.9	78.6	41.3
Nizamabad	5.9	6.0	14.5	19.9	67.2	90.4	74.2
Karimnagar	13.2	17.4	56.8	40.7	65.5	95.3	77.4
Medak	18.8	20.2	32.1	37.9	81.6	91.1	86.1
Mahabubnagar	18.1	19.7	31.0	50.0	86.0	81.9	81.1
Khammam	7.5	4.3	10.0	19.8	22.7	42.0	38.1
Warangal	16.2	15.8	30.5	54.9	67.5	82.7	73.7
Nalgonda	28.0	25.7	21.2	24.1	42.7	64.7	61.5
Ranga Reddy				58.5	93.3	92.5	91.2
Hyderabad	41.9	40.0	61.8				
Rayalaseema	27.7	28.0	41.0	46.3	64.5	72.3	68.7
Kadapa	33.3	38.5	48.5	56.9	75.2	80.6	78.1
Kurnool	6.5	11.4	12.6	14.5	38.0	52.0	46.6
Ananthapur	30.6	32.5	42.8	55.3	71.7	77.7	74.6
Chittoor	32.0	26.1	50.7	57.9	75.8	86.6	85.0
Coastal Andhra	3.9	7.1	11.3	13.4	18.0	25.3	25.1
Visakhapatnam	11.2	8.3	6.0	4.8	10.7	14.0	15.1
East Godavari	0.0	2.2	9.6	12.3	16.3	19.7	22.6
West Godavari	1.3	5.9	17.2	20.7	32.4	39.7	40.8
Krishna	0.6	4.9	6.8	7.9	9.9	18.6	18.6
Guntur	1.9	3.9	4.3	3.1	7.7	16.4	16.7
Prakasam			28.9	25.3	29.3	53.0	47.9
Nellore	11.1	20.4	22.3	32.5	29.4	39.8	29.8
Srikakulam	5.0	5.1	1.5	6.9	9.1	6.6	10.2
Vizianagaram				6.1	8.8	12.1	12.0

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.16. Percentage of Net Irrigated Area by Other Water Source across Districts/regions

District/ Region	1955-56	1964-65	1974-75	1984-85	1994-95	2004-05	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Telangana	2.7	4.5	2.9	3.9	4.9	3.4	3.2
Adilabad	4.3	0.0	2.9	5.1	3.0	4.3	0.0
Nizamabad	1.0	1.5	2.9	4.6	3.7	2.6	2.6
Karimnagar	7.0	4.1	3.2	4.8	1.7	0.6	0.5
Medak	1.3	4.0	1.9	1.9	1.0	1.0	2.8
Mahabubnagar	3.2	7.7	5.2	1.3	3.2	3.9	3.8
Khammam	1.9	10.0	7.1	7.7	15.1	12.6	10.1
Warangal	1.0	2.6	2.1	1.4	1.7	0.7	1.9
Nalgonda	1.2	2.8	0.6	3.6	8.2	2.1	4.3
Ranga Reddy				7.3	2.2	3.8	3.5
Hyderabad	4.7	10.0	2.9				
Rayalaseema	9.0	5.0	5.9	3.2	1.9	1.9	2.1
Kadapa	5.4	6.0	8.3	4.9	0.9	0.8	0.6
Kurnool	19.4	4.5	3.2	4.3	4.9	4.7	4.8
Ana nth a pu r	3.5	3.3	6.9	2.6	1.7	0.9	1.7
Chittoor	10.2	5.9	4.6	1.4	0.0	0.0	0.0
Coastal Andhra	3.0	4.2	2.9	3.0	5.1	4.8	4.6
Visakhapatnam	16.1	8.9	7.3	10.6	18.8	25.0	19.8
East Godavari	1.2	0.0	0.8	1.7	4.1	4.9	4.2
West Godavari	2.0	3.6	2.9	3.1	2.8	2.5	2.4
Krishna	0.6	4.2	4.0	3.3	5.3	5.0	4.3
Guntur	1.9	10.7	0.9	0.6	3.0	3.6	4.6
Prakasam			4.7	8.0	12.2	9.9	8.3
Nellore	1.9	1.9	2.8	1.3	3.4	3.0	3.5
Srikakulam	4.0	2.9	2.5	1.6	3.2	1.6	1.0
Vizianagaram				2.3	2.2	0.7	2.8

Source: Directorate of Economics & Statistics, GoAP

Appendix 2.17. Agriculture Operational Land Holdings across regions/districts in AP (2005-06)

District/Region	Area (% share of all size classes)		Holdings (% distribution)		Avg Size(Ha)	0/0Irrigated
	<2 Ha	>5 Ha	<2 Ha	>5 Ha		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	48.4	18.5	100.0	100.0	1.2	44.9
Telangana	46.1	20.2	39.2	46.6	1.3	45.9
Adilabad	38.5	20.5	3.3	5.6	1.5	19.5
Nizamabad	65.4	8.4	3.9	1.4	1.0	69.5
Karimnagar	56.5	13.5	5.2	3.2	1.0	69.7
Medak	52.8	18.4	5.0	4.3	1.1	33.7
Mahabubnagar	40.2	24.1	5.9	10.4	1.5	25.3
Khammam	43.5	19.9	3.3	4.3	1.4	46.1
Warangal	45.8	23.8	4.7	5.6	1.2	63.8
Nalgonda	42.8	22.3	5.5	8.2	1.4	54.5
Ranga Reddy	42.7	22.9	2.4	3.7	1.5	29.9
<i>Hyderabad</i>						
Rayalseema	40.9	22.2	17.0	29.1	1.6	24.5
Kadapa	49.7	12.6	3.3	2.9	1.3	35.9
Kurnool	33.1	29.2	3.8	11.6	1.9	23.3
Ananthapur	34.1	26.0	4.3	12.0	1.9	13.2
Chittoor	60.0	11.2	5.6	2.7	1.0	43.2
Coastal Andhra	57.2	13.4	43.8	24.3	0.9	56.2
Visakhapatnam	55.7	15.8	4.1	2.5	0.9	34.5
East Godavari	62.4	11.6	6.3	2.3	0.8	63.5
West Godavari	58.7	12.5	5.2	2.6	0.9	87.7
Krishna	58.0	12.3	4.9	2.7	1.0	62.0
Guntur	60.8	9.8	6.2	2.8	1.0	50.2
Prakasam	45.5	18.5	4.9	5.9	1.3	33.1
Nellore	52.2	18.7	3.6	3.0	1.1	76.3
Srikakulam	69.6	7.6	4.7	1.1	0.7	46.2
Vizianagaram	62.6	10.7	3.9	1.5	0.8	36.8

Statistical Abstracts 2009, GoAP, % Irrigated is percentage of gross irrigated area to gross cropped area.

Appendix 2.18. Work Participation Rate 1961 to 2001 across Districts and Regions

District/Region	1961	1971	1981	1991	2001
(1)	(2)	(3)	(4)	(5)	(6)
Andhra Pradesh	51.9	41.4	45.8	45.1	45.8
Telangana inc Hyd	53.6	42.8	46.5	45.0	45.4
Adilabad	54.1	41.9	46.5	44.4	45.1
Nizamabad	57.5	45.6	50.9	49.6	49.4
Karimnagar	56.7	46.1	50.5	50.3	49.0
Medak	57.2	45.6	49.5	47.8	48.4
Mahaboobnagar	57.3	47.0	51.8	50.2	51.9
Khammam	52.1	41.1	45.0	45.9	48.3
Warangal	55.2	42.6	47.8	47.8	48.3
Nalgonda	57.9	44.7	49.4	48.3	49.1
Rangareddy			45.9	40.8	40.2
Hyderabad	40.5	35.0	27.9	27.4	29.2
Rayalaseema	51.6	41.5	45.8	45.8	47.7
Kadapa	53.1	40.1	44.9	43.9	44.8
Kurnool	49.3	42.4	46.7	46.5	49.4
Ananthapur	51.0	42.1	45.7	46.2	48.8
Chittoor	53.5	41.1	45.8	45.9	46.8
Coastal Andhra	50.6	40.2	45.1	44.8	45.4
Visakhapatnam	52.9	40.7	43.5	43.1	41.8
East Godavari	46.9	38.3	40.6	38.5	39.6
West Godavari	47.7	40.6	43.3	43.3	44.1
Krishna	46.9	38.3	43.1	43.3	44.0
Guntur	50.1	40.2	47.4	47.9	49.1
Prakasam		40.5	48.7	48.6	50.3
Nellore	52.5	41.2	46.4	45.6	45.4
Srikakulam	57.1	42.7	49.1	48.6	47.4
Vizianagaram			48.5	50.3	52.2

Source: Census of India

Appendix 2.19 Work Participation Rate by Sex across Districts and Regions

District/Region	Work Participation Rate		
	Persons	Males	Females
(1)	(2)	(3)	(4)
Andhra Pradesh	45.8	56.2	35.1
Telangana inc Hyd	45.4	53.8	36.8
Telangana exc Hyd	47.7	54.8	40.5
Adilabad	45.1	52.8	37.4
Nizamabad	49.4	54.4	44.6
Karimnagar	49.0	54.7	43.3
Medak	48.4	55.3	41.4
Mahbubnagar	51.9	56.2	47.4
Khammam	48.3	56.7	39.6
Warangal	48.3	54.4	42.0
Nalgonda	49.1	54.9	43.0
Rangareddi	40.2	53.4	26.3
Hyderabad	29.2	47.3	9.9
Rayalaseema	47.7	57.2	37.8
Cuddapah	44.8	56.6	32.7
Kurnool	49.4	56.3	42.4
Anantapur	48.8	57.8	39.4
Chittoor	46.8	58.0	35.4
Coastal Andhra	45.4	58.2	32.4
Visakhapatnam	41.8	55.4	28.0
East Godavari	39.6	58.4	20.6
West Godavari	44.1	60.0	28.2
Krishna	44.0	58.2	29.5
Guntur	49.1	59.1	38.9
Prakasam	50.3	57.7	42.6
Nellore	45.4	58.3	32.3
Srikakulam	47.4	56.4	38.4
Vizianagaram	52.2	59.8	44.6

Source: Census of India, 2001

Appendix 2.20. No. of Factories (Working Under Factories Act) and Persons Employed (As on 31st December, 2007)

District/Region	No. of Factories	Workers	Worker Per Factory
(1)	(2)	(3)	(4)
Andhra Pradesh	29436	824344	28
Telangana inc Hyd	12308	411789	33
Telangana exc Hyd	11422	373122	33
Adilabad	484	23708	49
Nizamabad	949	24679	26
Karimnagar	738	15845	21
Medak	1983	87772	44
Mahbubnagar	817	27160	33
Khammam	1056	15912	15
Waranagal	824	19335	23
Nalgonda	782	28759	37
Rangareddi	3789	129952	34
<i>Hyderabad</i>	886	38667	44
Rayalseema	3844	78433	20
Cuddapah	489	10254	21
Kurnool	1447	24321	17
Anantpur	1036	19589	19
Chittoor	872	24269	28
Coastal Andhra	13284	334122	25
Visakhapatnam	893	61910	69
East Godavari	2130	46011	22
West Godavari	1544	37465	24
Krishna	2245	47114	21
Guntur	2857	55123	19
Prakasam	1381	24911	18
Nellore	1049	20792	20
Srikakulam	756	20428	27
Vizianagaram	429	20368	47

Source: Statistical Abstract 2009, GoAP.

**Appendix 2.21. District Deprivation Index Across Districts/regions of A.P.
During 1990 (early to mid) and 2000 (early to mid)**

Region	Deprivation in Education		Deprivation in Health		Deprivation in Infrastructure		Combined Deprivation Index	
	Early to Mid 1990	Early to Mid 2000	Early to Mid 1990	Early to Mid 2000	Early to Mid 1990	Early to Mid 2000	Early to Mid 1990	Early to Mid 2000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Telangana	0.722	0.520	0.425	0.441	0.400	0.544	0.515	0.502
Adilabad	0.627	0.613	0.343	0.393	0.623	0.674	0.531	0.560
Nizamabad	0.837	0.593	0.454	0.532	0.319	0.619	0.537	0.581
Karimnagar	0.696	0.433	0.354	0.325	0.248	0.459	0.433	0.405
Medak	0.917	0.518	0.293	0.379	0.423	0.598	0.544	0.498
Mahbubnagar	0.999	0.854	0.545	0.573	0.554	0.602	0.699	0.676
Khammam	0.559	0.551	0.292	0.330	0.466	0.489	0.439	0.457
Warangal	0.671	0.409	0.359	0.244	0.377	0.474	0.469	0.376
Nalgonda	0.714	0.515	0.451	0.396	0.404	0.524	0.523	0.479
Rangareddi	0.436	0.252	0.681	0.746	0.220	0.514	0.445	0.504
Rayalaseema	0.495	0.540	0.345	0.339	0.424	0.718	0.421	0.532
Kadapa	0.414	0.435	0.415	0.429	0.437	0.803	0.422	0.556
Kurnool	0.679	0.743	0.342	0.349	0.415	0.646	0.479	0.579
Anantapur	0.584	0.563	0.467	0.419	0.438	0.865	0.497	0.615
Chittoor	0.297	0.398	0.178	0.191	0.408	0.583	0.294	0.390
Coastal Andhra	0.370	0.450	0.345	0.271	0.449	0.448	0.388	0.390
Visakhapatnam	0.388	0.581	0.377	0.259	0.518	0.535	0.428	0.458
East Godavari	0.259	0.428	0.349	0.215	0.376	0.430	0.328	0.358
West Godavari	0.117	0.375	0.441	0.357	0.291	0.098	0.283	0.277
Krishna	0.175	0.088	0.261	0.151	0.385	0.408	0.273	0.216
Guntur	0.390	0.453	0.296	0.164	0.424	0.587	0.370	0.401
Prakasam	0.571	0.707	0.286	0.295	0.565	0.563	0.474	0.522
Nellore	0.366	0.444	0.246	0.418	0.447	0.488	0.353	0.450
Srikakulam	0.654	0.518	0.440	0.335	0.597	0.540	0.564	0.464
Vizianagaram	0.742	0.656	0.451	0.421	0.615	0.427	0.602	0.501

Note: District Deprivation Index is an aggregate (rural and urban combined) index.

Variables have been normalized by using the UNDP methodology : (actual value-min. Value / max. valuemin. value).

