

THE COMMITTEE

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The Inter State Council Secretariat (ISCS) provided full secretarial assistance including technical and budgetary support to the Committee

The Committee for consultations on the situation in Andhra Pradesh
presents its Report to the Government of India.



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Chairman



Prof (Dr.) Ranbir Singh
Member



Dr. Abusaleh Shariff
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Prof (Dr.) Ravinder Kaur
Member



Vinod Kumar Duggal, IAS (Retd.)
Member Secretary

New Delhi
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"In ages long past a great son of India, the Buddha, said that the only real victory was one in which all were equally victorious and there was defeat for no one. In the world today that is the only practical victory; any other way will lead to disaster".

Pt. Jawaharlal Nehru speaking on 'Disputes and Discord' in the United Nations General Assembly on October 3, 1960

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, Delhi¹Member
- (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.

¹ Now Chief Economist/Senior Fellow, National Council of Applied Economic Research, Delhi

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.
- (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.

ACKNOWLEDGEMENTS

The mandate assigned by the Government to the Committee to enquire comprehensively into various aspects of the demand for a separate State of Telangana as well as the demand for maintaining the present status of a United Andhra Pradesh was both complex and multi-dimensional. Its achievement would not have been possible without the collaborative assistance, untiring efforts and dedicated service of various individuals and institutions. The list of those who supported the Committee in its efforts in efficiently completing the task of preparing the Report is so large that it would be well-nigh impossible to record separate acknowledgements for each and every one.

At the very outset, the Committee has great pleasure in acknowledging the help and assistance received from its administrative Ministry, the Ministry of Home Affairs, from time to time. The Committee would like to place on record its thanks to the Union Home Minister, Shri P. Chidambaram, the Home Secretary, Shri G.K. Pillai and the other concerned officers in the Ministry for providing timely and unstinted administrative and logistical support which greatly facilitated the completion of the task in the stipulated time. The Committee also wishes to thank the Secretaries and other senior officers of various Ministries / Departments of the Government of India and other institutions for furnishing information and statistical data on many vital topics whenever asked for by the Committee. The list of these Ministries / Departments and the institutions is at Appendix – A.1.

The first task before the Committee was to decide its approach and methodology to fulfil the mandate given by the Government. After exhaustive internal discussions, and going by the significance of the subject, the Committee decided to adopt a participatory and consultative approach for the completion of its task. As such, the Terms of Reference of the Committee were notified in the Public Notice dated

February 20, 2010, published in Telugu, Urdu, English and Hindi newspapers of Andhra Pradesh as well as in the leading English dailies of Delhi. The underlying idea for the issue of the 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, minorities, SCs / STs / BCs, non-gazetted officers, lawyers, engineers, etc., with a view to elicit their views and suggestions on the various issues as mentioned in the Terms of Reference. A second Public Notice was issued on March 22, 2010. The Committee expresses its gratitude and appreciation to the leaders and representatives of the political parties, organisations and groups as also to the various sections of the society, which interacted with the Committee and gave their well-considered views and suggestions. It was particularly heartening to receive practical advice from the general public on several topics having bearing on the issue. These valuable inputs helped the Committee a great deal in formulating its recommendations.

The Committee awarded four research studies on certain key topics relevant to the issue, to eminent subject matter experts and academic and research institutes of repute. A list of such studies and the names of institutes and individuals is given in the Chapter on 'Approach and Methodology' in this Report. The Committee has greatly benefitted from the studies which were based on exhaustive research of the relevant material and its in-depth analysis. The Committee sincerely thanks the institutes and the individuals involved in conducting these studies.

The Committee held most of its meetings at Hyderabad. Besides, the Committee or its Members individually undertook field visits to all the 23 districts of the State of Andhra Pradesh as well as the villages in these districts to get a first hand feel at the ground level. The Committee places on record its deep appreciation for the State Government and managements of the other institutions, such as the Lake View State Guest House, the Jubilee Hall and the Dr. MCR Institute of Public Administration for providing full assistance in the successful organization of these meetings and visits. The

Committee is particularly grateful to Excellency Shri E.S.L. Narasimhan, Hon'ble Governor, Shri K. Rosaiah, the previous Chief Minister, Shri N. Kiran Kumar Reddy, the present Chief Minister, Shri S.V. Prasad, Chief Secretary, Shri R.R. Girish Kumar, the former Director General of Police, Shri K. Aravinda Rao, the present Director General of Police, Shri R.M. Gonela, Principal Secretary (GAD), other senior officers, district civil and police officials, support staff and civil society in general in this regard.

The Committee is particularly appreciative of the tremendous help and high quality assistance provided by Dr. Rajiv Sharma, IAS, Director General, Centre for Good Governance, who was nominated by the State Government as the Nodal Officer of the Committee, and Shri N.V. Ramana Reddy, Special Secretary (Protocol), who most efficiently looked after the protocol and logistical arrangements during the Committee's numerous visits to the state.

The Committee, all along, received able administrative support from the officers and the staff of the Inter-State Council Secretariat (ISCS). During the Committee's tenure of eleven months, the Secretaries, namely Shri Mukul Joshi and Shri Ajoy Acharya, at different periods, provided full assistance and help to the Committee, not only by attending to the Committee's needs and requirements but also by placing all available resources at its disposal. In addition, Special / Additional Secretaries & Advisers, namely Shri Shashi Prakash and Shri A.K. Patnaik, at different periods, also provided full support and unstinted cooperation to the Committee. Besides administrative support, the valuable inputs of senior officers in the meetings of the Committee and in the meetings with the various groups are also greatly appreciated. The fact that the ISCS had to support the Committee in addition to their normal duties has also to be recognized.

The Government had sanctioned five positions of Senior Consultants/Consultants for the Committee. The following persons were appointed against these positions

keeping in view their rich and varied experience; Shri Ravi Dhingra, a retired IAS officer, appointed as Sr. Consultant. He had worked as Additional Secretary & Adviser, ISCS, Chief Secretary, Government of Himachal Pradesh, and had retired as Secretary, ISCS; Shri S.D. Sharma, a retired IAS officer, appointed as Sr. Consultant. He too had worked as Additional Secretary & Adviser, ISCS, and had retired as Member, Board of Revenue, Government of Jharkhand. (Consequent upon his appointment as State Election Commissioner, Government of Jharkhand, he was relieved w.e.f. 16.05.2010.); Shri B.L.Joshi, a retired Senior Economist of National Council of Applied Economic Research, appointed as Sr. Consultant; Dr. (Ms.) Ameeta Motwani, Associate Professor, Department of Commerce, Jesus and Mary College, University of Delhi, appointed as Sr. Consultant; Shri V. Venkatesan, a retired Director of Ministry of Rural Development / Ministry of Power, appointed as Consultant; and Ms. Pradeep Bolina, a retired Joint Secretary of Ministry of Women & Child Development, appointed as Consultant after Shri S.D. Sharma. The Sr.Consultants/ Consultants contributed significantly in the collection of the relevant material and compilation of the same for writing the various chapters of the Report. The Committee would also like to place on record its appreciation of Shri Ilyas Pasha and Ms. Meghna Sharma, attached to the Members, for their help in preparing the Report. Shri Pasha, an officer of the Government of Karnataka, who worked in the Committee on deputation basis, proved to be an asset to the Committee. Like-wise, Ms. Sharma also put in a splendid effort in ensuring that the tasks assigned to her were completed on time. In addition, Prof. G.S. Bhalla and Dr. Gurmail Singh, both Agriculture Experts, Shri Ketan Mukhija, Legal Expert, Shri Anurag Kumar, IIT Delhi, and Shri Devendra Kumar, Ms. Veerpal Kaur and Ms. Jaya Koti of the National Council of Applied Economic Research, also contributed a great deal in their respective fields.

The other senior officers, both in the Inter-State Council Secretariat (ISCS) and the Committee, also worked very hard and tirelessly throughout the entire tenure of the Committee. Specific mention may be made here to the efforts put in by the

Directors, S/Shri Amitabh Kharkwal, B. Jana, K.P. Mishra, J.B. Sinha and the Deputy Secretaries, S/Shri R.Vaidyanathan, A.K.Sharma and Sushil Kumar. Besides, the Committee is also highly appreciative of other officers, such as the Under Secretaries, the Section Officers and the support staff of both the ISCS and the Committee in contributing a great deal to the smooth functioning of the Committee. The list of the officials, who did a commendable job, however, does not end here. The Committee wishes to place on record the excellent service rendered by the personal staff attached to the Member Secretary and the Secretary, ISCS. In this regard, the Committee would like to specifically mention the names of S/Shri M.M. Sharma, Senior Principal Private Secretary, T.S. Bhumbrah, Private Secretary and Sudarshan Kumar, Assistant, who worked with the Member Secretary, and Smt. Raj Kumari Kewlani, Personal Staff Officer and Shri Inder Jeet Arora, Private Secretary, who worked with the Secretary, ISCS. The Committee is particularly happy to commend Shri Sudarshan Kumar who, in addition to his normal duties, also performed the tedious job of Protocol Assistant in the Committee. A list of the officers and the clerical staff of the ISCS and the Committee is placed at Appendix–A.2. The Committee is happy to acknowledge the dedicated and painstaking work put in by all the officers and staff of the ISCS and the Committee.

As mentioned in the beginning itself, it would be almost impossible to acknowledge the contribution of each and every individual by name. While the Committee has taken care to acknowledge the contribution made by various institutions and individuals, it is possible that some names may have been left out inadvertently. As such, the Committee would like to record its sincere thanks for the help and support provided to the Committee by all such institutions and individuals.

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Abbreviations

Addl.	Additional
AE	Assistant Engineer
AIMIM	All India Majlis-e-Ittehadul Muslimeen
Anicut	A diversion structure
AP	Andhra Pradesh
APERC	Andhra Pradesh Electricity Regulatory Commission
APgenco	Andhra Pradesh Generation Company
APIIC	Andhra Pradesh Industrial Infrastructure Corporation
APL	Adaptable Programme Lending
APPSC	Andhra Pradesh Public Service Commission
APSEB	Andhra Pradesh State Electricity Board
APSIDC	Andhra Pradesh State Irrigation Development Corporation
APSRTC	Andhra Pradesh State Road Transport Corporation
APtransco	Andhra Pradesh Transmission Corporation
APTRANSCO	AP Transport Corporation
ARR	Aggregate Revenue Requirements
Art.	Article
ASER	Annual Status of Education Report
Ayacut	Irrigated (Command) Area
BBMB	Bhakra Beas Management Authority
BC	Backward Caste
BCM	Billion Cubic Meters
BHEL	Bharat Heavy Electricals Limited
BPL	Below Poverty Line
BPPA	Buddha Purnima Project Authority
BSNL	Bharat Sanchar Nigam Limited
C E	Chief Engineer
CCPP	Combined Cycle Power Project
CCSAP	Committee for Consultations on the Situation in Andhra Pradesh
CDA	Cyberabad Development Authority

CEA	Central Electricity Authority
CEPT	Center for Environmental Planning and Technology University
CFL	Compact Fluorescent Lamp
CGM	Computer Graphics Metafile
CKM	Circuit Kilo Meters
CM	Chief Minister
CMIE	Centre for Monitoring Indian Economy
CMP	Common Minimum Programme
CPDCL	Central Distribution Power Company
CPI	Communist Party of India
Crore	Ten million
CSO	Central Statistical Office
CWC	Central Water Commission
Discoms	Distribution companies
DOP&T	Department of Personnel & Training
Dy	Deputy
E in C	Engineer in Chief
EE	Executive Engineer
EHV	Extra High Voltage
EPDCL	Eastern Distribution Power Company
Ex	Earlier
Ft	Feet
GCA	Gross Cropped Area
GDDP	Gross District Domestic Product
GDP	Gross Domestic Product
GHMC	Greater Hyderabad Municipal Corporation
GIA	Gross Irrigated Area
GLC	Gas Linkage Committee
GMR	Giant Magnetoresistive Company
GO	Government Order
GoAP	Government of Andhra Pradesh

GOI	Government of India
GoM	Group of Ministers
GP	Gram Panchayats
GWDT	Godavari Water Dispute Tribunal
GWH	Giga watt hours
Ha.	Hectare
HADA	Hyderabad Airport Development Authority
HDPI	Human Development Profile of India
Hects	Hectares
HLC	High Level Canal
HMDA	Hyderabad Metropolitan Development Authority
HMWSSB	Hyderabad Metropolitan Water Supply and Sewerage Board
HPCL	Hindustan Petroleum Corporation Limited
HT	High tension (voltage)
HUDA	Hyderabad Urban Development Authority
HVDS	High Voltage Distribution System
Hydel	Hydro-electric
IAS	Indian Administrative Service
ICAP	Infrastructure Corporation of Andhra Pradesh
IIT	Indian Institute of Technology
IMA	Implementation and Monitoring Authority
IMR	Infant Mortality Rate
IPP	Independent Power Producers
IT	Information Technology
ITES	Information Technology Enabled Services
JAC	Joint action Committee
KC Canal	Krishna Cudappah Canal
KG basin	Krishna Godavari basin
Km	Kilometer
KM	Kilo meter
kms	Kilo meters

KTPS	Kothagudam Thermal Power Station
KV	Kilo volt
KWDT	Krishna Water Dispute Tribunal
Kwh	Kilowatt-hour
KWH	Kilo Watt Hour
Lakh	Hundred thousand
LP	Land Productivity
LPG	Liquefied Petroleum Gas
LT	Low tension (voltage)
M	Meter
Mandals	An administrative unit consisting a group of villages
MCH	Municipal Corporation of Hyderabad
MCM	Million Cubic Meters
MDDL	Minimum Draw Down Level
MG-NREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MHRD	Ministry of Human Resource Development
MKVDC	Maharashtra Krishna Valley Development Authority
MLA	Member of Legislative Assembly
MLC	Member of Legislative Council
MMRDA	Mumbai Metropolitan Region Development Authority
MMTS	Multi-Modal Transport Service
MoWR	Ministry of Water Resources
MP	Madhya Pradesh
MP	Member of Parliament
MP	Mandal Parishad
MPCE	Monthly Percapita Consumption Expenditure
MU	Million Units
MW	Mega Watt
Nala	A small stream
NCA	Narmada Control Authority
NCAER	National Council of Applied Economic Research

NCE	Non Conventional sources of Energy
NCMP	National Common Minimum Programme
NCR	National Capital Region
NDA	National Democratic Alliance
NGO	Non Governmental Organisation
NGOs	Non-gazetted Officers
NIA	Net Irrigated Area
NLBC	Nagarjunsagar Left Bank Canal
NPDCL	Northern Distribution Power Company
NSA	Net Sown Area
NSS	National Sample Survey
NSSO	National Sample Survey Organisation
NSTL	National Software Testing Laboratories
NTPC	National Thermal Power Corporation
NUEPA	National University of Educational Planning & Administration
OBC	Other Backward Classes
OMC	One Man Commission
Para	Paragraph
PCC	Pradesh Congress Committee
PCPIR	Petroleum, Chemicals and Petrochemical Investment Region
PFC	Power Finance Corporation
PGCIL	Power Grid Corporation of India Ltd.
PHC	Primary Health Centre
PLF	Plant Load Factor
PPP	Public Private Partnership
PRI	Panchayat Raj Institution
PRP	Praja Rajyam Party
QQSUDA	Quli Qutb Shah Urban Development Authority
R-APDRP	Restructured Accelerated Power Development Reforms Programme
RBC	River Basin Council

RBI	Reserve Bank of India
RDS	Rajolibanda Diversion Scheme
Retd.	Retired
RGGVY	Rajiv Gandhi Grameen Vidutyikaran Yojana
RTPP	Rayalaseema Thermal Power Project
SAIL	Steel Authority of India Limited
SC	Scheduled Caste
SCB	Scheduled Commercial Bank
SCR	South Central Railway
SCs	Scheduled Castes
SE	Superintending Engineer
SEZ	Special Economic Zone
SLRB	State Level Recruitment Board
SPDCL	Southern Distribution Power Company
SPF	Six Point Formula
Sq	Square
Sq. kms	Square kilometers
SRBC	Srisaillam Right Bank Canal
SRC	States Reorganisation Commission
SRSP	Sriramsagar Project
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe
STs	Scheduled Tribes
T&D	Transmission and Distribution
TBP	Tungabhadra Project
TCLF	Telangana Congress Legislators Forum
TDP	Telugu Desam Party
Telangana exc Hyd	Telangana excluding Hyderabad
Telangana inc Hyd	Telangana including Hyderabad
TJAC	Telangana Joint Action Committee
TMC	Thousand million cubic feet

TMC	Billion cubic feet
ToR	Terms of Reference
TPR	Teacher Pupil Ratio
TRC	Telangana Regional Committee
TRS	Telangana Rashtra Samithi
TVA	Tennessee Valley Authority
UN	United Nations
UPA	United Progressive Alliance
UPSC	Union Public Service Commission
VAO	Village Administrative Officer
WPR	Work Participation Rate
XLPE	Cross linked polyethylene insulated power cable (<i>XLPE</i> cable)
ZP	Zilla Parishad

CHAPTER 1

DEVELOPMENTS IN ANDHRA PRADESH- A HISTORICAL BACKGROUND

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1

DEVELOPMENTS IN ANDHRA PRADESH – A HISTORICAL BACKGROUND

1.1 Introduction

1.1.01 The present state of Andhra Pradesh came into being on November 1, 1956. It was constituted with the merger of the large and predominantly Telugu-speaking residuary part of the erstwhile state of Hyderabad with the state of Andhra that had come into existence earlier after its separation from the then Madras state.

1.1.02 Andhra state was constituted as a result of the efforts of Telugu-speaking people of Madras state who wished to have a separate linguistic state for promoting their own distinct culture. The state was formed on October 1, 1953, after the Act of Parliament (the Andhra State Act of 1953) received the President's assent on September 14, 1953. It was the first state constituted on linguistic basis after India's independence. At the time of its formation, Andhra state consisted of the districts of Anantapur, Kurnool, Kadapah, Chittoor, Nellore, Krishna, Guntur, East Godavari, West Godavari, Visakhapatnam and Srikakulam. In addition, Alur, Adoni and Rayadurg talukas of the Bellary district were also added to Andhra state. The first two talukas were included in Kurnool district and the last mentioned was added to Anantapur district. Prakasham (Ongole) district came into existence on February 2, 1970, by carving out portions of Nellore, Kurnool and Guntur districts. Similarly, in 1979- 80, a new district Vijayanagaram (now Vizianagaram) was created out of Srikakulam and Visakhapatnam districts. Kurnool, which was the district headquarters, was selected and developed as the capital of Andhra state. The Legislative Assembly functioned from Kurnool and consisted of 196 members. The Andhra High Court

was set up on July 5, 1954, and was located at Guntur.¹ This arrangement was in keeping with the Sri Bagh Pact that had been arrived at as early as on November 15, 1937, between the leaders of coastal Andhra and Rayalaseema, in which it had, inter-alia, been 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 Rayalaseema."* Earlier, in 1927 the University had been located in the north coastal district of Visakhapatnam (Waltair). The details of the Sri Bagh Pact are given at Appendix 1.1.