Hyderabad is excluded from the analysis. Region scores are the weighted averages Variable Description and the Source:

1) *Deprivation in Education*: a) % Illiterate population, b) % Female Illiterate, c) % ST Female Illiterate, d) % SC Female Illiterate, e) % Children 5-14 Age group not enrolled in School, from the 1991 and the census 2001, respectively.

2) *Deprivation in Health*: a) Infant Mortality Rate (IMR) 1991& 2001, b) % women currently using Family Planning Methods (CUFP) 1998-99 & 2003-04- reciprocal, c) primary health centre (PHCs) available per ten lakh population 1998-99 & 2004-05- reciprocal, d) doctors available per ten lakh population 1993-94 & 2004-05- reciprocal

3) *Deprivation in Infrastructure*: a) gross un-irrigated area as a percent to gross cropped area 1992-93 & 2004- 05, b) % households without dwelling, electricity, tap water, and toilet 1991& 2001, c) per hectare agri. outputreciprocal 1990-93, d) population per bank 1992 & 2005- reciprocal.

**Appendix 2.22 Combined District Deprivation Index Across Districts of A.P.
During 1990 (early to mid) and 2000 (early to mid)**

Region	District/ Region	Early to Mid 1990		Early to Mid 2000		Change in Rank
		Deprivation Score	Deprivation Rank	Deprivation Score	Deprivation Rank	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Telangana	Adilabad	0.531	17	0.560	18	-1
	Nizamabad	0.537	18	0.581	20	-2
	Karimnagar	0.433	9	0.405	7	+2
	Medak	0.544	19	0.498	13	+6
	Mahaboobnagar	0.699	22	0.676	22	0.0
	Khammam	0.439	10	0.457	9	+1
	Warangal	0.469	12	0.376	4	+8
	Nalgonda	0.523	16	0.479	12	+4
	Rangareddy	0.445	11	0.504	15	-4
Rayalaseema	Kadapa	0.422	7	0.556	17	-10
	Kumool	0.479	14	0.579	19	-5
	Anantapur	0.497	15	0.615	21	-6
	Chittoor	0.294	3	0.390	5	-2
Costal Andhra	Visakhapatnam	0.428	8	0.458	10	-2
	East Godavari	0.328	4	0.358	3	+1
	West Godavari	0.283	2	0.277	2	0
	Krishna	0.273	1	0.216	1	0
	Guntur	0.370	6	0.401	6	0
	Prakasam	0.474	13	0.522	16	-3
	Nellore	0.353	5	0.450	8	-3
	Srikakulam	0.564	20	0.464	11	+9
	Vizianagaram	0.602	21	0.501	14	+7

Note: District Deprivation Index is an aggregate (rural and urban combined) index.

Variables have been normalized by using the UNDP methodology: (actual value-min. Value / max. valuemin. value). Hyderabad is excluded from the analysis.

Variable Description and the Source:

1) *Deprivation in Education*: a) % Illiterate population, b) % Female Illiterate, c) % ST Female Illiterate, d) % SC Female Illiterate, e) % Children 5-14 Age group not enrolled in School, from the 1991 and the census 2001, respectively.

2) *Deprivation in Health*: a) Infant Mortality Rate (IMR) 1991 & 2001, b) % women currently using Family Planning Methods (CUFP) 1998-99 & 2003-04- reciprocal, c) primary health centre (PHCs) available per ten lakh population 1998-99 & 2004-05- reciprocal, d) doctors available per ten lakh population 1993-94 & 2004-05- reciprocal

3) *Deprivation in Infrastructure*: a) gross un-irrigated area as a percent to gross cropped area 1992-93 & 2004- 05, b) % households without dwelling, electricity, tap water, and toilet 1991 & 2001, c) per hectare agri. outputreciprocal 1990-93, d) population per bank 1992 & 2005- reciprocal.

Appendix 2.23. Education, Health and Infrastructure Deprivation Index Across Districts of A.P. during 1990 (early to mid) and 2000 (early to mid)

Region/ District	Deprivation in Education						Deprivation in Health						Deprivation in Infrastructure					
	Early to Mid 1990		Early to Mid 2000		Change in		Early to Mid 1990		Early to Mid 2000		Change in		Early to Mid 1990		Early to Mid 2000		Change in	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Telangana																		
Adilabad	0.627	13	0.613	18	-5	0.343	9	0.393	14	-5	0.623	22	0.674	20	0.674	20	+2	
Nizamabad	0.837	20	0.593	17	+3	0.454	19	0.532	20	-1	0.319	4	0.619	18	0.619	18	-14	
Karimnagar	0.696	17	0.433	7	+10	0.354	11	0.325	8	+3	0.248	2	0.459	5	0.459	5	-3	
Medak	0.917	21	0.518	13	+8	0.293	6	0.379	13	-7	0.423	11	0.598	16	0.598	16	-5	
Mahbubnagar	0.999	22	0.854	22	0	0.545	21	0.573	21	0	0.554	18	0.602	17	0.602	17	+1	
Khammam	0.559	10	0.551	14	-4	0.292	5	0.330	9	-4	0.466	16	0.489	8	0.489	8	+8	
Warangal	0.671	15	0.409	5	+10	0.359	12	0.244	5	+7	0.377	6	0.474	6	0.474	6	0	
Nalgonda	0.714	18	0.515	11	+7	0.451	18	0.396	15	+3	0.404	8	0.524	10	0.524	10	-2	
Rangareddi	0.436	9	0.252	2	+7	0.681	22	0.746	22	0	0.220	1	0.514	9	0.514	9	-8	
Rayalseema																		
Kadapa	0.414	8	0.435	8	0	0.415	14	0.429	19	-5	0.437	13	0.803	21	0.803	21	-8	
Kurnool	0.679	16	0.743	21	-5	0.342	8	0.349	11	-3	0.415	10	0.646	19	0.646	19	-9	
Anantapur	0.584	12	0.563	15	-3	0.467	20	0.419	17	+3	0.438	14	0.865	22	0.865	22	-8	
Chittoor	0.297	4	0.398	4	0	0.178	1	0.191	3	-2	0.408	9	0.583	14	0.583	14	-5	
C. Andhra																		
Visakhapatnam	0.388	6	0.581	16	-10	0.377	13	0.259	6	+7	0.518	17	0.535	11	0.535	11	+6	
East Godavari	0.259	3	0.428	6	-3	0.349	10	0.215	4	+6	0.376	5	0.430	4	0.430	4	+1	
West Godavari	0.117	1	0.375	3	-2	0.441	16	0.357	12	+4	0.291	3	0.098	1	0.098	1	+2	
Krishna	0.175	2	0.088	1	+1	0.261	3	0.151	1	+2	0.385	7	0.408	2	0.408	2	+5	
Guntur	0.390	7	0.453	10	-3	0.296	7	0.164	2	+5	0.424	12	0.587	15	0.587	15	-3	
Prakasam	0.571	11	0.707	20	-9	0.286	4	0.295	7	-3	0.565	19	0.563	13	0.563	13	+6	
Nellore	0.366	5	0.444	9	-4	0.246	2	0.418	16	-14	0.447	15	0.488	7	0.488	7	+8	
Srikakulam	0.654	14	0.518	12	+2	0.440	15	0.335	10	+5	0.597	20	0.540	12	0.540	12	+8	
Vizianagaram	0.742	19	0.656	19	0	0.451	17	0.421	18	-1	0.615	21	0.427	3	0.427	3	+18	

Appendix 2.24 Reference years for 'Then' and 'Now' for indicators shown in Figure 2.44 a to d

Sr.No.	Indicator	Then	Now
1	Population	1961	2001
2	Urban Population	1961	2001
3	Area	1961	2001
4	Primary Schools	1956-57	2008-09
5	Upper Primary Schools	1956-57	2008-09
6	High Schools	1956-57	2008-09
7	Hospitals (Allopathic)	1955-56	2008-09
8	Bed Strength in Hospitals	1955-56	2008-09
9	Panchayat Roads	1975	2008-09
10	PWD Roads	1975	2008-09
11	National Highways	1989-90	2008
12	Power Consumption LT	1971-72	2008-09
13	Power Consumption HT	1971-72	2008-09
14	Agri. Power Consumption LT	1971-72	2008-09
15	Factories	1974-75	2005-06
16	Post Offices	1955-56	2008-09
17	Scheduled Banks	1976	2009
18	Gross Cropped Area	1955-56	2008-09
19	Gross Area Irrigated	1955-56	2008-09
20	Foodgrains production	1955-56	2008-09

Appendix 2.25 A.P. Regional Area, Population and GSDP Compared to Other States

Sr.No	State	Area ('000 Sq.Kms.)	Rank Among States	Population (Million)	Rank Among States	GSDP 2007-08 at Current Prices (Rs Crores)	Rank Among States	PC-GSDP 2007-08 at Current Prices (Rs)	Rank Among States
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	INDIA	3287.3		1028.7		4320892		33283	
	Andhra Pradesh	275.0	4	76.2	5	326547	3	35600	11
	Telangana Inc Hyd	114.8	11	30.9	12	137621	13	36082	13
	Telangana exc Hyd	114.6	11	27.1	12	112349	15	33771	11
	Rayalaseema	67.4	16	13.4	18	53016	18	33056	12
	Coastal Andhra	92.8	12	31.7	12	135911	13	36496	10
1	Maharashtra	307.7		96.9		610108		47051	
2	Uttar Pradesh	240.9		166.2		357557		16060	
3	West Bengal	88.8		80.2		307895		32065	
4	Tamil Nadu	130.1		62.4		304989		40757	
5	Gujarat	196.0		50.7		303734		45773	
6	Karnataka	191.8		52.9		240062		36266	
7	Rajasthan	342.2		56.5		176420		23986	
8	Kerala	38.9		31.8		165722		43104	
9	Haryana	44.2		21.1		154231		59008	
10	Madhya Pradesh	308.2		60.3		149840		18051	
11	Punjab	50.4		24.4		144309		46686	
12	Delhi	1.5		13.9		144303		78690	
13	Orissa	155.7		36.8		119066		26654	
14	Bihar	94.2		83.0		114616		11074	
15	Chhattisgarh	135.2		20.8		79418		29776	
16	Assam	78.4		26.7		71625		21991	
17	Jharkhand	79.7		26.9		69253		19928	
18	Uttarakhand	53.5		8.5		36045		32884	
19	Himachal Pradesh	55.7		6.1		32221		40107	
20	Jammu & Kashmir	222.2		10.1		31793		24214	
21	Goa	3.7		1.3		17215		105582	
22	Tripura	10.5		3.2		10821		28806	
23	Meghalaya	22.4		2.3		8472		29811	
24	Nagaland	16.6		2.0		6329		20892	
25	Manipur	22.3		2.3		5848		19780	
26	Arunachal	83.7		1.1		3888		28945	
27	Mizoram	21.1		0.9		3412		27501	
28	Sikkim	7.1		0.5		2298		33349	

Source: Ministry of Statistics & Programme Implementation, GOI; Respective State Government Websites, Census of India, 2001.

Appendix 3.1. Districtwise Literacy Rates from 1961 To 2001

Sr. No.	Districts	1961	1971	1981	1991	2001
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Srikakulam	15.71	18.52	22.72	36.22	55.30
2	Vizianagaram	-	-	21.74	34.19	51.10
3	Vishakhapatnam	17.15	21.25	27.83	45.51	60.00
4	East Godavari	26.00	30.84	35.31	48.79	65.50
5	West Godavari	30.76	34.41	37.61	53.38	73.50
6	Krishna	31.15	35.17	41.71	53.16	68.80
7	Guntur	27.66	30.73	36.06	46.35	62.50
8	Prakasam	-	23.16	29.39	40.30	57.40
9	Nellore	21.13	26.83	32.16	47.76	65.10
10	Chittoor	20.94	25.40	31.85	49.75	66.80
11	Kadappa	21.75	24.73	31.11	48.12	62.80
12	Ananthapur	20.61	23.84	29.02	42.18	56.10
13	Kurnool	21.41	23.57	28.73	39.97	53.20
14	Mahbubnagar	13.46	15.55	19.42	29.58	44.40
15	Rangareddy	-	-	29.41	49.07	66.20
16	Medak	14.05	16.10	21.53	32.41	51.60
17	Nizamabad	14.33	17.19	21.73	34.18	52.00
18	Adilabad	11.72	14.15	18.79	32.96	52.70
19	Karimnagar	12.89	15.31	21.50	37.17	54.90
20	Warangal	15.37	18.11	23.55	39.30	57.10
21	Khammam	15.23	18.51	25.59	40.50	56.90
22	Nalgonda	14.11	17.05	22.44	38.00	57.20
23	Hyderabad	35.05	40.37	58.33	71.52	78.80
	Andhra Pradesh	21.19	23.53	29.94	44.01	60.40

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.2

Table: A3.3 Education Dimension of Human Development - Schooling and Adult Literacy Levels Across Districts of Andhra Pradesh