1.1.03 The Nizam state of Hyderabad, in the meanwhile, had become part of the Indian Union following the Police Action by the Government of India during September 13-18, 1948. The state of Hyderabad was kept under the rule of a military governor till the end of 1949. In January, 1950 a senior administrator M.A.Vellodi, ICS, was made the Chief Minister and the Nizam was given the status of Rajpramukh. After general elections of 1952, the first popular ministry, headed by Burgula Ramakrishna Rao, took charge of the state. The state of Hyderabad, during 1952-56, consisted of the primarily Telugu-speaking districts of Mahabubnagar, Nalgonda, Warangal, Karimnagar, Adilabad, Nizamabad, Khammam, Medak and the city of Hyderabad (including Ranga Reddy district), the predominantly Marathi-speaking northern districts of Aurangabad, Bir, Pharbani, Osmanabad and Nanded and the Kannada-speaking southern districts of Gulbarga, Raichur and Bidar.² The Telugu-speaking districts together formed more than 50% of the area of Hyderabad state. Notwithstanding the same, Hyderabad, during Nizam's rule, was the only native state where the language of administration was neither English, nor that of the people of the state. The

1 Khan, Md Abdul Waheed (ed.) Brief History of Andhra Pradesh- State Archives, Government of Andhra Pradesh, Hyderabad, p 113-114

2 A.P. State Archives Research Institute, Govt. of Andhra Pradesh, Hyderabad

language of the courts, the administration and instruction in educational institutions was primarily Urdu.

1.1.04 After the formation of Andhra state in October, 1953, the demand for creation of other linguistic states gained momentum. On December 22, 1953, the then Prime Minister, Pt. Jawaharlal Nehru, announced in the Lok Sabha the decision to set up a States Reorganization Commission to examine "objectively and dispassionately" the whole question of the reorganization of the states of the Indian Union. Accordingly, the Government of India, vide Ministry of Home Affairs resolution, dated December 29, 1953, appointed the "States Reorganization Commission" headed by Justice S. Fazal Ali with H.N. Kunzru and K.M. Panikkar as members, to examine and suggest a rational solution for the reorganization of states, based on language. The Commission submitted its report to the Government of India in 1955. *"The Commission, after consultations and interactions with various groups of people, is reported to have found the public will in favour of linguistic reorganization. The rationale was that language being the most faithful reflection of the culture of an ethnic group, ethno-lingual boundaries would be considered the most stable and suitable arrangement for the effective working of democratic entities and institutions. It was also perceived that the same would also have the advantage of ease for people's interaction with the government."*³

1.1.05 SRC itself in the above context concluded in their Report:

"It is obviously an advantage that Constituent units of a federation should have a minimum measure of internal cohesion. Likewise, a regional consciousness, not merely the sense of a negative awareness of absence of repression of exploitation but also in the sense of scope of positive expression of the collective personality of a people inhabiting a state or a region may be conducive to the contentment and well being of the community. Common language may not only promote the growth of such

³ Report of the Second Commission on Centre-State Relations – Vol. I, Evolution of Centre-State Relations in India, p. 64

*regional consciousness but also make for administrative convenience. Indeed, in a democracy, the people can legitimately claim and the government has a duty to ensure that the administration is conducted in a language which the people can understand.*⁴

The States Reorganization Commission, accordingly, unanimously adopted the principle of linguistic homogeneity as the basis to recommend the reorganization of states. Based on the recommendations, the States Reorganization Act was passed by the Parliament and came into effect on November 1, 1956.

1.1.06 The SRC in its report also mentioned:

*“further reorganization of States in the South is dependent in a large measure on the future of Hyderabad.There has been a general demand, with popular support behind it, that the State should be disintegrated on the basis of linguistic and cultural affinity.”*⁵ Considering the above and other issues, the SRC recommended that:

- (i) *the Kannada-speaking districts of Raichur and Gulbarga be transferred to the then Mysore State (the proposed Karnataka State),*
- (ii) *the Marathwada districts should also be detached from Hyderabad State; and as for the primarily Telugu speaking areas, the Commission’s recommendation was that*
- (iii) *the residuary State of Hyderabad might unite with Andhra after the General Elections likely to be held in about 1961, if by a two-thirds majority the Legislature of Hyderabad State expresses itself in favour of such a unification.*⁶

The SRC also recommended that the residuary state should continue to be known as Hyderabad state and should consist of Telugu-speaking districts of the then princely state of Hyderabad, namely, Mahabubnagar, Nalgonda, Warangal (including Khammam), Karimnagar, Adilabad, Nizamabad, Hyderabad and Medak, along with Bidar district, and the Munagala enclave in the Nalgonda district belonging to the Krishna district of Andhra.⁷

4 SRC Report, p.142

5 SRC Report, p. 359-360

6 SRC, Recommendation No. 4, p. 257

7 SRC Report, Para.4, p. 257

1.1.07 The SRC, with the above recommendation regarding the residuary part of Hyderabad, had clearly given an indication that, at that point of time in 1955, it was not sure as to whether its immediate merger or unification with Andhra was the best or most satisfactory answer and that is why it wanted enough time to be given to the people of Hyderabad to think about the matter and determine their future after the general elections that were likely to be held after six years or so. Even in the detailed discussion on the subject, the Commission expressed different viewpoints in its report, giving several pros and cons of the two possibilities, such as:-

- i) *The creation of Vishalandhra is an ideal to which numerous individuals and public bodies, both in Andhra and Telangana, have been passionately attached over a long period of time, and unless there are strong reasons to the contrary, this sentiment is entitled to consideration.*⁸
- ii) *Another advantage of Vishalandhra will be that the development of Krishna and Godavari rivers will thereby be brought under unified control. The Krishna and Godavari projects rank amongst the most ambitious in India. They have been formulated after prolonged period of inactivity,.... Since Telangana as part of Vishalandhra will benefit both directly and indirectly from this development, there is a great deal to be said for its amalgamation with the Andhra State.*⁹(Para 372 : page 104)
- iii) *The case for Vishalandhra thus rests on arguments which are impressive. The considerations which have been urged in favour of a separate Telangana State are, however, not such as may be lightly brushed aside.* (Para 375: page 105)
- iv) *One of the principal causes of opposition to Vishalandhra also seems to be the apprehension felt by the educationally-backward people of Telangana that they may be swamped and exploited by*

8 SRC Report, Para 375

9 SRC Report, Para 378, p 105

the more advanced people of the coastal area. In the Telangana district outside the city of Hyderabad education is woefully backward.....the real fear of the people of Telangana is that if they join Andhra they will be unequally placed in relation to the people of Andhra and in this partnership the major partner will derive all the advantages immediately while Telangana itself may be converted into a colony by the enterprising coastal Andhra.

The full text of the debate on this issue in the Report of the States Reorganisation Commission (Paras 359 to 393) is given at Appendix 1.2.

1.1.08 Following the States Reorganization Act, while the Marathi-speaking districts of the composite Hyderabad state, as mentioned in para 1.1.06, were merged with the then Bombay state, the Kannada-speaking districts of Gulbarga, Raichur and also Bidar were included in the then Mysore state.

1.1.09 In the meanwhile, from the time of formation of Andhra state, in the parliamentary debates during 1953-1955, sentiments were expressed by members of parliament representing the erstwhile state of Hyderabad, in favour of unification of all the Telugu-speaking areas of both Andhra state and erstwhile Hyderabad state. Even stronger expressions were in favour of Hyderabad to be considered and made the capital in place of Kurnool. To quote a few, Shri Heda, MP from Nizamabad, on August 19, 1953, while speaking on the Andhra State Bill mentioned in the Lok Sabha:

"Unfortunately, in the whole of Andhra, that is the 11 districts there is no single town, which, I think, would be worth calling even a district centre. Fortunately, in Hyderabad, we have got a readymade capital, one of the best cities in the whole of India, very good cement roads, many buildings and all the amenities of city life. Therefore, if a decision about Hyderabad city could have been taken, Hyderabad city would have been a very easy and ready capital and so many difficulties and hurdles would have been easily overcome....."

If Hyderabad is going to be the future capital of Vishal Andhra, why not create those links; why not develop those links which are

already there and thereby facilitate the future location of your capital? That is my point.....”

Shri M.R.Krishna, MP from Karimnagar, talking on the same Bill on August 19, 1953, mentioned on similar lines:

“I would like to say that if the temporary capital of Andhra is located somewhere outside Hyderabad, then, after some time when the Government of India decides that Hyderabad should be disintegrated, it would create more problems for the people of Hyderabad who have been all the time patiently hearing and acting on the advice of the Central Government. Therefore, I would say that instead of locating the temporary capital outside Hyderabad, Hyderabad should be immediately disintegrated and the capital should be located in Hyderabad.”

Shri Krishnacharya Joshi, M.P. from Yadagiri, in the same session mentioned:

“Many people hold the view that unless Hyderabad is disintegrated and the 8 districts of Telangana integrated with the Andhra State, the Andhra State will remain incomplete.....”

In other words, the expression was largely in favour of Hyderabad city (not Kurnool) to function as the capital of the Andhra state, with the unification of the Telugu-speaking areas, looking possible in not too distant a future. While these views had been expressed in the Parliament in 1953, in the Telangana convention held in November, 1955, at Secunderabad, Harishchandra Heda, MP, changed his earlier position and strongly supported the formation of a separate Telangana state on a permanent basis. In the resolution so passed at this convention after a long debate, besides the known Telangana protagonists K.V. Ranga Reddy and M. Chenna Reddy, Heda was supported by several other senior Congress leaders, such as APCC President J.V.Narasinga Rao, Ahmed Mohiuddin, MP, M. Hanumantha Rao and the like.

1.1.10 There had been a strong sentiment for the unified Telugu-speaking state for a long time, and more so, since the time the national leadership had agreed in principle on formation of Andhra state in 1946. Towards this end, an

organization called Vishalandhra Mahasabha was formed in 1949 by the leaders of Andhra area. This also had the support of a sizeable section of Telugu-speaking people of the Hyderabad state. In fact, the idea of Vishalandhra had originated in Circar districts as early as in 1937. The Andhra Congress Swarajya Party aimed at formation of Andhra province for all Telugu areas, including Telangana. The Working Committee of Andhra Mahasabha, in October, 1942, had resolved in favour of Vishalandhra. The advent of Independence and accession of Hyderabad to the Indian Union in 1948 gave an impetus to the demand of Vishalandhra. Shri A. Kaleswara Rao (who later became the Speaker of Andhra Pradesh Assembly) formed the Vishalandhra Mahasabha in November 1949, ten days after the Congress Working Committee recommended steps for formation of an Andhra Province. The Standing Committee of Vishalandhra Mahasabha met at Warangal in February 1950 and demanded the immediate formation of a separate Andhra state, the disintegration of Hyderabad state and the constitution of Vishalandhra state with Hyderabad as capital. About a month later, the Hyderabad State Congress unanimously demanded the disintegration of Hyderabad and merger of three areas, namely, Telangana, Marathwada and Karnataka in the adjoining linguistic provinces.¹⁰ These efforts were intensified in 1953 with the decision of the Government of India on the formation of Andhra state. Notwithstanding the same, there was also a counter-sentiment in the Telugu-speaking areas of Hyderabad state for retaining their independent identity. During this period, Pt. Nehru had also initially spoken in favour of retaining a separate state of Hyderabad and this encouraged the protagonists of independent Telugu-speaking Hyderabad state to intensify their efforts for this cause. Accordingly, SRC became a platform, for both the opponents and the supporters of unification, for submitting their respective viewpoints, which was done very effectively. It is believed that, this is why the SRC could not decide the status of Hyderabad, one way or the other. The SRC report, simultaneously favouring the separate residuary Hyderabad state as well as mentioning

¹⁰ Rao, K.V.N. 1973 The Emergence of Andhra Pradesh, Popular Prakashan (Sri K.V.N. Rao is a noted historian who had also served earlier as a Consultant in the Research and Policy Division of the Union Ministry of Home Affairs)

unification, led to intensive lobbying by both the groups and both continued with their efforts to achieve their respective goals. In the context of submitting a Memorandum to SRC, the Hyderabad Pradesh Congress Committee under the Presidentship of K.V. Ranga Reddy (who was for separate Telugu state of Hyderabad) resolved in early 1954, that the future of the three linguistic regions should be decided by the Congress delegates of Telangana, Marathwada and Karnataka in separate meetings which were to be held in June, 1954. Of the Telangana delegates numbering 107, only 50 attended the meeting arranged on June 7, 1954. At the time of voting the next day, only 44 were present. K.V. Ranga Reddy himself did not attend. Dr. M. Chenna Reddy, a Minister in the Hyderabad Government (who was also for separate Telugu State of Hyderabad), moved a resolution recommending the formation of two Telugu states, which was carried by 31 votes to 13. The 13 delegates who opposed, urged the PCC President that the Resolution should not be considered representative of the Telangana opinion. The Hyderabad PCC executive felt that the integrity of Telangana should be preserved in one Telugu state. The Telangana state, as finally demanded, was to consist of the Telangana districts and some Telugu speaking parts in the Marathwada and Karnataka districts and some portion of the Bhadrachalam Taluk of the East Godavari district. However, at the Chief Ministers' conference on October 22, 1955, Andhra and Hyderabad Chief Ministers suggested immediate merger of Telangana and Andhra instead of waiting for five years as proposed by the SRC. In this situation, the Hyderabad Assembly discussed an official resolution on SRC Report from November 25 to December 3, 1955. The trend of the debate was that, out of the 174 members of the House barring the Speaker, who participated in the discussion, 147 members expressed their views. Of these, 103 favoured Vishalandhra, 29 favoured independent Hyderabad state and 15 remained neutral. From the residuary states, 59 wanted Vishalandhra, 25 separate Hyderabad state and 1 was neutral.

1.1.11 The central leadership of the Indian National Congress decided that the issue of "unified larger Telugu state" deserved further examination since the

views on the same were somewhat divided. As such, a sub-committee for this purpose was appointed by the Congress Party. The Government of India, therefore, while accepting other SRC recommendations, kept aside the decision on this particular issue. Both Andhra and Hyderabad states were ruled by the Congress Party at that time. (The two visits by some members of the sub-committee, headed by the then Congress President, U.N. Dhebar, and including luminaries such as Pt. Nehru, Lal Bahadur Shastri, K.N. Katju and others in December 1955 and January 1956 to Hyderabad state, led to the final decision of the trifurcation of the state, but the sub-committee could not decide with regard to the status of the Telugu-speaking areas of "Hyderabad State"). The national leadership of the Congress Party was divided on the question of merging the residuary Hyderabad state with Andhra, with its senior leader Maulana Azad opposed to such a merger. However, with the leadership from Andhra and a majority of the public opinion from the Hyderabad state favouring unification, it is reported that Pt. Nehru was able to persuade Maulana Azad, whereafter, the central leadership took the decision for the formation of Vishalandhra.¹¹ In keeping with the proposal made by both the Chief Ministers in the CMs' Conference of October, 1955, the Central Government thus became agreeable to create the unified state. The leading protagonists of Telangana, like K.V. Ranga Reddy and M. Chenna Reddy, both Ministers in Hyderabad state, nevertheless, stuck to their demand for two separate Telugu states and continued their efforts towards that end. At this point of time, it was felt necessary that some safeguards be ensured in the interest of Telangana and the exercise that was made in this regard resulted in an Agreement between the two regions. At the instance of the Central Government, a meeting of the representatives of both the regions was called in Delhi, which took place at Hyderabad House on February 20, 1956. The two groups were represented by their top state leadership in the Governments and the Pradesh Congress Committees in equal numbers (four each) from both the regions, as given below in the text. After a detailed discussion in the meeting, a

11 Rao, K.V.N. 1973 Emergence of Andhra Pradesh, Popular Prakashan, p 300

comprehensive agreement on the "Safeguards for Telangana" was signed by all the eight participants. The proceedings of this important meeting, as signed by both the groups, popularly known as Gentlemen's Agreement 1956, are reproduced below verbatim (see also Appendix 1.3)

SAFEGUARDS FOR TELANGANA

Proceedings of the meeting held at Hyderabad House, New Delhi on 20th February, 1956:

Present: 1. Shri B.Gopala Reddy 2. Shri Sanjeeva Reddy 3. Shri G. Latchanna 4. Shri A.Satyanarayana Raju 5. Shri B.Ramakrishna Rao 6. Dr. M. Chenna Reddy 7. Shri J.V. Narsing Rao, 8. Sri K.V.Ranga Reddy.

The following points, arising out of the unification of Telangana and Andhra, were discussed, and the conclusions arrived at are 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 Colleges, including technical institutions in the Telangana area, should be restricted to the students of Telangana area, or they later should have admission to the extent of one-third of the total admission 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 services 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 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 20 members as follows:*

9 members of the 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 region will be members. The Chief Minister or the 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 by agreement earlier, this arrangement will be reviewed at the end of ten years.

12. The Cabinet will consist of members proportionately 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 and (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.

The above agreement was arrived at on February 20, 1956. It was signed by

- 1. B.Gopala Reddy, Chief Minister of Andhra;*
- 2. N.Sanjeeva 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.Ramakrishna 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.*

The agreement has been recorded in a book, 'THE STRUGGLE AND THE BETRAYAL *the Telangana story*' written by K.V. Ranga Reddy, the then Deputy Chief Minister, who was also one of the signatories to the agreement in which he has recorded the following:

All those above points (meaning thereby the points covered in the Gentlemen's Agreement) were agreed upon in 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 amended by the Joint Selection Committee, be retained.

(2) Regarding the High Court, the Telangana representatives wanted that there should be a bench at Guntur, with the principal seat at Hyderabad, while the Andhra representatives desired that there should be no bench at Guntur and the entire High Court be located only at Hyderabad. (It may be noted that the States Reorganization Act had already provided satisfaction with regard to the location of Benches of the High Court.)