Sr. No.	District	Schooling						Adult Literacy					
		1991			2001			1991			2001		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Srikakulam	43.5	64.8	46.1	76.3	79.5	76.6	25.2	57.1	29.3	43.7	70.4	46.8
2	Vizianagaram	40.1	64.5	44.4	70.5	80.6	72.3	21.9	56.8	28.0	36.8	68.8	53.7
3	Visakhapatnam	39.0	68.4	50.5	71.0	81.3	74.8	21.5	65.9	39.6	38.4	75.2	42.9
4	East Godavari	44.5	60.7	48.2	75.2	76.5	75.5	37.7	62.0	43.7	55.3	72.8	69.6
5	West Godavari	51.2	64.8	54.0	77.5	78.3	77.6	43.5	63.7	47.8	66.8	78.0	69.0
6	Krishna	50.6	67.1	56.5	76.2	77.3	76.6	38.7	64.6	48.1	58.7	75.0	63.9
7	Guntur	46.9	61.9	51.2	71.2	75.9	72.5	34.5	57.3	41.1	52.0	70.6	57.4
8	Prakasam	45.1	66.6	48.5	71.6	78.1	72.5	29.7	56.8	34.3	46.7	69.9	50.4
9	Nellore	48.2	68.6	52.8	76.5	78.0	76.8	34.5	63.8	41.6	54.5	75.1	59.3
10	Chittoor	58.1	70.6	60.5	78.2	81.4	78.9	36.7	67.3	42.8	56.4	77.6	61.1
11	Kadapa	53.0	66.2	56.1	77.0	77.4	77.1	35.3	59.6	41.2	52.9	68.6	56.4
12	Anatapur	42.0	59.2	45.9	71.5	75.1	72.4	29.3	56.1	35.8	42.8	65.4	48.7
13	Kurnool	32.0	55.7	38.2	61.6	69.0	63.2	28.7	54.0	35.3	41.6	63.8	47.0
14	Mahabubnagar	28.7	65.6	33.0	57.6	81.6	59.9	20.4	57.6	24.5	33.2	71.2	37.4
15	Rangareddy	39.2	67.1	51.8	73.3	78.5	75.9	25.9	63.7	44.4	43.6	75.0	61.3
16	Hyderabad		69.6	69.6		79.2	79.2		68.3	68.3		77.1	77.0
17	Medak	33.0	66.2	37.8	68.1	81.9	70.0	21.9	59.2	27.2	38.5	72.5	43.5
18	Nizamabad	36.7	61.0	41.8	70.0	77.7	71.4	21.9	53.3	28.0	39.0	67.3	44.1
19	Adilabad	36.2	63.6	42.8	67.7	82.8	71.7	19.0	49.3	25.9	36.1	63.2	43.5
20	Karimnagar	45.4	72.5	51.6	77.0	86.1	78.8	22.9	54.3	29.0	40.7	68.7	46.2
21	Warangal	41.7	69.9	47.1	77.2	84.6	78.5	24.6	63.6	32.3	42.3	75.9	49.1
22	Khammam	42.5	72.6	48.6	71.5	86.8	73.7	27.3	62.1	34.5	42.8	73.9	49.2
23	Nalgonda	44.2	75.7	48.1	73.9	86.4	75.5	26.4	64.6	30.9	45.0	76.4	49.3
	AP	43.0	66.3	49.2	72.0	79.1	73.8	29.4	61.9	38.3	46.8	73.1	54.2
	CV	16.6	7.0	16.0	7.2	4.9	6.4	24.3	8.3	26.6	18.7	6.1	18.0
	Min	28.7	55.7	33.0	57.6	69.0	59.9	19.01	49.31	24.52	33.18	63.18	37.4
	Max	58.1	75.7	69.6	78.2	86.4	79.2	43.47	68.26	68.26	66.75	77.96	76.96
	Range	2934	20.0	36.6	20.6	17.4	19.3	24.46	18.95	42.74	33.57	14.78	39.56

Note: 1. *Schooling* is percentage of Children 5-14 Age group Attending School and *adult literacy* is for the age group 15 years and above; 2, CV - Coefficient of Variation.

Source: Andhra Pradesh Human Development Report, 2007

Appendix 3.3. Enrolment Ratios in Classes I-V, VI-VII and VIII-X

Sr.No.		Districts	(Classes I-V)	(Classes VI-VII)	(Classes VIII-X)
(1)	(2)		(3)	(4)	(5)
1	Srikakulam		91.42	75.23	61.90
2	Vizianagaram		94.82	74.25	58.74
3	Vishakhapatnam		87.03	72.34	60.12
4	East Godavari		79.56	70.86	59.90
5	West Godavari		79.51	70.22	58.70
6	Krishna		78.53	69.50	57.32
7	Guntur		66.42	57.72	46.09
8	Prakasam		91.95	67.14	51.85
9	Nellore		82.73	69.54	55.75
10	Chittoor		88.31	79.38	70.70
11	Kadappa		102.02	80.51	67.56
12	Ananthapur		90.69	76.60	63.85
13	Kurnool		114.57	85.02	62.93
14	Mahbubnagar		112.31	80.38	67.79
15	Rangareddy		148.66	122.75	100.05
16	Medak		108.92	89.18	75.17
17	Nizamabad		104.83	92.04	76.78
18	Adilabad		120.81	90.12	78.42
19	Karimnagar		99.02	94.76	86.96
20	Warangal		103.77	90.96	83.48
21	Khammam		95.22	83.27	72.86
22	Nalgonda		100.07	85.91	78.70
23	Hyderabad		117.88	102.64	79.99
	Andhra Pradesh		97.07	81.19	67.99

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.4. Dropout Rates in Classes I-V, I-VII and I-X (ALL), 2008-09

Sr.No.		Districts	(Classes I-V)	(Classes I-VII)	(Classes I-X)
(1)	(2)		(3)	(4)	(5)
1	Srikakulam		0.00	21.69	56.66
2	Vizianagaram		9.28	36.12	58.16
3	Vishakhapatnam		4.48	34.97	52.68
4	East Godavari		1.20	21.52	55.26
5	West Godavari		0.00	17.62	45.72
6	Krishna		0.00	14.15	50.58
7	Guntur		18.55	39.35	63.32
8	Prakasam		16.36	43.98	69.88
9	Nellore		10.65	31.42	54.19
10	Chittoor		7.42	16.01	40.44
11	Kadappa		12.56	31.49	51.86
12	Ananthapur		12.69	26.59	57.97
13	Kurnool		19.63	43.63	66.92
14	Mahbubnagar		38.32	55.66	77.85
15	Rangareddy		16.83	28.46	53.78
16	Medak		36.21	51.35	72.69
17	Nizamabad		15.45	41.79	68.05
18	Adilabad		17.62	40.78	71.61
19	Karimnagar		14.76	30.06	56.01
20	Warangal		33.64	46.16	69.68
21	Khammam		9.12	28.5	62.74
22	Nalgonda		31.63	42.29	67.14
23	Hyderabad		7.97	26.36	24.30
	Andhra Pradesh		15.65	34.39	60.73

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.5. Districtwise Data for Schools at Primary Level

SI.No.	District	No. of Schools	Enrolment	Teachers	Teacher Pupil Ratio	Enrolment Ratios	Dropout Ratios
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Srikakulam	2706	148051	5780	25.61	91.42	0.00
2	Vizianagaram	2490	164870	6266	26.31	94.82	9.28
3	Visakhapatnam	3320	234533	7268	32.27	87.03	4.48
4	East Godavari	3533	311927	9533	32.72	79.56	1.20
5	West Godavari	2810	236813	7715	30.70	79.51	0.00
6	Krishna	2729	245431	7449	32.95	78.53	0.00
7	Guntur	3045	231328	8579	26.96	66.42	18.55
8	Prakasam	3071	210200	7846	26.79	91.95	16.36
9	Nellore	2982	158805	6507	24.41	82.73	10.65
	Coastal Andhra	26686	1941958	66943	29.01	81.71	6.37
10	Kurnool	2157	281609	7281	38.68	114.57	19.63
11	Ananthapur	3150	223496	7472	29.91	90.69	12.69
12	Kadapa	3303	213299	8428	25.31	102.02	12.56
13	Chittoor	4546	284762	10387	27.42	88.31	7.42
	Rayalaseema	13156	1003166	33568	29.88	97.99	13.11
14	Adilabad	3308	230356	7353	31.33	120.81	17.62
15	Karimnagar	2714	265968	9008	29.53	99.02	14.76
16	Warangal	3010	279505	9788	28.56	103.77	33.64
17	Medak	2244	214407	6128	34.99	108.92	36.21
18	Khammam	2643	172519	6441	26.78	95.22	9.12
19	Ranga Reddy	2524	453226	10913	41.53	148.66	16.83
20	Nalgonda	2929	261518	8805	29.70	100.07	31.63
21	Nizamabad	1846	194387	6173	31.49	104.83	15.45
22	Mahaboobnagar	3023	279679	8358	33.46	112.31	38.32
23	Hyderabad	1526	389356	9719	40.06	117.88	7.97
	Tel exc Hyd	24241	2351565	72967	32.23	111.59	23.96
	Tel Inc Hyd	25767	2740921	82686	33.15	112.44	21.69
	Andhra Pradesh	65609	5686045	183197	31.04	97.07	15.65

Source: Statistical Abstract Andhra Pradesh - 2009.

Appendix 3.6. Districtwise Data on Upper Primary Schools

Sl.No.	Districts	No. of Schools	Enrolment	Teachers	Teacher Pupil Ratio
(1)	(2)	(3)	(4)	(5)	(6)
1	Srikakulam	812	112027	5100	21.97
2	Vizianagaram	435	68466	3029	22.60
3	Vishakhapatnam	595	102378	3479	29.43
4	East Godavari	623	106780	3944	27.07
5	West Godavari	457	86204	3082	27.97
6	Krishna	748	114417	4829	23.69
7	Guntur	473	78322	2599	30.14
8	Prakasam	508	79227	3246	24.41
9	Nellore	638	73406	3487	21.05
	Coastal Andhra	5289	821227	32795	25.04
10	Chittoor	841	120978	5065	23.89
11	Kadappa	524	74198	3088	24.03
12	Ananthapur	936	143747	5298	27.13
13	Kurnool	829	172856	5118	33.77
	Rayalaseema	3130	511779	18569	27.56
14	Mahbubnagar	870	158692	5218	30.41
15	Rangareddy	776	178303	6298	28.31
16	Medak	596	97671	3414	28.61
17	Nizamabad	510	87755	3819	22.98
18	Adilabad	703	109693	3971	27.62
19	Karimnagar	893	149194	6332	23.56
20	Warangal	635	103142	4431	23.28
21	Khammam	638	79240	3235	24.49
22	Nalgonda	520	97015	3529	27.49
23	Hyderabad	382	98487	3051	32.28
	Telangana Exc Hyd	6141	1060705	40247	26.35
	Telangana Inc Hyd	6523	1159192	43298	26.77
	Andhra Pradesh	14942	2492198	94662	26.33

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.7. Districtwise and Regionwise Data on Schooling

District	1	2	3	4	5	6	7	8	9	10	11.
Adilabad	73.4	7.0	26.6	9.6	30.9	71.8	79.8	64.5	59.0	53.3	19.1
Karimnagar	86.7	2.9	43.1	14.1	62.5	93.1	91.5	78.4	82.2	74.9	37.4
Khammam	78.8	8.7	24.2	14.0	71.0	75.4	78.1	58.8	66.2	49.5	19.5
Mahbubnagar	81.5	6.4	30.7	6.4	16.0	35.1	68.8	47.7	58.3	46.4	13.7
Medak	81.5	6.2	28.4	11.5	41.7	71.5	78.1	53.9	52.7	52.9	21.2
Nalgonda	93.8	2.2	33.2	12.6	34.0	81.5	85.8	78.4	59.7	59.4	17.5
Nizamabad	97.3	10.4	34.6	14.6	80.0	88.4	91.2	78.8	63.0	61.7	25.5
Rangareddi	63.8	7.8	35.5	22.3	43.1	85.2	84.9	79.4	56.1	58.9	26.8
Warangal	86.1	16.3	30.7	11.6	51.1	86.8	89.9	80.3	54.0	55.1	14.1
Telangana	83.2	7.2	33.1	12.3	39.7	78.4	81.3	66.0	61.7	57.1	21.2
East Godavari	78.5	8.3	22.4	25.5	75.3	81.4	82.0	74.3	57.5	56.0	21.7
Guntur	79.3	5.1	28.6	39.4	60.9	86.4	86.3	72.1	62.6	66.2	23.9
Krishna	86.4	2.4	38.5	37.2	70.8	92.8	92.8	80.6	81.3	74.6	46.3
Nellore	92.0	5.0	22.0	31.5	65.8	94.0	94.0	83.1	76.7	76.5	30.9
Prakasam	85.6	5.7	33.5	90.9	50.3	88.4	86.5	79.5	65.4	61.1	29.6
Srikakulam	80.8	6.1	25.5	42.4	61.9	86.8	92.8	76.1	76.2	77.2	34.0
Visakhapatnam	86.8	6.9	27.0	21.6	41.5	86.4	84.0	65.5	62.5	65.9	17.9
Vizianagaram	89.0	4.8	19.3	21.3	30.6	85.5	87.7	63.9	69.9	64.6	19.1
West Godavari	91.0	4.0	32.9	32.6	74.2	79.7	88.1	70.7	72.2	69.4	38.4
Coastal Andhra	85.2	5.3	28.5	37.4	61.3	86.5	87.8	74.4	68.8	67.3	29.8
Anantapur	73.7	9.8	19.2	24.5	47.5	80.9	85.1	66.0	66.4	69.3	22.6
Chittoor	94.1	2.5	21.5	37.4	67.8	83.3	84.8	74.0	67.5	73.1	31.1
Cuddapah	93.0	3.6	30.0	26.3	66.7	87.9	91.4	76.0	79.3	74.6	30.3
Kurnool	75.6	8.9	25.2	30.3	43.2	78.5	81.9	67.6	59.7	51.0	24.5
Rayalaseema	87.2	6.1	23.9	29.6	54.7	82.7	86.0	70.7	68.5	67.8	27.5

Source: ASER Report 2010

1: Percentage of Children (Age 3-4) in anganwadi or pre-school

2: Percentage of Children (Age 6-14) out of school

3: Percentage of Children (Age 6-14) in private school

4: Percentage of Children (Std. IV-VIII) attending tuition classes

5: Percentage of Mothers (Age 17-55) who CAN READ

6: Percentage of Children (Std. I-II) who CAN READ letters, words or more

7: Percentage of Children (Std. I-II) who CAN RECOGNIZE NUMBERS 1-9 or more

8: Percentage of Children (Std. I-II) who CAN READ LETTERS or more in ENGLISH

9: Percentage of Children (Std. III-V) who CAN READ Level 1 (Std 1 Text) or more

10: Percentage of Children (Std. III-V) who CAN DO SUBTRACTION or more

11: Percentage of Children (Std III-V) who CAN READ sentences in ENGLISH

Appendix 3.8. Districtwise Data on High Schools

Sl.No.	Districts	No. of Schools	Enrolment	Teachers	Teacher Pupil Ratio
(1)	(2)	(3)	(4)	(5)	(6)
1	Srikakulam	484	154666	4344	35.60
2	Vizianagaram	404	138324	3881	35.64
3	Vishakhapatnam	606	245154	6121	40.05
4	East Godavari	858	313198	8976	34.89
5	West Godavari	636	234932	7161	32.81
6	Krishna	672	250140	8410	29.74
7	Guntur	610	225455	6588	34.22
8	Prakasam	603	167819	5716	29.36
9	Nellore	532	155517	5690	27.33
	Coastal Andhra	5405	1885205	56887	33.14
10	Chittoor	898	267021	8713	30.65
11	Kadappa	696	182357	6543	27.87
12	Ananthapur	650	227079	5741	39.55
13	Kurnool	598	232643	6085	38.23
	Rayalaseema	2842	909100	27082	33.57
14	Mahbubnagar	835	238158	6981	34.12
15	Rangareddy	1231	378533	12238	30.93
16	Medak	714	207567	5990	34.65
17	Nizamabad	680	186981	5496	34.02
18	Adilabad	715	194538	5561	34.98
19	Karimnagar	1186	301342	10404	28.96
20	Warangal	1068	275878	9952	27.72
21	Khammam	605	190478	5757	33.09
22	Nalgonda	1005	258551	8540	30.28
23	Hyderabad	1090	343631	12271	28.00
	Telangana Exc Hyd	8039	2232026	70919	31.47
	Telangana Inc Hyd	9129	2575657	83190	30.96
	Andhra Pradesh	17376	5369962	167159	32.12