Subsequently, a note on the safeguards proposed for Telangana area providing, inter-alia, for the constitution and functions of a regional committee of the Legislative Assembly of the Andhra Pradesh state was laid before the Parliament, in the Lok Sabha, on August 10, 1956. Thereafter, the Andhra Pradesh Regional Committee Order, 1958, as approved by the President of India, under Clause 1 of Article 371 of the Constitution to give effect to this scheme embodied in the said note, was issued on February 1, 1958. Copy of the note referred to above is reproduced below verbatim (see also Appendix 1.4)

A. Regional Standing Committee

1. There will be one legislature for the whole of the Andhra Pradesh state, which will be the sole law-making 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 a more convenient transaction of business of the 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 the 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

services in the area is concerned; posts borne on the cadre of these 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 does 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 Region

Allocation of expenditure with the resources of the State is a matter which falls within the purview of the State Government and 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 proposes to invite the attention of the Chief Minister of Andhra to this particular understanding and to express the hope that it would be implemented.

In the book by K.V. Ranga Reddy, while reproducing the Gentlemen's Agreement and the constitution of the Regional Committee, the following is also mentioned:-

Note:

Items 2, 3, 7, 8, 10, 11 are included in Andhra Pradesh Regional Committee order 1958 First Schedule.

Item 4 is included in section 115-116 of States Re-organization Act, 1956.

Item 9 is included in Article 371 of the Constitution of India.

Safeguards

Item 2 to 7 are included in Andhra Pradesh Regional Committee order 1958 First Schedule.

Item 6 is included in Domicile rules of State Govt. and Regional committee order 1958 First Schedule.

The remaining items are treated as terms of "Gentlemen's Agreement".

1.1.12 This path breaking Agreement was signed with the intention that the same would pave the way for good and equitable governance of both the regions in the unified state. However, as future events would tell, non-implementation of some provisions of the Agreement, once again, led to the agitations demanding the division of the state. As can be seen from the text in sub-para 1.1.11 above, the Gentlemen's Agreement, consisting of 14 items, covered constitution and functions of a statutory Regional Council and various matters in respect of Telangana, like services, development, sale of agricultural lands, the position of Urdu, appropriate political arrangement for CM/Dy. CM and representation in the ministry etc. Besides, there was no mention of a Regional Committee. However, the Regional Committee of the Assembly was constituted as per Article 371 (1) of the Constitution, to provide support for the implementation of certain elements of the Agreement. This was one of the major reasons for the early discontent in Telangana.

1.1.13 Two other points were discussed subsequently and understanding was arrived at. In the draft Bill of the States Reorganization Act, the name of the unified state was captioned as "Andhra-Telangana". However, keeping in view the point raised by Andhra leaders that, the name would underline the differences between the two regions, the Joint Select Committee which went into the provisions of the draft Bill amended the name as "Andhra Pradesh". There was another point of difference over the location of Bench at Guntur where the High Court was functioning. This was met with the provision of section 51(2) in the States Reorganization Act, which provided for the establishment of a

permanent bench or benches of the High Court at one or more places within the state, other than the principal seat of the High Court and for any matter connected therewith.

1.1.14 The Government of India, prepared a Note on Safeguards proposed for the Telangana area and placed it on the table of Lok Sabha on August 10, 1956. By the Constitution (Seventh Amendment) Act, 1956, the provision under Article 371, for temporary supervision of the Union Government over the states in Part B of the Constitution, was substituted to create, by order, Regional Committees of the Assembly in Andhra Pradesh (and Punjab) and Development Boards for the different regions in the then Bombay state, by special provisions with respect to the states of Andhra Pradesh, Punjab and Bombay. The new Article 371, inter-alia, empowered the President to create, by order, Regional Committees of the Assembly in Andhra Pradesh.

1.1.15 Thus came into being the state of Andhra Pradesh. The Prime Minister, Pt. Jawaharlal Nehru, inaugurated the new state on November 1, 1956.

1.2 Andhra Pradesh (1956- 1973)

1.2.01 Although Andhra Pradesh constitutionally became a geographically unified state, in many respects it continued to function as a political mix of two entities, namely, the Andhra and the Telangana regions. However, in socio-economic comparisons, given the historical background, it was considered as a mix of three distinct regions i.e. coastal Andhra, Rayalaseema and Telangana.

1.2.02 Looking back, it can be said that, the identification of Andhra Pradesh as a political mix of two entities caused and resulted in more discomfiture than advantage as events continued to evolve. As discussed elsewhere in the Report, the economic and political life of Andhra Pradesh in its fifty four years of existence has shown different kinds of turbulence at various points of time. During the first two decades itself, the state was rocked by two major

movements; one in 1969, popularly known as "Jai Telangana" and the other in 1972, popularly known as "Jai Andhra". While the former was concentrated in Telangana region and the latter in Andhra region, the impact of the two was felt generally all over the state. A detailed account of these two agitations has been given later in this paragraph. During this period, the effectiveness of the implementation of the "Gentlemen's Agreement", made at the time of the formation of the state, was also put to a test. There was criticism that though the implementation of the Agreement cast some shades of illumination, but at the same time, had many patches of darkness. Of the fourteen points included in the Agreement, there were mainly three items which, were considered to be of immense political and socio-economic importance and generally the focus was on these three areas only. These items were (i) the political issues relating to representation of Telangana in the power sharing structure; (ii) the socio-economic issues relating to the utilization of revenue surpluses/appportioning of budget for the Telangana region and (iii) proper sharing of employment and educational opportunities in the state. It may be worthwhile to mention here that, the implementation of the Agreement itself started on a discordant note. The political space in the institution of Deputy Chief Minister (or Chief Minister) for the Telangana region was denied by the signatory to the Gentlemen's Agreement and the Chief Minister from Andhra area, Neelam Sanjeeva Reddy (who became the first Chief Minister of the united Andhra Pradesh) in the very first Ministry in 1956 by reportedly calling it an "unwanted sixth finger of the hand".¹² This issue was to become a major sore point for Telanganites for all times to come. With the passage of time, in later years, other issues such as the sharing of waters and irrigation resources, land management etc., also became quite contentious. Forced by the events caused by the discord that had been created, in the second ministry which was formed on January 11, 1960, with D. Sanjeevaiah as Chief Minister, this imbalance was rectified and Shri K.V. Ranga Reddy from Telangana was appointed as Deputy Chief Minister. This arrangement continued only for two years, whereafter, when Neelam Sanjeeva Reddy came back as Chief Minister, he again dispensed with the appointment of Deputy Chief

12 Rao, P.R., History and Culture of Andhra Pradesh: From the Earliest Times to 1991, p 324

Minister. The arrangement of Chief Minister/Dy. Chief Minister got restored only after the 1969 "Jai Telangana" agitation.

1.2.03 The States Reorganization Act, 1956, and the seventh Amendment to the Constitution of India, 1956, in the form of Article 371, took into account the Gentlemen's Agreement and included, besides the Constitution of the new state, the important provision regarding the Constitution of the Regional Committee. The relevant provisions of the SRC and Article 371 respectively are:

(i) Andhra Pradesh.....The territories specified in subsection (1) of section 3 of the Andhra State Act, 1953 and the territories Specified in sub-section (1) of section 3 of the State Reorganization Act, 1956.

*(ii) Substitution of a new Article for Article 371- For Article 371 of the Constitution the following Article was substituted, namely:-
371. Special Provisions with respect to the states of Andhra Pradesh, Punjab and Bombay:-(1)Notwithstanding anything in this Constitution, the president may, by order made with respect to the State of Andhra Pradesh or Punjab, provide for the Constitution and functions of the Regional Committees of the Legislative Assembly of the State, for the modification 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 committee.*

1.2.04 Thus, a Regional Committee of the Legislative Assembly of the state got constituted in 1958. The Regional Committee of the Assembly was believed to have been fashioned after the Scottish Standing Committee of the British House of Commons with intentions of safeguarding the regional interests. It had been tried earlier in Punjab (1957-66) to keep together the Hindi-speaking areas having majority of Hindus and Punjabi-speaking areas inhabited by Sikhs under one administration. Prime Minister Jawaharlal Nehru stated in Parliament that the settlement with the Akali Dal and consequent establishment of the Regional Committee in Punjab had a relevant precedent in the "Scottish Convention" of the British Parliament and that the scheme was

modeled on the practice obtaining in the United Kingdom¹³. However, as decided in the Gentlemen's Agreement, 1956, the statutory Regional Council which was to look after the political space, the implementation of development and other related issues was not constituted. This has been noted in sub-para 1.1.12 also.

1.2.05 Following the formation of the unified Andhra Pradesh state, elections to the Assembly from the Telangana Constituencies were held in 1957. Since Assembly elections had been held for the erstwhile Andhra Legislature in 1955, before the merger of Telangana region with Andhra, the Assembly membership for that portion of the Legislature was allowed to continue.

1.2.06 In pursuance of the decisions of the Central Government, as given in Para 1.2.04, and in exercise of the powers conferred by clause (i) of Article 371 of the Constitution, the "Andhra Pradesh Regional Committee Order, 1958" was issued by the Union Ministry of Home Affairs on first February 1958. Copy of the Gazette notification is at Appendix 1.5. The Andhra Pradesh Government, in its Gazette notification dated March 13, 1958, reproduced the said notification to the Government of India for constitution of the Andhra Pradesh Regional Committee along with the modifications that to be made in the Andhra Pradesh Legislative Assembly Rules. Copy of the Gazette Notification of the Andhra Pradesh Government is at Appendix 1.6. Later events would tell that the "Regional Committee" could only play a limited role, at least till 1969. It is generally contended that, providing the agreed political space to the leaders from Telangana and the establishment of the statutory Regional Council as an implementation body, as enshrined in the Gentlemen's Agreement, would have made a substantial difference in the historical growth of the integrated state, besides economic development of Telangana region. Most delegations from

¹³ Kapur, A.C. 1959 Government of Indian Republic, in, KVN Rao, State Government and Politics: Andhra Pradesh, p 115

Telangana region, which appeared before the Committee, raised these issues adding that this was the beginning of the mistrust between the two regions.

1.2.07 The Schedule matters that the Committee could deal with were spelt out in the first schedule of the Order of the Union Ministry of Home Affairs. These were:

- (i) Local self Government that is to say, the Constitutional powers of Municipal Corporations, Improvement Trust, District Boards and other district Authorities for the purpose of Local Self Government or village Administration;*
- (ii) Public Health and Sanitation; Local Hospitals and Dispensaries;*
- (iii) Primary and Secondary Education;*
- (iv) Regulation and Admissions to educational Institutions in the Telengana region;*
- (v) Prohibition;*
- (vi) Sale of Agriculture Lands;*
- (vii) Cottage and Small scale Industries;*
- (viii) Agriculture, Cooperative Societies, Markets and Fairs;*
- (ix) Development and Economic Planning within the framework of general development Plans and Policies formulated by the State legislature.*

1.2.08 For the purposes of comparison with the matters identified for the Regional Committee, it would be seen that the following subjects were not included in a modified form in the Government Order.

- (i) The important areas of "services in the Government" and "employment opportunities" were not included;
- (ii) "Development and planning" was restricted to matters not involving any financial commitment by introducing the words "*is in conformity with the overall financial arrangement contemplated in the Budget.*"

Besides, there was a strong demand from Telangana for adding higher education in the list of subjects included in the schedule, as it was related to the implementation of Mulki Rules. These omissions also added to the discontent already being harboured by the people of Telangana region.

1.2.09 An agitation that began in December, 1968, initially based on discontent in service and employment matters and further covering financial matters called "Telengana revenue surpluses", quickly spread like wild fire all over Telangana area with devastating effect. The agitation, the details of which will be covered in the later portion of this para, spanned nearly a year and ended in late 1969, came to be known as "Jai Telangana agitation". During the height and course of this agitation, Prime Minister Smt. Indira Gandhi made a statement in the Lok Sabha on April 11, 1969, dealing with various issues which had resulted in the violent agitation. In this statement, the lack of understanding between the Government and the Telengana Regional Committee, TRC (as by then it was popularly called) in matters including what was then called "the Telengana surpluses", was, inter alia, dealt with. The Prime Minister, in her statement, also stated "*The overall aim is to ensure that the pace of development and the expansion of employment opportunities in Telengana is accelerated and conditions are created for the balanced development of all parts of Andhra Pradesh.*" It was also announced in this statement that, in pursuance of this aim, the Central Government would appoint a Committee with a sitting or retired Supreme Court Judge as Chairman and an eminent economist with knowledge of state finances, together with a senior representative of the Comptroller and Auditor General as members to go into the varying estimates and representations and determining the surpluses relatable to Telangana, which were expected to have been spent on the development in the Telangana region. Accordingly, a Committee was appointed with Justice Vashisht Bhargava, Judge of the Supreme Court, as Chairman and with Prof. M.V.Mathur, Director of Asian Institute of Educational Planning and Administration, and Haribhushan Bhan, Addl. Dy. Comptroller and Auditor General, as members on April 22, 1969. The Committee was expected to give its report by end of May, 1969, but its time was extended up to October 1969. In addition, to allay the fears of/instill confidence in the people of Telangana with a series of measures intended to ensure the development of Telangana, it was, inter alia felt necessary, based also on the experience of the working of the TRC during 1958-68, to widen the subject which the TRC could discuss and of the powers of this Committee in

respect thereof. Toward this end, on August 21, 1969, the TRC adopted the recommendations made by a Committee of the Assembly on a motion moved by J. Vengala Rao, then Minister for Home in the Andhra Pradesh Government. In this motion, the Committee suggested, among other matters, that the Presidential Order, 1958, regarding the Regional Committee (TRC) should be suitably amended to bring in matters relating to principles and methods of recruitment for securing equitable and adequate opportunities for employment in Government and Quasi Government services for the people of Telangana region; matters relating to equation of posts and integration of services of the employees of the former Government of Andhra and Hyderabad; the Annual Financial Statement insofar as it related to receipts and expenditure for Telangana Region; and Development and Economic Planning within the approved allocation for the Telangana Region.¹⁴ The Central Government on February 18, 1970, announced a series of measures, which inter-alia, included,

(i) widening of the subjects of the Telangana Regional Committee (TRC) and
(ii) enlarging the powers of the Regional Committee in respect thereof. Accordingly, a Presidential Order was issued on March 7, 1970 under Article 371 amending the original order of 1958. (Copy of the Order placed at Appendix 1.7). The following subjects were added to the first schedule of the original Order (1958)

- “Methods of recruitment and principles to be followed in making the appointments to subordinate services and posts (that is to say, services and posts appointments to which are not notified in the Official Gazette but including any service of Tahsildars) under the State Government in Telangana region).”
- “Securing provision of adequate employment opportunities to the people of the Telangana region in the State Government, Quasi Government Institutions, statutory authorities and corporate bodies in the Telangana region.”

¹⁴ Vithal, B.P.R. 2010 A State in Periodic Crises-Andhra Pradesh, CESS Monograph 11, Centre for Economic and Social Studies, Hyderabad

The scope of some of the subjects falling within the purview of the Regional Committee, as per the earlier order was enlarged to also include:

- University education in addition to the existing primary and secondary education;
- Medium and Heavy industry in addition to the existing small scale industries.

The following item was substituted under item (9) of the first schedule i.e., matters insofar as they related to Telangana which came within the purview of the Regional Committee; viz:

- "Development and economic planning within the plan allocation for the Telangana Region as formulated by the State Legislature";

The order also provided:

- "in the annual financial statement details regarding the receipts and expenditure in relation to the Telangana region and rest of the State (RoS) shall be shown in separate columns for facility of reference and consideration by the regional Committee";

The order also:

- modified the earlier rule which has restricted the Regional Committee to matters not involving any financial commitment by introducing the words "is in conformity with the overall financial arrangement contemplated in the annual Budget or in the Five Year Plan pertaining to the Telangana Region" ;

In addition:

- The Government was to furnish periodic progress reports to the Regional Committee which would submit its views to the Assembly;

It was also provided that:

- if the state Government was unable to accept any recommendation of the Regional Committee, the Chief Minister would first endeavour to arrive at an agreement by discussion with the Chairman of the Regional Committee and the matter would then be referred to the Governor, if no such agreement was found possible. The decision of the Governor shall

be final and binding on the Council (in this case committee) and action shall be taken accordingly.

1.2.10 For constitution and proper functioning of the Regional Committee, the Central Government also retained its initiative through the institution of the Governor. The Governor draws and retains his responsibility in respect of Regional Committee (TRC) under Article 371(1). The relevant portion of the Article [Article 371(1)] reads:

"Notwithstanding anything in this Constitution, the President may, by order made with respect to the State of Andhra Pradesh or Punjab, provide for the Constitution and functions of regional committees of the Legislative 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."

Accordingly, the Governor would make an annual Report to the President so as to keep the Central Government informed about the working of the Regional Committee.

1.2.11 In short, the Regional Committee was formed in 1958, to have a sort of legislative advisory role over the executive; albeit, it was restricted to Telangana related development issues. Its professional role lay in assisting the Government adhering to the principle of equitable distribution of the resources and socio-economic opportunities within the state with particular reference to adequately safeguarding the interests of the Telangana region within the scope of the understanding arrived at in the Gentlemen's agreement. The issues it was to address and has been addressing during its existence were similar to those that the Estimates Committee or the Public accounts Committee

would raise.¹⁵ Some professionals connected with state administration and TRC held the view that (i) During the years it was in existence, it was exercising effective and meaningful control over public expenditure, in respect of items that fell within its purview by virtue of the statutory provisions (ii) The issues raised by the Committee may have had a political background, but the Regional Committee was professional in its analysis and presentation. Some other political scientists and academics who were conversant with the working of the TRC and of the time opined differently. Shri K.V.N.Rao, in his book "State Government and Politics – Andhra Pradesh", mentioned that *"the Regional Committee during the decade 1955-68 was quite active in its deliberation and assertive in getting safeguards relating to the schedules implemented. The fact that the Congress ruled the State and had a majority in the Regional Committee did not make the office bearers of the Regional Committee and its sub-Committees to play a passive role. In the discussions of the Regional Committee, party differences never mattered and all of them were unanimous in presenting the demands of Telengana or pointing out the lapses of the Government."*

A. Narsimha Reddy¹⁶, in his article "Congress Parties and Politics", opined *"The Regional Committee consisting of Telengana MLA's nourished grievances against the administration only after his assuming the chairmanship. Until 1968 the Regional Committee was inactive and later it emerged as an important force. It provided all the material pertaining to the imbalance in development, employment and educational opportunities in Telengana region. It created a hue and cry in regard to Telengana surpluses. And above all, it lent the legitimacy to the Telengana agitation in the form of regional imbalances."*

K. R. Acharya¹⁷, in his article on "Telengana and Andhra agitation" mentioned that: *"It was generally held that the Telengana Regional Committee was not vigilant enough to protect the interests of the region. It was further alleged that neglect of the region was due to the attitude of its chairman, who raised the bogey of*

15 Vithal, B.P.R. 2010 A State in Periodic Crises-Andhra Pradesh, CESS Monograph 11, Centre for Economic and Social Studies, Hyderabad, p 44

16 Reddy, Narsimha, 1979, in, Ramireddy, G. et al (ed.) State Government and Politics: Andhra Pradesh, New Delhi, Sterling Publishers Private Limited, p 237

17 Acharya, K.R. 1979, in, Ramireddy, G et al (ed.), State Government and Politics: Andhra Pradesh, New Delhi, Sterling Publishers Private Limited, p 510

grievances when the political situation did not suit him and shelving it when it was otherwise. The position and powers of the Regional Committee were responsible for its ineffective functioning. All the legitimate grievances of the region could have been met by enlarging the powers of the Regional Committee by including planning and other subjects. The demand was, however, accepted after a great deal of persuasion by the Central government and the powers of the Regional Committee were enlarged by the Presidential Order of 1970, which also included some additional items in the first schedule of the principal order of 1958.