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.9. Districtwise Data on Higher Secondary Schools and Junior Colleges

Sl.No.	Districts	No. of Schools	Enrolment	Teachers	TeacherPupilRatio
(1)	(2)	(3)	(4)	(5)	(6)
1	Srikakulam	126	41022	1309	31.34
2	Vizianagaram	119	33885	1189	28.50
3	Vishakhapatnam	228	98952	2650	37.34
4	East Godavari	261	74161	2332	31.80
5	West Godavari	193	55393	1797	30.83
6	Krishna	226	109505	2796	39.16
7	Guntur	246	79414	2643	30.05
8	Prakasam	150	43256	1584	27.31
9	Nellore	158	52528	1642	31.99
	Coastal Andhra	1707	588116	17942	32.78
10	Chittoor	204	79542	2288	34.76
11	Kadappa	155	42322	1522	27.81
12	Ananthapur	140	55705	1617	34.45
13	Kurnool	156	51017	1693	30.13
	Rayalaseema	655	228586	7120	32.10
14	Mahbubnagar	177	48613	1522	31.94
15	Rangareddy	342	169086	4193	40.33
16	Medak	124	42374	1288	32.90
17	Nizamabad	103	43655	1280	34.11
18	Adilabad	131	42395	1316	32.22
19	Karimnagar	206	77914	2001	38.94
20	Warangal	214	78700	2195	35.85
21	Khammam	168	55872	1857	30.09
22	Nalgonda	182	52573	1956	26.88
23	Hyderabad	355	146238	3669	39.86
	Telangana exc Hyd	1647	611182	17608	34.71
	Telangana inc Hyd	2002	757420	21277	35.60
	Andhra Pradesh	4364	1574122	46339	33.97

Source: Statistical Abstract, Andhra Pradesh, 2009.

Appendix 3.10. State Universities

In Telangana-

- * Acharya N.G. Ranga Agricultural University, Rangareddy
- * Dr. B.R. Ambedkar Open University, Hyderabad
- * Potti Sriramulu Telugu University, Hyderabad
- * JNTU, Hyderabad
- * Nizam's Institute of Medical Sciences, Hyderabad
- * Jawaharlal Nehru Architecture and Fine Arts University, Hyderabad

In Coastal Andhra-

- * Dr. NTR University of Health Sciences, Vijaywada
- * A.P. Horticultural University, Warangal
- * JNTU, Kakinada
- * A.P. Law University, Vishakhapatnam

In Rayalseema-

- * Dravidian University, Kuppam, Chittoor
- * Sri Padmavati Mahila University, Tirupati, Chittoor
- * Sri Venkateswara Institute of Medical Sciences, Tirupati
- * Sri Venkateswara Vedic University, Tirupati
- * Sri Venkateswara Veterinary University, Chittoor
- * JNTU, Anantapur
- * Rajiv Gandhi University of Knowledge and Technologies, Kadappa

Appendix 3.11. Regional Universities

Old Universities:

In Telangana-

- * Osmania University
- * Kakatiya University

In Coastal Andhra-

- * Andhra University
- * Acharya Nagarjuna University

In Rayalseema-

- * Sri Venkateswara University
- * Sri Krishna Devaraya University

New Universities

In Telangana-

- * Telangana University, Nizamabad
- * Palamuru University, Mahbubnagar
- * Satavahana University, Karimnagar
- * Mahatma Gandhi University, Nalgonda

In Coastal Andhra

- * Adikavi Nannayya University, Rajahmundry, East Godavari
- * Dr B.R. Ambedkar University, Srikakulam
- * Krishna University, Machilipatnam, Krishna

In Rayalseema

- * Yogi Vemana University, Kadapa
- * Vikrama Simhapuri University, Nellore
- * Rayalseema University, Nellore

Appendix 3.12. Definition of Local Candidates

-
- (1) A candidate for admission to any course of study shall be regarded as a local candidate in relation to a local area
- (a) if he has studied in an educational institution/ institutions in such local area for a period of not less than four consecutive academic years ending with the academic year in which he appeared or, as the case may be, first appeared in the relevant qualifying examination; or
 - (b) where during the whole of any part of the four consecutive academic years ending with the academic year in which he appeared or, as the case may be, first appeared for the relevant qualifying examination, he has not studied in any educational institution. If he has resided in that local area for a period of not less than four years immediately preceding the date of commencement of the relevant qualifying examination in which he appeared or as the case may be first appeared.
- (2) a candidate for admission to any course of study who is not regarded as a local candidate as mentioned above in relation to any local area shall
- (a) if he has studied in educational institutions in the state for a period of not less than seven consecutive academic years ending with the academic year in which he appeared or, as the case may be, first appeared for the relevant qualifying examination, be regarded as a local candidate in relation to
 - (i) such local area where he has studied for the maximum period out of the said period of seven years; or
 - (ii) where the periods of his study in two or more local areas are equal, the local area where he has studied last in such equal periods; or
 - (b) if, during the whole or any part of the seven consecutive academic years ending with the academic year in which he appeared or, as the case may be, first appeared for the relevant qualifying examination, he has not studied in the educational institution in any local area, but has resided in the state during the whole of the said period of seven years be regarded as a local candidate in relation to
 - (i) such local area where he has resided for the maximum period out of the said period of seven years, or
 - (ii) where the period of his residence in two or more local areas are equal, the area where he has resided last in such equal periods.
-

Appendix 3.13. Districtwise data for Govt. and Aided Degree Colleges (2008-09)

Sr. No.	Districts	Number			Enrolment			Lecturers			Stud.Lec. Ratio		
		Govt.	Aided	Total	Govt.	Aided	Total	Govt.	Aided	Total	Govt.	Aided	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Srikakulam	10	1	11	6248	1078	7326	169	11	180	36.97	98.00	40.70
2	Vizianagaram	10	5	15	1233	9883	11116	48	368	416	25.69	26.86	26.72
3	Vishakhapatnam	4	8	12	11487	8451	19938	202	162	364	56.87	52.17	54.77
4	East Godavari	12	10	22	9706	14646	24352	296	561	857	32.79	26.11	28.42
5	West Godavari	14	12	26	5835	18199	24034	209	579	788	27.92	31.43	30.50
6	Krishna	8	23	31	5423	24480	29903	182	870	1052	29.80	28.14	28.42
7	Guntur	5	26	31	2900	27178	30078	135	1217	1352	21.48	22.33	22.25
8	Prakasam	8	8	16	1824	4338	6162	100	201	301	18.24	21.58	20.47
9	Nellore	9	8	17	4102	8202	12304	160	338	498	25.64	24.27	24.71
	Coastal Andhra	80	101	181	48758	11645	16521	1501	4307	5808	32.48	27.04	28.45
					5	3							
10	Chittoor	15	5	20	13260	7429	20689	269	333	602	49.29	22.31	34.37
11	Kadappa	12	9	21	7604	7224	14828	223	319	542	34.10	22.65	27.36
12	Ananthapur	13	3	16	16267	4824	21091	341	103	444	47.70	46.83	47.50
13	Kurnool	14	8	22	9237	10342	19579	260	270	530	35.53	38.30	36.94
	Rayalaseema	54	25	79	46368	29819	76187	1093	1025	2118	42.42	29.09	35.97
14	Mahbubnagar	16	1	17	12662	940	13602	271	48	319	46.72	19.58	42.64
15	Rangareddy	5	4	9	501	2277	2778	22	165	187	22.77	13.80	14.86
16	Medak	15	0	15	7955	0	7955	230	0	230	34.59	0.00	34.59
17	Nizamabad	7	2	9	9182	1349	10531	169	49	218	54.33	27.53	48.31
18	Adilabad	10	1	11	8776	1683	10459	107	23	130	82.02	73.17	80.45
19	Karimnagar	16	0	16	16584	0	16584	270	0	270	61.42	0.00	61.42
20	Warangal	12	4	16	9674	5610	15284	276	117	393	35.05	47.95	38.89
21	Khammam	10	2	12	8995	2255	11250	189	89	278	47.59	25.34	40.47
22	Nalgonda	8	3	11	6510	3118	9628	141	48	189	46.17	64.96	50.94
	Telangana Exc Hyd.	99	17	116	80839	17232	98071	1675	539	2214	48.26	31.97	44.30
23	Hyderabad	7	36	43	8117	35173	43290	206	1260	1466	39.40	27.92	29.53
	Telangana inc Hyd.	106	53	159	88956	52405	141361	1881	1799	3680	47.29	29.13	38.41

Source: Higher Education Department, Govt. of Andhra Pradesh.

Appendix 3.14. Districtwise data on Professional Colleges (2009-2010)

Sr. No.	Districts	Engineering		Pharmacy		B.Ed.		MBA		MCA		Law	
		No.	Seats	No.	Seats	No.	Seats	No.	Seats	No.	Seats	No.	Seats
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Srikakulam	10	2541	2	84	13	1380	9	376	7	292	3	368
2	Vizianagaram	13	3174	60	252	18	1865	10	418	11	460	0	0
3	Vishakhapatnam	27	6749	12	480	21	2260	27	1472	27	1236	6	822
4	East Godavari	34	7656	12	504	42	4490	34	1492	29	1398	4	474
5	West Godavari	27	6489	8	357	23	2545	40	1804	29	1424	1	192
6	Krishna	35	8589	10	441	21	2332	35	1580	27	1258	2	192
7	Guntur	44	10656	23	987	40	4382	44	1926	41	1838	3	483
8	Prakasam	20	4662	9	378	44	4720	26	1110	26	1103	1	192
9	Nellore	23	5397	11	462	19	2160	31	1454	29	1486	1	128
	Coastal Andhra	233	55913	93	3945	241	26134	256	11632	226	10495	21	2851
10	Chittoor	32	7494	10	385	29	2978	52	2640	32	1747	8	1267
11	Kadappa	21	4793	8	396	27	2780	24	1130	14	712	2	456
12	Ananthapur	16	3525	3	165	25	2640	23	1096	14	636	2	324
13	Kurnool	18	4473	6	252	34	3840	23	1110	15	648	1	195
	Rayalaseema	87	20285	27	1198	115	12238	122	5976	75	3743	13	2242
14	Mahbubnagar	7	1722	7	333	38	3997	12	627	6	375	0	0
15	Rangareddy	129	32298	50	2121	47	4720	146	6863	98	5124	1	48
16	Medak	18	4109	12	504	18	1820	17	732	6	270	0	0
17	Nizamabad	9	2079	2	84	10	1080	8	354	5	228	1	50
18	Adilabad	1	210	0	0	4	440	0	0	0	0	0	0
19	Karimnagar	17	1096	11	438	20	2040	28	1422	13	604	0	0
20	Warangal	26	6099	35	1520	27	2920	43	2298	23	1208	2	476
21	Khammam	24	5853	7	294	15	1520	37	1826	20	982	1	128
22	Nalgonda	32	7315	18	756	46	4772	35	1611	14	669	1	48
	Telangana Exc Hyd.	263	63781	142	6050	225	23309	326	15733	185	9460	6	750
23	Hyderabad	23	5626	17	716	23	2983	78	4102	68	3308	11	1899
	Telangana inc Hyd.	286	69407	159	6766	248	26292	404	19835	253	12768	17	2649

Source: Department of Higher Education, and Commissioner of Technical Education, GoAP

Appendix 3.15. List of Universities, Institutions and Research Centres in Hyderabad

*	University of Hyderabad
*	Indian Institute of Technology (IIT)
*	National Institute of Rural Development (NIRD)
*	Central Research Institute for Dryland Agriculture (CRIDA)
*	International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)
*	National Institute of Sorghum (NIS)
*	National Fisheries Development Board (NFDB)
*	National Institute of Non Conventional Energy (NARM)
*	Centre for Cellular and Molecular Biology (CCMB)
*	National Institute of Nutrition (NIN)
*	National Institute of Fashion Technology (NIFT)
*	National Institute on Small Industries Training & Education (NISIT)
*	National Geophysical Research Institute (NGRI)
*	Defence Metallurgical Research Labs (DMRL)
*	Indian Institute of Chemical Technology (IICT)
*	National Institute of Biogas Management (NIBM)
*	National Institute of Forensic Science and Centre for DNA and Finger Printing Institute (NIFC)
*	Indian Institute of Health and Family Welfare (IIHF)
*	Indian Institute of Public Health (IIPH)
*	Central Institute of English and Foreign languages (CIEFL)
*	Indian Council of Agricultural Research (IARI)
*	Institute of Public Enterprise
*	Institute of Genetics and Hospital for genetic diseases
*	Administrative Staff College of India
*	Indian Statistical Institute (Andhra Pradesh Branch)

Appendix 3.16 Detailed note of Higher Education Department for the Queries and Clarifications raised by CCSAP

Point No.1

**What is the amount of per capita and total block grant to each of the Regional Universities during the past 5 years?
What is the basis for determining the grant?**

The Block Grants released to the Regional Universities in the State from 2006-07 to 2009-10 is as follows:

Sr. No.	Name of the University	No. of Students in the University	Block grant released (In Rupees)					
			2006-07	2007-08	2008-09	2009-10	Avg./year	Avg./Capita
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Osmania	17079	929968000	929968000	492182000	750000000	775529500	45408
2	Andhra	13900	772591000	772591000	407199000	610800000	640795250	46100
3	Kakatiya	3902	237219000	237219000	248697000	187500000	227658750	58344
4	Nagarjuna	2500	148499000	148499000	77689000	155000000	132421750	52968
5	Sri Venka teswara	10500	421316000	421316000	447521000	336000000	406538250	38717
6	Sri Krishna devaraya	1772	148256000	148256000	155116000	116250000	141969500	80118

- Note:
1. The Student strength data pertains only to University Campus and Constituent Colleges.
 2. It does not include strength of the affiliated colleges and Distance Education Students.
 3. The Block grant released is towards salaries and pension of the staff working in the University.