1.2.12 Given the totality of the situation, it can be said that, in the 1958-68 dispensation, the scope and area that the Committee was called upon to address was limited in many respects. For example, in the socio-economic aspects, which were of primary importance to the development in the Telangana region, the TRC had virtually very little to contribute. Service matters were not included in its schedule. It had a restricted role in the area of education; devoid of college and technical education; equally restricted in the area of heavy industry. Needless to mention, that college and technical education and heavy industry, having inbuilt scope for employment and development, are expected to contribute substantially to development. Looking on the positive side, the TRC, particularly after the widening of its scope, provided a legal base and source for working out the Telangana surpluses and independent budget entries for the coastal Andhra and Telangana regions. Differences in the technical approaches in working out the Telangana surpluses led to the constitution of the Bhargava Committee about which a mention was made earlier. The Bhargava Committee, constituted after the agitation of 1968-69, was primarily to identify the Telangana surpluses. Paradoxically, the 1968-69 agitation provided an opportunity for Central Government to enlarge the scope of the Regional Committee. The usefulness of TRC in the post 1969 dispensation and in the post Bhargava Committee dispensation was in the realization of the need for apportioning minimum shares in plan allocation for the backward areas and separate allocation for the Telangana area which was applied in the Fourth Five Year Plan (1969-74) allocation for Andhra Pradesh.

1.2.13 In a nutshell, therefore, professional opinion was that the TRC could have been strengthened further in the post 1970 period. As events led to the formulation of the Six Point Formula, the TRC became redundant and was finally abolished in 1973. However, as discussed in the following Para, the Six-Point Formula tried to address comprehensively the development of backward areas in the entire Andhra Pradesh, involving all the three regions.

1.2.14 The SRC, in its report, had expressed its apprehensions that the educationally backward Telangana may be swamped and exploited by the more advanced people of the coastal area (Para 378, SRC). To allay this fear, the Gentlemen's Agreement had provided for an assurance that a temporary provision would be made to ensure that for a period of five years Telangana was safeguarded as a Unit, as far as the recruitment to subordinate services in the region was concerned and the posts borne on the cadre of these services may be reserved for being filled by persons who satisfied the domicile conditions as prescribed under the existing Hyderabad rules (after the advent of the Constitution, under Article 35(b), these rules had restricted relevance, both in time and in content). All the privileges everywhere in the country were abolished by the Public Employment (Requirement as to Residence) Act, 1957. However, such restrictions in the Telangana region (in Andhra Pradesh) were saved along with such restrictions. This was done to give effect to the specific assurances given in the Gentlemen's agreement.

1.2.15 The Government of India, in pursuance of Article 16(3), enacted the Public Employment (Requirement as to Residence) Act in 1957. It repealed all laws in force in any state or Union Territory by virtue of Article 35(B) prescribing in regard to a class or classes of employment or appointment to an office under the Government or any local or other authority within the state or Union Territory any requirement as to residence therein prior to such employment or appointment. But in view of the special circumstances in the Telangana region of Andhra Pradesh, Himachal Pradesh, Manipur, and Tripura, the Act empowered

the Central Government to make rules prescribing in regard to appointments to certain specified services in the above areas, any requirement as to residence within the respective areas prior to such appointment. In exercise of the powers conferred by clauses (a) and (c) of sub-section (1) of Section (3) of the Act, the Central Government made the Andhra Pradesh Public Employment (Requirement as to Residence) Rules, 1959. The rules required that specified categories of employment in Telangana area should be filled up only by persons who had been residents of Telangana area for not less than 15 years.

1.2.16 It may be noted that Mulki Rules, which required that superior or inferior services in the erstwhile Hyderabad Government should be filled up by Mulkis i.e., domiciles of Telangana fulfilling certain conditions, were in force till their repeal by the Public Employment (Requirement as to Residence) Act 1957.

1.2.17 The Regional Committee brought it to the notice of the Government repeatedly that the provisions of the Andhra Pradesh Public Employment (Requirement as to Residence) Rules, 1959, were not being implemented honestly and that non-Mulkis were being appointed to posts intended for Telangana Mulkis. It pleaded for the extension of the Public Employment (Requirement as to Residence) Act, 1957 by 5 years in 1964, and again in 1969. It also discussed the question of promotions and proper preparation of integrated seniority lists of the Andhra and Telangana employees. In a number of cases, the Government took whatever action was possible.

1.2.18 The influx of the people from coastal Andhra into the city of Hyderabad in the formative years, after the formation of Andhra Pradesh in 1956, had created its own social tensions. Slowly, the discontent spread to the government officials and unemployed youth, who got the feeling that they were neglected and exploited by the domineering officials of the coastal Andhra region and, particularly, the more enterprising people from the coastal Andhra area. One of the main causes of dissatisfaction of the people of Telangana was that a large number of persons from coastal Andhra region were appointed to the posts

belonging to them on the ground that qualified personnel from Telangana were not available. It is another matter that in the interests of imparting quality governance, qualified people from Bombay state, Mysore state, and, limitedly, from other neighbouring states were also brought in to fill in the quality gaps in the civil and judicial administration. To an extent, such steps were resorted to even in the law and order administration. The fact that Urdu was the language of administration and the judiciary in the erstwhile Hyderabad State under the Nizam as opposed to English, which was used in coastal Andhra, as part of Madras Presidency, did not help things either and was taken as one of the reasons for such employment needs to provide better governance. In order to draw the attention of the Government to their grievances, the people of Telangana began to organize protest meetings and observed Telangana Safeguards Day on July 10, 1968.

1.2.19 An agitation began in Telangana in January, 1969, as a consequence of a High Court judgment holding that the Andhra Pradesh State Electricity Board did not come under the purview of the Public Employment (Requirement as to Residence) Act, 1957. It is reported that the agitation and discontent of the people at large manifested itself when a student in Khammam went on a hunger strike in January, 1969. By the middle of January, the agitation gained momentum and spread to other districts and students also got involved in the movement. While one section of the students demanded full implementation of "safeguards", the other section demanded bifurcation of the state. The non-gazetted officers from Telangana joined the movement with the demand for the immediate repatriation to coastal Andhra region, of about six thousand coastal Andhra employees occupying the Telangana posts. The agitation took a violent turn in certain areas. The state government immediately responded by convening a meeting of the all party political leaders of the state on January 18-19, 1969. The two important issues agitating the Telangana people, namely, the repatriation of coastal Andhra officials from Telangana and the quantum of surplus revenue of Telangana, were discussed. It was announced that the quantum of Telangana surpluses would be decided by a senior officer

appointed for the purpose and the coastal Andhra officials would be repatriated by providing jobs in the coastal Andhra area. Unfortunately, the police firing on the agitating students on January 20, 1969, further provoked the students, leaving the proposed government action decided in the all party meeting and the appeal for peace in limbo. On January 22, the agitation became violent all across Telangana, resulting in heavy damage to public property. The agitation spanning nearly for a year from December, 1968, to November, 1969, resulted in colossal damage to public and private property, loss of precious life and injury to several people across the districts. Appropriate police action was taken to control the law and order situation. Estimates varied on the extent of damage and loss of life. In order to diffuse the situation, in the initial stages itself, the Government issued a Government Order (G.O.) assuring to remove/move all non mulki officials from their current positions and set a dead line for the same as February 28, 1969. The state government also announced that it was extending the Mulki Rules to the Andhra Pradesh Electricity Board as it was funded by the state. It was also announced that the Comptroller and Auditor General of India had agreed to depute a senior executive to determine the Telangana surpluses. On the announcement of these decisions, particularly the one pertaining to repatriation of employees of coastal Andhra/Rayalaseema from Telangana region, violence erupted in coastal Andhra and Rayalaseema regions. During this period, Telangana Students Action committee called upon the students of Telangana to abstain from classes till a separate state was formed. K.V.Ranga Reddy, former Deputy Chief Minister, joined the students, stating that without separate statehood, the injustice to Telangana cannot be rectified and prevented. While the situation was taking a turn for the worse, the Supreme Court granted an injunction on the state Government's announcement of "Non-Mulki employee repatriation by February 28, 1969". Subsequently, the order was declared by the Supreme Court to be ultra-vires of the Constitution. This led to the intensification of the agitation for a separate statehood.