Appendix 3.16 (Cont.)

Point No. 2 (i):

What is the basis for deciding which Private Colleges (Degree as well as Junior) would receive grants and which one would not i.e., what are the criteria for grants?

As envisaged in G.O.Ms.No.42, Education (CE) Department, dated 19.09.1985, no Private Educational institution other than a college which has been established after 01.09.1985 shall be entitled to receive any Grant-in-Aid.

Point No. 2 (ii)

What is the basis for deciding the size of the grant to Private Colleges? Is it based on the no. of students enrolled or some other norm / criteria?

As per the recommendations of the D.S.Reddy Committee report which had been approved and issued in G.O.Ms.No.948, Education Department, dated 01.04.1964, the criteria/formula for deciding the size of the grant to Private Colleges is "100% of expenditure on salaries of teaching and non-teaching staff minus fees at standard rates to be limited to actual deficit subject to the condition the existing rates of fees must not be reduced".

Accordingly, the Sections/Courses which fulfilled the condition in terms of Act 22 and satisfying the position of G.O.Ms.No.948, Education Department, dated 01.04.14964 have been admitted to Grant-in-Aid. The no. of students is not criteria for fixing the Grant. The staff working as on the date of admission *vis-à-vis* Sections existing, fulfilling the above conditions will be admitted to Grant-in-Aid.

Clarification on The Budget Allocation

It is a fact that the Telangana Region is received a lesser share of budget allocation compared to other regions, for the reasons as shown below:-

Out of 46 Private Aided Degree Colleges in Telangana Region, 24 Private Aided Degree Colleges were taken over by the Government in the interest of Teaching/Non-Teaching employees and students community at large. Hence the number of Private Aided Colleges are less in Telangana Region when compared to Andhra and Rayalaseema Regions.

Further, it is submitted that at present there are 22 Private Aided Colleges existing in Telangana Region. Incidentally, Government had earlier taken over 24 Private Aided Colleges from Telangana Region in the interest of teaching / non-teaching employees and students community at large. Hence the number of Private Aided Colleges are less comparatively to the other regions, whereas the number of Government Colleges are more in Telangana Region.

Here it is also pertinent to mention that the Aided colleges situated in Andhra area are having more aided sections when compared to Telangana region. Hence, the aided staff working against these aided sections are more when compared to Private aided colleges situated in Telangana region. Therefore, grant released to the colleges to Krishna and Guntur districts towards payment of salaries to the aided staff is at higher side when compared to grants released the colleges situated in Telangana area, because of the fact that the colleges in these two districts are having more number of Sections/Courses and the number of employees both teaching and non-teaching is proportionately high. The comparative status of all the three regions is shown in the following table:-

Sl. No.	Region	Teaching			Non-Teaching		
		Govt.	Aided	Total	Govt.	Aided	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Telangana	1859	1940	3799	931	1410	2341
2	Andhra	1484	4228	5712	816	3121	3937
3	Rayalaseema	1093	956	2049	621	728	1349
	Grand Total	4436	7124	11560	2368	5259	7627

Appendix 3.16 (Cont.)

Further, it is submitted that the grant-in-aid released to the Private Aided Colleges in the year 2008-09 was Rs.258.66 crores Out of which the Andhra Region received Rs. 150.92 crores, Rayalaseema region got a share of Rs. 32.18 crores, while Telangana region received 17.42 crore only.

However, the details of Private Aided and Government Degree Colleges region-wise are shown below:-

S.No.	Region	Private Aided Col- leges	Government Degree Colleges	Colleges Taken over by the Govt.	Total Govt. Col- leges
(1)	(2)	(3)	(4)	(5)	(6)
1	Telangana	22	81	24	105
2	Andhra	124	77	05	82
3	Rayalaseema	25	54	-	54

Total budget of Government and Aided Degree College of the three regions put together is as shown below:-

Sr.No.	Region	Colleges			Budget Allocated (Rs. in Crores)			Average (Total)
		Govt.	Aided	Total	Govt.	Aided	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Telangana	105	22	127	75.65	17.42	93.07	0.73 crore
2	Andhra	82	124	206	73.84	150.16	224.00	1.08 crore
3	Rayalaseema	54	25	79	58.66	32.18	90.84	1.15 crore

In view of the above the Grant-in-Aid released to Aided Colleges in Telangana Region is less compared to other regions as 60% of the Private Aided Colleges in the Region were taken over by the Government and to the extent Grant-in-Aid is also reduced. Hence there is a quantum jump in number of Government Colleges in Telangana Region viz., 105 when compared to Andhra and Rayalaseema regions, which are having 82 and 54 colleges, respectively.

Point No.3:**What is the principle/criteria in deciding the location of state level Universities/ Institutes, Medical Colleges, Agriculture Universities/ Institutions?**

Taking into consideration the existence of a large number of Industries, R & D labs, other educational Institutions in the vicinity and opportunities for interaction and collaboration due to proximity to an International Airport facilitating interaction with international Institutions and Academies and for the convenience of Students and Professors, who are coming from the national level, the IIT proposed at Basar in Adilabad District is shifted to Medak District, which is about 50 KMs from Hyderabad.

The following Universities are located in the 9 Districts of Telangana Region:-

1. IIT, Medak District.
2. ANGR Agrl. University, Ranga Reddy District.
3. Palamuru University, Mahabubnagar District.
4. Mahathma Gandhi University, Nalgonda.
5. Sathavahana University, Karimnagar
6. RGUKT Campus, Basara, Adilabad District.

7. NALSAR University, Ranga Reddy District.
8. Hyderabad Central University, Ranga Reddy District.
9. National Institute of Technology (NIT), Warangal

There are three National Level Universities/Institutes viz., IIT in Medak District, NALSAR University in RR District and National Institute of Technology, Warangal District located in Telangana besides Acharya N.G. Ranga Agricultural University a State Level University in Rajendranagar, R.R. District and Rajiv Gandhi University of Knowledge & Technology (RGUKT) at Basar Campus, Adilabad District. Hence, it may not be appropriate to say that, there is no State Level University in 9 Telangana Districts except Hyderabad.

Point No.4:

Break-up of expenditure on education (schools, higher education) total and per capita district wise during the previous year.

The matter pertains to School Education Department.

Point No.5:

The No. of seats available to students of each of the three regions (Coastal Andhra, Rayalaseema, Telangana) in public funded medical, dental, Engineering and technology colleges / Institutes taking into account the zonal or any other rules that are apply to admissions in these colleges/institutes.

The details of seats and number of colleges in different areas of the State under Medical stream is as follows:-

Sr. No.	Type of Colleges	Region	No. of Govt. Colleges	No. of seats	% of Total Colleges	% of Total Seats
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	MBBS	Andhra University	5	650	38%	36%
		Osmania University	4	600	31%	33%
		Sri Venkateswara University	4	550	31%	31%
2	BDS	Andhra University	1	40	33%	22%
		Osmania University	1	40	33%	22%
		Sri Venkateswara University	1	100	33%	56%

Ever since Presidential Order 1974 is promulgated the allocation of seats in admissions to the three areas is demarcated in the ratio of 42:36:22 to Andhra University, Osmania University and Sri Venkateswara University Local areas respectively and the same guidelines are being followed in admissions without any deviation.

It is a fact that the State wide Universities irrespective of their location in the regions, have to serve the cause of education to all people living in the State of A.P. with the ratio of 42% for Telangana, 36% for Andhra and 22% for Rayalaseema.

It is also fact that the State Govt. has preferred and allotted land to many of the Universities and Institutes, which has National Importance in the district of Telangana Region.

It is not a fact that the people of Rayalaseema region has the benefit of improved medical facilities through SVIMS and NTR University of Health Sciences. The NTR University of Health Sciences is not providing medical facilities to the people. The SVIMS in Rayalaseema Region and NIMS in Telangana Region are State-wide Institutes and the medical facilities are open to one and all in the State irrespective of region of the people in those State-wide Institutes.

Appendix 3.16 (Cont.)

Sr.No.	Course	Andhra Region (AU Area)	Telangana Region (OU Area)	Rayalaseema Region (SVU Area)	Total
(1)	(2)	(3)	(4)	(5)	(6)
1	Engineering	74535	113060	38400	225995
2	B. Pharmacy	4780	9915	2155	16850
3	MBA	15730	34750	10670	61150
4	MCA	14630	24440	8483	47553
5	B.Ed.	23974	26292	14358	64624
6	M.E/M.Tech	2795	5400	1519	9714
7	M. Pharmacy	405	718	227	1350
8	Medicine	1500	1900	950	4350
9	Dental	700	740	350	1790

Data Required (Education):**Region wise Information excluding Hyderabad in Telangana Districts**

Sr.No.	District Name	No. of Colleges				Grand Total
		Pvt	Int.	Total	Uni	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	East Godavari	34	0	34	1	35
2	Guntur	47	2	49	1	50
3	Krishna	36	2	38	0	38
4	Prakasam	19	3	22	0	22
5	Srikakulam	10	0	10	0	10
6	Visakhapatnam	27	2	29	2	31
7	Vizianagaram	12	2	14	1	15
8	West Godavari	31	3	34	0	34
9	Nellore	26	0	26	0	26
	AU Region Total	242	14	256	5	261
1	Adilabad	2	0	2	0	2
2	Karimnagar	17	0	17	1	18
3	Khammam	23	0	23	0	23
4	Mahaboobnagar	9	1	10	0	10
5	Medak	24	0	24	0	24
6	Nalgonda	39	5	44	0	44
7	Nizamabad	10	0	10	0	10
8	Ranga Reddy	139	13	152	0	152
9	Warangal	26	2	28	1	29
	OU Region Total	289	21	310	2	312
	Hyderabad	24	2	26	6	32
1	Anantapur	15	3	18	2	20
2	Chittoor	32	3	35	2	37
3	Kadapa	22	0	22	2	24
4	Kurnool	21	0	21	0	21
	SVU Region Total	90	6	96	6	102
	Grand Total	645	43	688	19	707

Appendix 3.16 (Concl.)

Regionwise Information including Hyderabad in Telangana Districts No. of Engineering Colleges in the State for the Year 2010-11

Sr. No.	District Name	No. of Colleges				Grand Total
		Pvt	Int.	Total	Uni	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	East Godavari	34	0	34	1	35
2	Guntur	47	2	49	1	50
3	Krishna	36	2	38	0	38
4	Prakasam	19	3	22	0	22
5	Srikakulam	10	0	10	0	10
6	Visakhapatnam	27	2	29	2	31
7	Vizianagaram	12	2	14	1	15
8	West Godavari	31	3	34	0	34
9	Nellore	26	0	26	0	26
	AU Region Total	242	14	256	5	261
	O.U. Region					
1	Adilabad	2	0	2	0	2
2	Hyderabad	24	2	26	6	32
3	Karimnagar	17	0	17	1	18
4	Khammam	23	0	23	0	23
5	Mahaboobnagar	9	1	10	0	10
6	Medak	24	0	24	0	24
7	Nalgonda	39	5	44	0	44
8	Nizamabad	10	0	10	0	10
9	Ranga Reddy	139	13	152	0	152
10	Warangal	26	2	28	1	29
	OU Region Total	313	23	336	8	344
	SVU REGION					
1	Anantapur	15	3	18	2	20
2	Chittoor	32	3	35	2	37
3	Kadapa	22	0	22	2	24
4	Kurnool	21	0	21	0	21
	SVU Region Total	90	6	96	6	102
	Grand Total	645	43	688	19	707

Status of Engineering Colleges in the State of Andhra Pradesh for the Year 2010-11

Sr. No.	Particulars	Govt.	Pvt. Aided	Pvt. Un-Aided
(1)	(2)	(3)	(4)	(5)
1	Telangana excluding Hyderabad (9 Districts)	2	0	310
2	Coastal Andhra (9 Districts)	5	0	256
3	Rayalaseema (4 Districts)	6	0	96
4	Hyderabad District	6	0	26
5	Telangana including Hyderabad (10 Districts)	8	0	336
6	Rest of Andhra (13 Districts)	8	0	406
7	Andhra Pradesh (23 Districts)	19	0	707

Appendix 3.17. Expenditure per Student in Govt. Polytechnics

Districts	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Srikakulam	28.00	27.17	24.37	25.33	35.72	35.53	27.59	38.18	39.65	38.14	38.93
Vizianagaram	34.23	34.68	31.22	31.30	43.28	34.19	33.43	37.94	37.05	46.06	66.71
Vishakhapatnam	28.19	27.95	26.43	23.14	33.84	25.38	49.01	41.14	47.15	38.13	33.51
East Godavari	45.55	47.67	48.80	57.68	70.62	79.79	89.06	98.43	108.49	96.63	26.43
West Godavari	36.85	35.66	31.99	20.98	15.67	15.93	35.51	36.35	30.98	32.46	27.47
Krishna	28.92	28.06	25.17	26.68	36.89	27.83	29.06	31.01	32.55	40.25	36.64
Guntur	47.05	41.32	33.74	39.02	57.50	43.45	77.54	57.14	89.99	70.03	52.43
Prakasam	35.29	34.23	30.71	31.17	45.01	34.49	35.45	37.83	39.72	49.11	49.05
Nellore	31.23	30.29	27.17	31.42	46.31	35.07	30.77	38.03	39.68	42.70	43.41
Coastal Andhra	35.03	34.11	31.07	31.86	42.76	36.85	45.27	46.23	51.70	50.39	41.62
Chittoor	22.32	22.06	21.01	24.27	27.77	27.04	40.03	62.16	57.76	42.11	31.07
Kadappa	20.52	19.90	17.85	18.93	26.17	20.05	29.23	21.99	174.67	110.18	42.79
Ananthapur	86.01	92.50	97.80	87.44	119.22	182.34	132.08	163.21	173.12	154.66	34.85
Kurnool	31.58	28.56	23.42	32.13	46.60	36.67	39.94	50.69	72.34	52.34	38.18
Rayalaseema	40.11	40.76	40.02	40.69	54.94	66.53	60.32	74.51	119.47	89.82	36.72
Mahbubnagar	16.53	15.99	14.35	19.26	27.87	21.85	23.78	22.48	23.34	23.02	22.92
Rangareddy	43.15	35.04	26.94	36.15	52.32	39.27	44.64	85.94	111.45	65.69	42.67
Medak	20.57	19.90	17.85	25.35	53.57	27.60	30.52	40.20	42.40	37.22	161.32
Nizamabad	23.91	23.13	20.75	27.85	40.30	30.25	34.39	32.51	33.75	33.29	31.35
Adilabad	28.08	27.16	24.37	14.01	17.86	21.88	26.32	23.17	23.42	18.99	37.14
Karimnagar	29.98	29.01	26.03	27.59	38.14	27.42	43.13	40.77	42.33	41.76	49.06
Warangal	32.84	33.84	32.92	76.17	107.12	32.28	45.65	48.06	44.33	33.46	31.40
Khammam	38.76	39.95	38.87	36.57	82.80	40.10	44.88	33.41	34.51	52.12	48.37
Nalgonda	38.46	37.20	33.38	35.38	48.92	37.49	38.53	41.12	43.17	53.46	45.47
Hyderabad	35.75	36.31	35.62	32.07	47.89	50.39	110.56	101.53	97.30	121.07	64.28
Tel. excl. Hyd.	30.25	29.02	26.16	33.15	52.10	30.90	36.87	40.85	44.30	39.89	52.19
Tel. ind. Hyd.	30.80	29.75	27.11	33.04	51.68	32.85	44.24	46.92	49.60	48.01	53.40

Source: Commissioner of Technical Education, Govt. of Andhra Pradesh.

Appendix 3.18
Locals Enrolled as Percentage of Total

REGION	Engg		Pharmacy		B.Ed		MBA		MCA		Law
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2009-10
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Coastal Andhra	90.00	97.64	89.96	97.14	90.00	91.46	89.99	96.30	89.98	97.16	34.60
Rayalseema	89.99	98.36	89.89	97.08	90.00	98.71	89.88	92.81	90.00	96.35	26.02
Tel exc Hyd	90.00	94.63	90.00	98.37	90.00	94.56	89.99	92.79	90.00	86.30	50.47
Hyderabad	90.00	93.80	90.00	97.76	90.04	87.75	90.00	91.74	89.99	86.44	58.73
Andhra Pradesh	90.00	96.29	89.98	93.45	90.00	93.70	89.98	93.77	89.99	92.25	40.12

Source: Department of Higher and Technical Education, Andhra Pradesh.

Appendix 3.19. Districtwise Selected Indicators of Reproductive and Child Health

	District	NANC	FANC	SD	RHI	FI	VHW	IMR
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Adilabad	8.6	39.8	63.0	56.27	64.8	11.8	44
2	Nizamabad	3.8	50.8	69.4	50.32	76.8	24.3	40
3	Karimnagar	0.8	46.7	78.6	60.11	81.5	8.4	29
4	Medak	1.9	65.1	73.1	53.11	62.7	15.9	40
5	Hyderabad	1.4	60.6	93.3	68.12	70.8	1.1	22
6	Rangareddy	7.9	53.6	68.9	58.07	51.8	3.6	38
7	Mahabubnagar	18.3	14.9	57.9	45.17	28.2	3.6	58
8	Nalgonda	5.7	40.3	70.0	65.15	74.8	9.9	48
9	Warangal	1.5	51.7	76.7	63.74	58.9	4.9	41
10	Khammam	3.1	63.5	71.1	57.93	78.5	17.6	40
11	Srikakulam	4.3	57.9	52.7	51.24	62.7	20.7	53
12	Vizianagaram	2.9	43.0	55.9	47.98	66.3	16.4	68
13	Vishakhapatnam	16.1	28.2	58.9	54.83	50.1	12.6	50
14	East Godavari	4.9	55.0	87.4	62.50	67.1	13.9	37
15	West Godavari	3.2	42.5	76.7	66.39	55.9	11.2	38
16	Krishna	1.0	57.1	82.1	70.36	67.6	16.5	28
17	Guntur	4.2	29.8	74.4	65.97	61.8	12.5	29
18	Prakasam	3.0	49.5	62.1	57.66	66.5	17.3	40
19	Nellore	1.2	31.9	77.5	69.02	48.4	21.6	39
20	Kadapa	1.2	45.3	69.3	59.12	62.5	19.1	39
21	Kurnool	10.7	15.2	37.6	49.17	66.0	10.6	47
22	Anantpur	3.3	47.2	58.0	55.92	67.7	17.4	54
23	Chittoor	2.2	33.8	63.1	68.08	67.5	20.9	40
	Andhra Pradesh	5.3	43.9	69.0		62.9	13.2	42

Source: Andhra Pradesh Human Development Report, 2007

NANC - Percentage of Women with No Antenatal Checkup

FANC - Percentage Undergone Full Antenatal Care (i.e., at least 3 visits for ANC + at least one TT injection + 100 or more IFA tablets/syrup)

SD - Percentage of Safe Delivery (Either institutional delivery or home delivery attended by Doctor/Nurse)

RHI - Reproductive Health Index based on 6 indices, Total Fertility Rate, Birth Order 4+, Skilled attention at the time of birth, IMR, Educational attainment of women, and % Married<18 years.

FI - Percentage of children age 12-35 months received Full Immunisation

VHW - Percentage of Women visited by ANM/Health worker

IMR - Infant Mortality Rate

BOOK REVIEWS

Kolhatkar, M.R., *Survey of Higher Education (1947-2007)*, Concept Publishing Company Pvt. Ltd., New Delhi, 2012, Pp. xxiv+423, Rs. 1250/-.

M.R. Kolhatkar is a retired Civil servant who, in his time, has held responsible positions in the Government, both at the Central and State levels. His experience includes, among others, the responsibilities he was assigned in the Union Ministry of Human Resource Development, the Planning Commission, and the Central Administrative Tribunal, as well as in the State Government of Maharashtra. In all these positions, he has had specific experience in the education sector. His total experience of this sector adds up to fifteen years. Kolhatkar is also a committed scholar. After thirty years in the Indian Administrative Service, he did his Ph.D. from Bombay University.

As a retired government servant, Kolhatkar has had access to documents not easily available. Particularly significant are his access to the reports of the Ministry of H.R.D. and papers from the Planning Commission. He has used this privilege to full advantage by drawing from these sources and using the insights from his experience to develop a carefully documented history of official efforts to advance higher education in the country after Independence.

As a result, the book is the finest and most comprehensive documentation attempted so far, of the government's planning, policy making, financing and administration of higher education in the country in the first sixty years of Independence.

The introduction to the book provides an historical background with an overview of the evolution of higher education earlier, during

British rule between 1817 and 1947. The overview highlights some of the land marks of growth during this period and specifies developments in Medical Education (Modern Allopathic), Homeopathic Medical Education, Nursing, Technical Education, Agricultural Education and Research, Forestry Education, Legal Education and Teacher Education. Following the introduction, comes the main text of the book, organised in three parts. Part I offers an overview of the growth of higher education between 1947 and 2007 keeping in mind the issues of quantitative expansion, equity and growth. This is followed by an extensive discussion on the University Grants Commission, The discussion which runs into four chapters, starts with the story of the establishment of the UGC in 1953 and concludes with the steady decline of this important institution over the course of the last decade. Then comes a chapter on "allied organisations" of the UGC, namely, the National Accreditation Council (NAC), the DEP, responsible for the regulation of open and distance learning, and the National Institute of Educational Research and Training (NIEPA) including the evolution of NIEPA into the NUEPA (National University of Educational Planning and Administration). Finally, there is a chapter on the various Research Councils for higher education, namely, the Indian Council for Social Science Research (ICSSR), the Indian Council for Historical Research (IHR), the Indian Council for Philosophical Research (IPR) and the Indian Institute of Advanced Studies. This chapter concludes by raising the issue of the need for a council for Art and the Humanities. In Part II, Kolhatkar moves on to describe and discuss the growth of higher education between 1947 and 2007, in each of the sectors that he has looked at earlier in his introduction to the volume in his overview of the growth of higher education between 1817 and 1947. In particular, he looks at Medical Education including allied fields such as Nursing and Pharmacy, Technical Education with a focus on

Engineering and Management, Legal education, Agriculture and Forestry. One of Kolhatkar's major contributions here is that he has traced the role played by the relevant professional bodies in each of these sectors.

Together Parts I and II offer an excellent documentation of official efforts to advance higher education in post-independence India. With the advantage of an insider's view Kolhatkar talks knowledgeably about the growth of conventional institutions such as the universities as well as of new institutions including the Deemed Universities, Institutions of National Importance (such as the IITs and IIMs) and Open universities (such as IGNOU). He provides valuable information about the various committees and commissions appointed by the Government from time to time to deliberate and advise on higher education, on the reports produced by these bodies and on the suggestions made by them. There is an admirable continuity between the overview of education in the British period that has been provided in the introduction to the volume and the picture of growth in the post-independence period documented in Parts I and II. Finally, in Part II Kolhatkar identifies some problems common to higher education and moves on to discuss the idea of the National Commission on Higher Education. Part III concludes with a chapter on his views on the prospects for higher education in the context of globalisation.

Kolhatkar has accomplished a massive task and produced a valuable book. He deserves to be congratulated for this. However, - and I say this somewhat reluctantly considering the magnitude of the work he has done --- in my opinion, the book is not quite the "systematic survey of education based on secondary sources and best literature" which, according to his own preface to the book, he had set out to do. Since the survey covers a period of sixty years, I expected it, in view of this statement, to provide some idea of the factors that prompted policies, pushed choices

between alternate strategies and influenced both the substance and direction of the growth of higher education during these sixty years. Among others, these factors seem to me to be: the Government's expectations of education as an instrument of development in independent India; public demand defined by people's personal aspirations for employment and status; the vested interests of politicians, religious organisations and other bodies. The survey does not even attempt to do this. Once again, Kolhatkar mentions that the growth of higher education in the country has been driven, by the size of the demand and the country's commitment to equality and quality. All these factors are riddled with contradictions. I expected him to explain these factors and to discuss the contradictions. This has not been done. Further, there have been some burning issues in higher education during the period. Kolhatkar mentions the language issue and the issue of privatisation. But he shies away from a serious discussion of these issues. For instance, he dismisses privatisation as commercialisation generally understood as giving up quality in the interests of serving public demand or worse yet with the idea of cashing in on public demand. Is private education necessarily commercial? Are state funded institutions always superior in quality to those owned and financed by private bodies? The steady decline of the UGC, the repeated failure to implement the suggestions and the advice of the various committees and commissions appointed by the government is the other issue Kolhatkar mentions. It would have been valuable to have some comments from him on the failure. May be this is asking for too much. However, without any discussion of the factors that according to Kolhatkar have shaped the growth of higher education in the country after independence, and of the issues that he has identified as some of the problems that plague higher education, the survey comes across as a mere documentation of policies, programmes and issues and a record of the institutions established. I think that all the growth should have been

positioned in its context, which in this case is the dynamics of the interaction of the social, political and economic factors that have been active during the period of the survey. It is unfortunate that this has not been done. Few people have the kind of experience and access to resources that Kolhatkar did and it would have been valuable to have his views. On the other hand, the survey as it stands is rich and should stimulate the questions and the discussions that Kolhatkar has not taken up. One hopes that other scholars or even Kolhatkar himself will take off from where the book leaves us.

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Nadkarni, M.V., *Ethics for Our Times: Essays in Gandhian Perspectives*, Oxford University Press, New Delhi, 2011, Pp. xv+262, Rs. 650/-.

This book is a compilation of essays based on lectures given by a practicing ecological economist working on the developmental issues relating to the poor and the marginalised living in the degraded environment. As the author states, these essays are "inspired by the Gandhian perspective ... which can have tremendous practical relevance in clarifying issues and facilitating decisions in conflicting situations." Happily, despite the author's firm commitment to Gandhian philosophy, the book is not a crude evocation of Gandhian principles and much less is its preaching as the adamant Gandhians are generally committed to. Nadkarni, so to say, makes the Gandhian principles enter into a multi-layered conversation with 'our times'. 'Our Times', as it figures in the title of the book is the subject of many descriptions - unbridled consumerism, environmental degradation, global terrorism, corruption, poverty, a fatal divide between the private and the public

lives and consequent moralities that govern this divide. A piecemeal solution to any one of these is bound to fail and hence there is the need for a comprehensive framework or agenda based on the foundational concerns for human development and welfare from the ethical perspective rooted in Indian ethos. Nadkarni therefore addresses three issues: one, various ethical standpoints in Indian and Western traditions, two, explication of Gandhian perspectives, and three, the bearing of these on the processes of development and globalisation.

While ethical considerations into the nature of good and bad, right and wrong is a universal and perennial occupation of human mind, outcomes of these engagements are varied. Nadkarni structures these outcomes in two principal ways: one, by contextualising Gandhian perspectives within the matrix of the globalising world in which the issues of environment and development become crucial, and second, by explicating philosophical aspects of ethics or of ethical foundations of economic and social behavior of humans. The first and the second part of the book are designed accordingly. The third part of the book titled 'Ethical Foundations of Hinduism' may attract the general public than economists in framing developmental policies.

The part one is focused on what the author calls a 'paradox of India' which is manifest in disconnect between India's humanistic heritage and her present-day disregard for the environment in the light of Gandhian perspective on ethics and development. Part one is accordingly titled as 'Ethics for a Globalising World' and is the principal part of the book. It is premised on two principal arguments, one, to show "that development as a goal, whether at the individual or the collective level can be meaningful only when it has significant ethical or humanist content" and secondly, to show "that the means of economic development should also be ethically or morally acceptable." Both these arguments are

addressed to a popular but mistaken views that morality is opposed to the pursuit of wealth and that the pursuit of wealth is justified for its own sake. Nadkarni's arguments are based on various sources, ancient and modern, as also Indian and Western. Drawing from the famous four-fold scheme of legitimate human pursuits (*puruṣārthas*) and also from the Mahabharata, Nadkarni rightly asserts that ethics and economic pursuits were always held to be complementary until Adam Smith's *Wealth of Nations* stressed on self-interest as the organising principle of social and economic relations and for the markets which produce wealth. More importantly, 'markets were believed to be providing automatic correctives to greed and other excesses.' Thus, there was no need for general ethical principles other than what the market provides internally. Thus, any economic theory that puts individual self-interest above all other ethical principles is a point of reference for understanding and justifying Gandhi's insistence on coupling economics with ethics. While Nadkarni traces the issue of ethics and development at the individual level in Adam Smith's economic theory, he attributes the significance of economic development at the collective level to the emergence of industrial revolution of eighteenth century and onwards. Economic development at the collective level, Nadkarni writes, increases total income and wealth that allows greater share of the national wealth among different sections of the people. This allows an enterprising individual 'to create wealth without having to necessarily make other persons poorer.' This could be "an ethical plus point in favour of economic development, when seen narrowly in money or income terms." But in practice, the process of economic development has never been so innocent. Industrialisation through which economic development was accelerated attracted criticism on various grounds-aesthetic, humanistic, environmental, and ethical. Nadkarni refers to the extensive documentation of this multi-level but essentially humanistic critique of industrialisation ranging

from Ruskin to Gandhi, from Marx and Engels to the failures of the communist regimes in rejecting economism. While spelling out the essential features of economism both at the individual and collective levels Nadkarni raises the issue of the ethical principle on the basis of which the State can use development to intervene into the narrow and non-ethical processes of economism. In this connection he briefly cites Gandhi's insistence on freedom as a necessary condition to pursue development 'in the real sense' along with other principles like equality, fraternity, compassion for the deprived. The other ethical principle Nadkarni discusses at some length is that of utility as propounded by Bentham. However, there is nothing new and exciting in Nadkarni's criticism of utilitarianism.

While commenting on Amartya Sen's countering the narrow economism and adding content and extra meaning to the process of development, Nadkarni rightly observes that for Sen development is an expansion of freedom, i.e., a shift from a mere income and production of commodities to human beings. Freedom for Sen is not the freedom of equal opportunities but of equalisation of capabilities by maximising the capabilities of those who are at the bottom. Sen also insists that to ensure freedom "a plurality of institutions, including democratic systems, legal mechanisms and market structures, educational and health provisions, media and communication facilities, ..." are needed. Thus, economic development is not 'a one dimensional growth of GNP, but a development on a variety of dimensions' that impact the enhancement of human freedom and capabilities. This approach marks, as Nadkarni states, a shift from non-ethical economism to ethical humanism. Having stated this, Nadkarni then goes on to elaborate on this shift in various dimensions by citing various examples in the areas of human rights, respect for the rule of law, and the political economy of the state. However, the shift from economism to humanism is not free from challenges from globalisation. It is natural

for Nadkarni then to illustrate instances of countering these challenges, which he does by citing convergences of ideas of Vinoba Bhave, Stiglitz, and Gandhi among others who have offered alternatives to globalised economic order and unfair trade regimes.

The second part deals with the idea of justice from the Western and Indian perspectives. Nadkarni contends that our ethical notions including ideas of justice are embedded in our metaphysical world-views and therefore it becomes necessary to dwell upon the most fundamental question of metaphysics, namely, what is real. Nadkarni discusses the notion of justice which is pivotal to the idea of development in this larger metaphysical framework. In the recent literature in developmental economics, the idea of justice has become crucial and, from this point of view, economists may find the second part of this book, especially the section titled 'Interrogating the Idea of Justice' interesting. Nadkarni expounds various views and theories on the concept of justice briefly but touching upon the essential aspects of each view and theory that he presents. This entire discussion adds to readers' understanding of development as closely linked with the notion of justice. But the following section titled 'Appearance and Reality' may not interest the economists since it primarily deals with deeper metaphysical issues that usually attract philosophers. The third section of the second part emphasises the need to have holistic approach than a singular method to arrive at knowledge. He then claims that "the Indian contribution of approach to knowledge ...particularly in Bhagavadgita ...has direct and significant relevance to research methodology in social sciences.." This sounds rather sweeping because the very idea of social science and research method, the way it has evolved in the west, and the whole baggage of meaning and history it carries, was never conceived by Indian philosophers. It is not easy to translate the *śāstra-s*, e.g., *Dharmashāstra*, *Arthashāstra*, and *Kāmarshāstra*, as 'social

sciences' the way history, anthropology or sociology are social sciences. Nadkarni's claim requires close scrutiny despite the fact that he gives a concise and fair history of individualism and holism in social science in the west and of its representatives like Mill, Weber, Schumpeter and Popper on the one hand and Durkheim and Marx on the other. But Nadkarni's presentation of Gita's approach to knowledge and action as alternative to the western conception of holism requires sympathetic attention keeping aside the popular belief that India too had social science and research methodology as the west has. In his presentation of Gita's synthesising holism, Nadkarni makes some significant observations which need due consideration.

Part three deals with the humanistic foundations of Hinduism and the author discusses therein the issues concerning humanism of and ethics in Hinduism. The reader may wonder as to why Nadkarni is devoting a full section on Hinduism to prove its humanistic foundations overlooking the alternative ethical systems of Buddhism and Jainism. Nadkarni's justification could be that although Gandhi was deeply committed to the Jaina ideals of *satya* (truth), *ahimsa* (non-violence), and *aparigraha* (non-possession), Gandhi was equally committed to the ethics of the *Gita*. But with the availability of the Jaina and the Buddhist traditions of ethics and also in the light of the radical critique of Hinduism by several religious and social reform movements during the colonial period, one may not necessarily subscribe to Hinduism or its key texts like the *Gita* as the sole representative of the Indian perspective on the ethical foundations of human behavior.

The three parts of the book are preceded by Introduction which in itself is a subtle penetration into the normative foundation of ethics and of ethical inquiry. Nadkarni's inquiry ranges over Plato's *Republic* to Kant's *Groundwork for the Metaphysics of Morals* and to the British analytical philosophers like Russell and Moore, from

the most contemporary MacIntyre, Scruton and Hayek to John Rawls and Amartya Sen, and from these various western perspectives to the *Upnishads*, the *Neetishataka*, and Gandhi. The way Nadkarni reads philosophers such as these is highly perceptive in exposing the convergences and divergences of the pivotal notions and issues like what is good, good for whom, and good for what, what is justice, equality and liberty, what is self-interest and whether it alone is a criterion of rationality, whether ethics is relative to individual's life-world or is it universally valid for every rational being and so on. In addition, Nadkarni also dwells upon relativism, i.e., whether the whole enterprise of ethics becomes relative to individuals who practise it in the light of conflicting situations that constitute the human condition. Ethical relativism is usually associated with the choice (often termed as moral choice) made between two or more competing values such as efficiency and social justice, equality and liberty, and the like. Moral dilemmas arise when moral principles or values are put in practice. The choice of one of the two or more conflicting values then becomes relative to the situation which forces the agent to make a choice, and the agent's choice is often determined by, and hence relative to, his cultural, social, religious, and political background. The question Nadkarni addresses is whether the trade-off involved in the resolution of a moral dilemma is between the moral values *per se* or between the moral values and self-interest or expediency. The latter combination makes ethics relative. As against this version of relativism, Nadkarni argues that the trade-off between moral values *per se* but in relation to conflicting situations is possible 'to decide which one is relevant and to what extent, without compromising one's moral integrity and honesty'. This, according to Nadkarni saves ethics from becoming relative in the popular sense of the term, i.e., moral principles are relative to one's self-interest. But this is hardly convincing until what is meant by the trade-off between moral values or principles *per se* is made clear. Moral principles

or values, independent of concrete situations, would be of equal value and the allusion to one's moral integrity and honesty would hardly help since it is nothing more than the emotional appeal.

In dealing with the issues of development what Nadkarni offers is a cross-cultural narrative avoiding superficial comparisons among various perspectives that he discusses throughout the book. Nadkarni's narrative draws from diverse sources from the ancient to the contemporary. This I consider to be both a strength and a weakness of the book - strength because it offers a rich cris-cross of ideas, concepts, and the world-views from the Indian and the western perspectives situating the issue of development in a holistic framework; and weakness precisely because of this constant cris-crossing which sometimes loses its focus on the main issue that Nadkarni discusses under various sub-titles in each part of the book. Whether the book is to be read stressing its strength or its weakness would be a matter of readers' discretion. But despite this, the book deserves a hearty welcome for its educative value for the general public since it transgresses the rigid boundaries between economics and ethics and makes a plea for the ethical foundations of economics.

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Bhargava, Rajeev, *The Promise of India's Secular Democracy*, Oxford University Press, New Delhi, 2010, Pp. xxv+346, Rs. 750.

The discourse on Indian political theory and practice, many would say, has a somewhat sufficient stockpile of literature especially on such issues as secularism, democracy, federalism, minority rights and constitutional law, among many others. Scholars from different ideological

orientations and positions have engaged themselves in a substantive and compelling dialogue on the conceptual nature of these issues and on their continuing significance, or alternatively their increasing irrelevance. While this dialogue focuses on the normative and conceptual frameworks underlying these issues, it does not fail to take into account the empirical and everyday experiences surrounding them.

A glance at this stock of literature would perhaps make one take a position that enough has been said and that possibly there is a dearth of newer perspectives or fresh thinking on these issues. A reading of Rajeev Bhargava's collection of essays titled *The Promise of India's Secular Democracy*, does not fail to force the reader to abandon this position of conceptual saturation. In fact, this work carries an entirely nuance perspective on these issues, which leaving them open to a variety of newer interpretations.

The central concern of this collection is to critically engage with the issues of secularism, democracy, minority rights, constitutional law and federalism in India, and to do so within the background of modern liberal political thought. The book also provides a deeply stimulating narrative of the relationship among these issues, which are most of the time understood in isolation from each other. More importantly, perhaps, Bhargava identifies the distinctive nature of each of these concepts as they are understood and practiced in the Indian context. Contributing to the contemporary significance of the work is the author's engagement with both normative concerns as well as with the real experiences and events in colonial and postcolonial India. Put differently, the collection of essays carries academic values as well as engages in activist concerns.

While introducing the rationale of this collection of essays, Bhargava underscores the need to enrich one's thinking and understanding with

the different and valuable intellectual traditions that have come to occupy our real world, indigenous as well as modern. The underlying framework of this work is to contest and hold as mistaken the dominant binary between traditions/indigenous and modern/western. For Bhargava, "something which started out as western can be transformed in responding to the specific problems of non-western societies and by being nurtured in local context. It can become distinctively different, both from its western counterpart and from anything found within indigenous tradition" (p. 55). Rather than strait-jacket ourselves into one mould, he emphasises the need for us in India to develop and build our own theoretical canvas for interpreting and resolving our problems. And the book contributes rather significantly to this enterprise. With an autobiographical slant, Bhargava indicates how his move from a Marx-inspired socio-historical explanation to a normative political theory influenced by the principles of liberalism and democracy constitute the strength and self-imposed limitation of the book. At a first glance, these essays may seem somewhat unrelated, but on closer reading, they are intrinsically connected and fulfill the larger concerns of the author.

As the title of the book suggests, it is broadly concerned with the principle of secular democracy in India. The essay on "Democratic Vision of a New Republic: India 1950" traces the conceptual understanding of democracy as it emerged in India in 1950. In doing so, it looks at three distinct aspects which mark out the uniqueness of democracy in India, namely, its coterminous relationship with nationalism, its qualified liberal premise and the imperative for recognising cultural collectivities. Focusing on the relationship between nationalism and democracy, Bhargava demonstrates how democracy emerged as the product of the political struggles of an elite eager to give India a new social order, but which consequently transformed into a mass movement. This, according to him,

has ended the short phase of liberal politics in India. Working out the distinctiveness of Indian democracy, Bhargava argues that "democracy came to India in the guise of nationalism with universal franchise as the most important and legitimate instrument by which the will of the nation was to be properly expressed" (p. 33). In his attempt to further explain the nature of democracy in India, Bhargava differentiates between two types of majority-minority frameworks — preference-based majorities and minorities and identity-dependent majorities and minorities. Defending the former, he notes that a preference-based majority-minority framework is needed for three reasons; first, to prevent a society from falling into a majority-minority syndrome, second, to contain discrimination and rectify perceptions of disadvantage among the minorities and third, to render it morally sustainable.

Bhargava emboldens the idea and practice of democracy in India in the essay titled "Indian Democracy and Well-being: Employment as a Right". Here, he demonstrates how, despite its glaring limitations and shortcomings, the enactment of a welfare guarantying law such as the National Rural Employment Guarantee Act, passed in August 2005, contributes to the idea and exercise of citizenship rights. In doing so, he brings out the essential link between political freedom and economic well-being.

As we continue to celebrate democracy in India, most of us are equally perplexed and even dismayed by the continuous contestation that has come to characterise contemporary public space. In a brilliantly espoused piece titled "The Ethical Insufficiency of Egoism and Altruism: India in Transition", Bhargava employs a philosophical form and takes up issues of interest, intuition, impression and personal experience to understand such conflict. He points to the ethical insufficiency and egoism that have come to characterise contemporary India, and which have diminished

the concern for others in the public domain. For Bhargava, such egoism is a feature of a society transiting from a hierarchical to an egalitarian social order. Nevertheless, such egoism needs to be limited because of its ethical insufficiency. However, a society characterised by altruism is equally insufficient. For limiting altruistic and egoistic conditions, he proposes the presence of an inter-personal morality that provides an irreducible domain wherein interest of others are sought and realised 'for their own sake'.

An inherent and integral part of India's democratic makeup is its guarantee of a 'federal' relationship between the Centre and the States. In fact, any attempt to understand Indian democracy would be somewhat inadequate without a discussion on such relationships. In fact, the Constituent Assembly managed to work out a unique and distinct model of this relationship which, according to Bhargava, others in a similar context ought to be learnt from. In his essay titled 'The Evolution and Distinctiveness of India's Linguistic Federation', he traces the evolution of Indian federalism from a purely functional arrangement with a unitary basis, to a genuine language-based federalism. The essay carries a deeply provocative engagement with the nature of politics under the British Raj. He notes how language was set as the basis of the '*Pradesh*' and how this was done only to channelise and tap the potential of stable ethno-linguistic territorial identities for an anti-colonial struggle. He delves into the contestations between the linguistic principle of self-determination and the religious principle of self-determination by reading into the cases of Punjab, the North East and Kashmir. In doing so, he marks out the distinctiveness of India's Centre-State relations and suggests how this distinctiveness contributes to the ethos of democracy in India.

In a rather elegant and stimulating manner, Bhargava interlaces his analysis of Indian democracy with his understanding of Indian

secularism. In his essay titled "Indian Secularism: An Alternative, Trans-cultural Ideal", he elaborately points out the distinctiveness of secularism in India, which, he contends, should not be understood, measured or compared with modern western benchmarks. In fact, Bhargava forcefully argues that any attempt to measure secularism in India through a modern western lens only contributes to the existing threat that engulfs the idea. He vehemently disputes the thesis put forward by some scholars of the irrelevance of secularism due to its western post-enlightenment origins as being extremely partial and prejudiced. He brings out the distinctiveness of secularism in India by outlining its conceptual grid, based on the principle of principled distance and not separation. He upholds the secular nature of Indian society by assessing it in terms of its guarantees of religious liberty and equal citizenship, albeit with the guarantee of individual and group rights. For Bhargava, secularism in India is a complex multi-value doctrine, based on a contextual reasoning and principled distance, and committed to the guarantee of group rights.

Recognising the many interpretations of secularism available today, Bhargava adds an appendix titled "Multiple Incarnations of Secularism". According to him, the availability of many interpretations of secularism stem only from its increasing popularity as a concept. In his words, "often a concept is popular precisely when its meaning is disputed fiercely" (p. 328). He outlines five variants of secularism differentiated and assessable by their commitment (or the lack of it) to freedom and equality, namely, anti-religious, non-religious, multi-religious, multi-communal and uni-communal. For him, secularism covers all the five.

The book further complicates matters relating to the understanding of secularism by positing it against the advent of Hindu nationalism in India. In the essay on "Liberal, Secular Democracy, and Explanations of Hindu Nationalism", it is

explained how the discourse of liberal democracy compels even Hindu nationalists to legitimise their actions and ideas in terms of its normative vocabulary. He demonstrates how Hindu nationalists, even though constrained by the liberal democratic structure of the Indian Constitution, negotiate it by stretching the criteria of the application of such key normative terms as democracy and secularism. "The discursive field set out by liberal democracy continues to shape, enable and constrain the political strategies and discursive performance of Hindu nationalists" (p. 256). In doing so, they transform not merely the meaning of words but an entire political culture. However, Bhargava holds that liberalism, although in crisis, is not entirely western or alien. As he points out, "Liberal institutions in India appear to be prematurely fatigued. Given the western origins of liberal democracy... it is tempting to believe that whatever else it might be, Indian democracy never was and never can be liberal. However, this view is not convincing. On the contrary... the present crisis of liberal democracy is due in large part to its own success" (p. 261). The fact that the resurgence of Hindu nationalism cannot be fully comprehended without the normative vocabulary of liberal democracy aptly demonstrates its continued relevance and subtle distinctiveness.

A major point of contestation for most, if not all, secular polities, is the issue of education. Should religious education be available in schools funded by the state? The author deals with this issue in the essay titled "Secular States and Religious Education: The Indian Debate". Unlike most secularists, he does not altogether reject the desire and demand for religious education. A subtle distinction is made between religious education and religious instruction with the argument made in favor of inter-religious education and a hope of cooperation between state-run common schools and separate religious affiliated private schools.

Bhargava takes up another equally compelling issue which has remained at the centre of ongoing debates on secularism and multiculturalism, that is, why and under what conditions do people have a right to culture? In the essay on "The Right to Culture", he negotiates between the rejection of cultural rights by the left and their wholesale acceptance by the right. His attempt is mainly to harmonise the idea of cultural rights with the arguments of the left and the positions of liberal individualists.

Having legitimised the argument in favor of cultural rights, the essay titled "Muslim Personal Law and the Majority-Minority Syndrome" involves an attempt to explain why, despite the recognition of cultural rights, religiously grounded political rights were rejected by the Constituent Assembly. Moving between normative theory and historical explanation, Bhargava demonstrates how the demand by Muslims to live by their own culture, particularly the religiously defined personal law, goes against individual freedom and gender justice. He suggests what he feels is a reasonable solution based on the policy of an optional civil code. This however appears unfeasible because of the dominance of the majority-minority syndrome in politics. Bhargava differentiates the majority-minority syndrome from the majority-minority framework — while the former suggests something strongly pejorative, and involves a spiraling estrangement between both groups; the latter (framework) is an egalitarian principle which rests on constitutionally protected minority rights so as to eliminate hidden inequalities and injustices and to give the minorities some power to shape the society and political structure. However, Bhargava cautions against those who argue in favor of jettisoning the collective. He argues that modernity does not erase all forms of collectivities but rather it heralds some, for instance, the nation.

An additional issue which continues to plague Muslims in India and the prospects of secularism is that of representation. Democracy depends significantly on representation and a good democracy ought to facilitate the representation of groups in public space. In his essay on "On the Persistent Political Under-representation of Muslims in India", Bhargava examines the history and rationale underlying the position of representation for Muslims. He begins with a brief historical overview of the conditions of Muslims today. He then goes on to trace the different arguments for and against political representation for Muslims. Despite their marginalised status, he clearly holds that political rights ought not to be granted to any religious community. Rather he suggests a complex mechanism of preferential voting in multi-member constituencies with intra-party quotas in proportion to the overall population of Muslims in the country. This solution, he feels, would balance group rights with individual freedom.

In an extremely elaborate and informed essay titled "Inclusion and Exclusion in India, Pakistan and Bangladesh: The Role of Religion", Bhargava marks out the differing politics of secular inclusion and communal exclusion operating in these three countries — countries which share a common past. According to him, at the time of independence, South Asian societies inherited a perverted majority-minority syndrome that exaggerated religious differences and stalled internal religious reform. This inspired exclusion and not inclusion. The essay points out and explains several instances and practices of exclusion and inclusion in an attempt to outline the presence and politics of religion in South Asia.

Bhargava includes two rather interesting essays in this collection which is committed to a critical analysis of secular democracy in India. And this inclusion certainly strengthens the value of the work. The first is on the exercise of history writing in India and on the role of emotions in it.

In the essay titled "History, Nation and Community: Reflections on Nationalist Historiography of Indian and Pakistan", he distinguishes four types of history writing — manipulated, strongly relativist, critical and objectivist and goes on to critically expose the false standards of objectivist history. In fact, he engages skillfully with the idea of a 'manipulated history' and its dominance in the making of the subcontinent and the partitioning of India. The essay exposes the problematic place of cultural communities in the dominant narrative of history and the role of emotions in it. It is a remarkable story of how history often becomes the handmaiden of politics.

The second essay is titled "Academic Freedom in India". For Bhargava, academic freedom involves the freedom of scholars to conduct inquiry and the freedom of teachers and students to exchange and collectively deliberate on ideas without fear of sanction, censure or illegitimate interference. He discusses factors which have come to pose a formidable threat to academic freedom in India, some of which are over-ideologisation, politicisation and the misrecognition of meritorious work. This essay, which on a first reading, appears outside the subject matter of this work, is deeply enmeshed in its concerns. This work is indisputably a product of academic freedom and critical thinking.

This work provides a nuance understanding of secularism and democracy in India, by underscoring its distinctiveness, pointing to the intrinsic inter-relationship between both and marking out their interlacing with other principles such as cultural rights and linguistic federalism. The arguments are necessarily sensitive to the positions, particularly of religious, linguistic and gender minorities. This work certainly provides fresh insights into one's reading of secular democracy in India. Bhargava recognises that secular democracy is not perfect and that it will

never be perfectly realised in India or elsewhere. But, as he suggests, "for now, especially when they seem most fragile, it is better to believe in the promise of secular democracy than to prematurely abandon it" (p. xxv). In what appears like a mountain of scholarship on secularism and democracy, this work stands out for underscoring the relevance of the distinctiveness of secular democracy in India.

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Pradhan, Ram Chandra, *Colonialism in India*, Macmillan Publishers Indian Ltd., 2013, Pp. x+270, Rs. 215.

When a reputed publishing house like Macmillan comes out with a book on a theme as interesting as Colonialism in India and claims that the author is a social activist and a Gandhian Scholar, one approaches the book with a certain set of expectations. Sadly, the book by Ram Chandra Pradhan does not add to one's understanding of the title theme 'Colonialism in India' in any significant way. Moreover, it turns out to be an exemplar of the trend in Indian academia wherein the demand for textbooks tailor-made for a prescribed syllabus is met with a mushrooming of books like the one under review that make a ridiculous claim to "cover the themes between the two covers" of the book. All this even as the National Curriculum Framework 2005 and the State Curriculum Framework (2010) in Maharashtra - the state where the author is presently an Honorary Fellow, are pleading with even the school teachers that the students should be

enabled to construct knowledge on their own. The present book, aimed at college students, does not give a simple list of further readings, nor a single quotation with a footnote. In fact, a simple internet search for the author's other books revealed that large chunks of text - almost chapters - have been copy-pasted into the book under review from the author's previous book by the same publisher (2008) called 'From Raj to Swaraj'. It will be too much to expect the students to be enabled to construct any knowledge if they read books like this one.

The book is divided into three parts dealing with the theoretical concepts, the British Challenge and the Indian response. This arrangement itself can be viewed as problematic as it is based on a straight jacketed presumption that the rebellions, reforms and nationalism were all forms of the Indian response to a challenge that the British had apparently thrown up. This challenge-response understanding offers a very limited horizon for dealing with complex phenomena such as colonialism and nationalism. Limited because it fails to recognize the multi-level interplay of factors such as caste-class-gender, modernity, individualism, utilitarianism, industrial revolution and changes in land-use patterns, to name only a few. Moreover, the author himself concedes that it would be unfair to give the credit for social movements in India to the British rule (P. 230). His confusion is evident when he also mentions that the modern Institutions were raised by the British to pacify the tide of Indian Nationalism (P. 251).

The First Part 'Some Theoretical Concepts' begins with Capitalism. However, such is the quality of the theoretical presentation that Nationalism comes after Post-colonialism, which again, comes after Neo-colonialism. So much for internal chronology. The very first sentence of the first chapter declares, "Capitalism/liberalism and Socialism/Marxism have been two major ideologies offering two different socio-economic order

(sic) in our times" (P. 3). One suspects that the interchangeable status rendered to the four major concepts has more to do with the prescribed syllabus for an undergraduate course than with any actual understanding of the concepts. It is difficult to ignore this and many other instances of casual use of language. For instance, in a subtopic that promises to 'delineate the capitalist system' by describing its characteristics, the redundancy is unmistakable - e.g. ... the concept of capital is very complex. It is not as simple as it appears at the first instance.' (P. 5) Definitions of capitalism are attributed to 'many scholars', 'some other scholars' and 'still other scholars' (P. 4). An entire chapter that tries to describe the phenomenon of colonial expansion uses the word Occupation instead (Pp. 97-124). For an author who has already penned 'several books including *From Raj to Swaraj*', (Blurb) a distinction between Occupation and Colonial Rule is not too much to expect. Besides, elementary issues such as punctuation, indents and spelling mistakes have been completely ignored in most parts of the text. To be fair, some concepts such as Nationalism are discussed in detail in this part. A review of various authors such as Anthony Smith, Benedict Anderson and Hans Cohn has been taken. A few questions regarding the nature of colonialism and nationalism have also been raised, but left at that (P. 79).

The second part aims to describe the British Challenge. Even if one accepts the challenge-response interpretation for the sake of argument, the book does not touch upon the real problems that faced the colonizers and the colonized, nor does it take cognizance of those that have dealt with these themes - e.g., Gowri Vishwanathan's *Masks of Conquest* or Sudhir Chandra's *The Oppressive Present* or Peter Van der Veer's *Imperial Encounters*.

It discusses agriculture, industries, educational policy, constitutional developments and the structure of Indian society as aspects of the British

Challenge after taking the aforementioned review of the process of 'British Occupation'. The representation of various viewpoints does give the readers some idea about the political, economic, social and cultural aspects of the colonial rule. However, it is interspersed with strange opinions. E.g., the traditional village system '...would not have survived for millenniums (sic) had it been that unjust and exploitative' (P. 128). and '...caste... was an institution of social co-operation...' (P. 188) and '...real purpose of their occupation of India was to give legitimacy to their colonial rule' (P. 191).

The last part is supposed to deal with the Indian response. It discusses the Revolt and other rebellions, three or four social reform movements and stops surprisingly, with the foundation of the Indian National Congress. It may not be so surprising if one refers to the Preface that candidly mentions that 'on account of the introduction of the semester system ...there has been a separation of colonialism and nationalism on semester basis'. It is obvious at least to the mighty syllabus makers and the author that colonialism ends when nationalism begins and also, when the Congress is born. Let the lesser mortals worry about the plurality of processes in the making of the Indian nationalism and nation. For the author, nationalism provided 'a new forum for the ventilation of their (Indian people's) grievances'.

The book, while claiming to be thematic rather than chronological, ends up being a unilinear review of some processes of colonialism in India. In the last chapter that aims to present an assessment of the British Rule in India, the opinions of some nationalist and imperialist thinkers such as Gandhi and Macaulay are repeated. It ends on the note that it is not fair to attribute all dynamic changes in the Indian society to the British rule (P. 255). One cannot overlook the fact that this argument goes precisely against the very framework around which the book is written.

A good book- it is said- gives rise to further questions in the mind of the reader. The present book also raises many questions. They are however, about pedagogy, the art of syllabus construction and the *laissez faire* situation in the textbook market. As for history of colonialism in India, to quote the author one last time - 'We do not have to deal with all these questions as they are beyond the purview of the present study' (P. 6).

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Maital, S., 1973; 'Public Goods and Income Distribution', *Econometrica*, Vol. XLI, May, 1973.

Chakravarty, S. 1987; *Development Planning: The Indian Experience*, Clarendon Press, Oxford.

If a Reference is cited in a Note, the Note may use the shortened reference form:

4. For a critique of recent industrial policy proposals, see Marshall [Marshall, 1983, Pp. 281-98].

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