1.2.20 The Prime Minister, Smt. Indira Gandhi, who was closely watching the situation, announced in the Lok Sabha on April 11, 1969, an Eight-Point Plan

to resolve the problem. The plan envisaged among others addressing all the contentious issues. The Eight-Point plan did not find favour with the dissident Congress leaders and non-Congress parties of Telangana region. The student agitation, as a result, passed in to the hands of the politicians demanding separate statehood, who formed themselves into what was called the "Telangana Praja Samithi". The Samithi, thereafter, began to organize a planned agitation. The Government became tough with the agitating political leaders, while the agitation continued till November when there was a split in the Praja Samithi and slowly with the passage of time, normalcy returned to state.

1.2.21 The positive outcomes of the 1969 Jai Telangana agitation were (i) the Government strengthened the Telangana Regional Committee, (ii) the action on rational accounting of Telangana revenue surpluses, (iii) opening of more educational institutions in the Telangana area, and (iv) special subsidies to industries in six Telangana districts and two Rayalaseema districts. On the political side, P.V. Narasimha Rao became the Chief Minister of Andhra Pradesh in September 1971, as the first Telanganite to assume the coveted office.

1.2.22 After the trifurcation of Hyderabad state in 1956, the Mulki rules continued to be in force in the Telangana region. As a result, the people of coastal Andhra region found it difficult to enter into government services in the Telangana region - (focus on Hyderabad where the Mulki Rules were operative). They nurtured a feeling that they faced discrimination in their own state and that too in their own state capital. As a consequence, some of the coastal Andhra employees challenged the validity of the Mulki Rules in the Andhra Pradesh High Court. On February 14, 1972, a full bench of the five judges, with a 4-1 majority, held that the Mulki Rules were not valid and operative after the formation of Andhra Pradesh state (in 1919 the Nizam of Hyderabad had issued a "Firman" laying down that only "Mulkis" are eligible for public appointment in the state). The High Court Judgment stirred the Andhra Pradesh Government and was a rude shock to the Telanganites as they were always insisting on enforcement of the Mulki Rules. The government preferred an appeal in the Supreme Court

against the ruling of the Andhra Pradesh High Court. Further, the government also announced that it would go ahead with the regionalization of services and take the required steps in order to safeguard the interests of Telanganites in the matter of employment. On October 3, 1972, the Supreme Court gave its verdict reversing the A.P High Court decision and holding that Mulki Rules were valid and were in force. This judgment stirred the people in coastal Andhra region who felt that they were reduced to the status of second class citizens in their own state capital. Ostensibly, to safeguard their dignity, they preferred to sever their connection with Telanganites. This led to the "Jai-Andhra agitation".

1.2.23 The AP Government announced its decision to implement the Mulki Rules. The Government of India, realizing the intensity of the feelings of the people in both the regions on the issue of Mulki Rules, tried to arrive at a balance, and in the process, agreed to allow the Mulki Rules in the twin cities upto 1977 and in the rest of the Telangana until the end of 1980. A Bill was introduced in the Parliament to that effect which was passed on December 31, 1972. Intervening in the discussion, the then Prime Minister, Smt. Indira Gandhi, said:

"We should consider the feeling of the people but it would be very wrong to be swept away by feelings. We must see what is in the larger interest of the people themselves."

"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."

"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."

Copy of the Address of the Prime Minister is at Appendix 1.8.

1.2.24 The people of coastal Andhra region were taken aback by the passage of the Bill as they wanted nothing short of immediate abolition of the Mulki Rules. The Congressmen from the coastal Andhra area met on December 31, 1972, at the Tirupati Convention which was attended by a large number of the Congressmen from the Assembly and council and chairmen and presidents of

the Zilla Parishads. The Convention was presided over by B.V. Subba Reddy, who was till then the Deputy Chief Minister and had resigned before the convention. At this convention, a call was given to people to "*Paralyse the State Administration*" by refusing to pay taxes and by defying the prohibitory orders. The Jai Andhra agitation spread like a wild fire and, did, in fact, succeed in paralysing the administration. It continued for more than two months, resulting in damage to public and private property, loss of human life and injury to several people across the districts. Taking all these aspects into consideration, including the intensity of the agitation, President's Rule was imposed in the state in January, 1973. On March 18, 1973, the Andhra leaders met at Chittoor, in Rayalaseema region, to resolve the issue but the meeting did not yield much of a result.

1.2.25 In the meanwhile, another twist came in respect of the definition of Mulki Rules. The Andhra Pradesh High Court on February 16, 1973, declared that people from outside who came to Telangana and settled there could also be Mulkis and not only those who were born and brought up in Telangana. As a result of this decision, the Telangana people claimed that they lost the benefit of the Mulki Rule. In another development, on July 11, 1973, the Andhra Pradesh High Court gave another verdict that Mulki Rules would apply to initial recruitment and not for subsequent stages of promotion, seniority, reversion, retrenchment or ousting from service, whether temporary or permanent. As a result of these developments, and gradual loss of public support, Congressmen from both sides realized the futility of their demand for bifurcation. They wanted a face saving formula to put an end to their agitational approaches.

1.2.26 Prime Minister Smt. Indira Gandhi again intervened, and after a series of discussion with leaders of both the regions, evolved a consensus through the "Six Point Formula". The Six point formula, in a way, tried to address comprehensively the elements of the "Gentlemen's Agreement" and find enduring answers to the problems, and at the same time endeavour to achieve "emotional integration" of the people of Andhra Pradesh. The effective

implementation of the Six Point Formula was required to be backed by the Constitutional Amendment which was enabled by the Thirty-Second Amendment in 1973. The statement of Objects and Reasons of the Constitution (Thirty-Second) Amendment Act, 1973, clearly mentioned why such legislation was needed and hence the same is reproduced below:

"When the State of Andhra Pradesh was formed in 1956, certain safeguards were envisaged for the Telangana Area in the matter of development and also in the matter of employment opportunities and educational facilities for the residents of that area. The provision of Clause (1) of Article 371 of the Constitution were intended to give effect to certain features of these safeguards. The Public Employment (Requirement as to Residence) Act, 1957, was enacted, inter-alia, to provide for employment opportunities for residents of Telangana area. But in 1969, the Supreme Court held the relevant provision of the Act to be unconstitutional in so far as it related to the safeguards envisaged for the Telangana Area. Owing to a variety of causes, the working of the safeguards gave rise to a certain amount of dissatisfaction sometimes in the Telangana Area and sometimes in the other areas of the State. Measures were devised from time to time to solve the problems. Recently several leaders of Andhra Pradesh made a concerted effort to analyse the factors which have been giving rise to the dissatisfaction and find enduring answers to the problem with a view to achieving fuller emotional integration of the people of Andhra Pradesh. On the September 21, 1973, they suggested measures (generally known as the Six-Point Formula) indicating a uniform approach for promoting accelerated development of the backward areas of the State so as to secure the balanced development of the State as a whole and for providing equitable opportunities to different areas of the State in the matter of education, employment and career prospects in public services....". The Thirty-Second Amendment Act omits clause(1) of Article 371 and makes special provision with respect to the State of Andhra Pradesh by inserting new clause 371-D (Appendix 1.9).

1.2.27 As a result of the events described above, the Mulki Rules were repealed in 1973 by the Mulki Rules Repeal Act and the Six Point Formula (SPF) (see Appendix 1.10) was announced on 21st September, 1973 and 22nd October, 1973, highlighting the following:-

- (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 organization 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.

Among other things, a major effect of the Six Point Formula was that it resulted in the abolition of the Telangana Regional Committee and setting up of a state Planning and Development Board and separate Planning and Development Committees for the three regions of the state. The States Reorganization Act, in the meanwhile, had already provided for location of Benches of the High Court, in other parts of the state as and when required.

1.3 Andhra Pradesh (1973 – 2000)

1.3.01 The Six point Formula (SPF) was incorporated in the form of special provisions with respect to the state of Andhra Pradesh in the Constitution (Article 371-D) and a Presidential Order was issued through G.O. Ms. No 674 on February 20, 1975, to mark the beginning of the implementation of the Formula. Copy of the Presidential Order is at Appendix 1.11. The interregnum between September, 1973, when the formula was evolved, and February, 1975, when

the same was put to implementation, witnessed two important milestones; one was the abolition of the Mulki Rules on December 31, 1973, through the Mulki Rules Repeal Act, 1973, which received President's assent on December 31, 1973, and the other was the abolition of the Telangana Regional Committee from January 1, 1974, under a Presidential Order issued on December 10, 1973. This was in consonance with the sixth provision in the SPF which reads "*The above approach would render the continuation of Mulki Rules and (the) Regional Committee unnecessary*". It may be relevant to mention here that the Constitutional (Thirty Second) Amendment Bill, which was passed by the Lok Sabha on December 18, 1973, to give effect to the SPF received an overwhelming assent as the voting was 311 for and 8 against.¹⁸ Such a huge mandate encouraged the Union Government to revoke the President's Rule, which had been imposed on January 18, 1973, in December 1973. Prime Minister Smt. Indira Gandhi, who was the architect of the SPF, while ensuring consensus on the formula, also balanced the same with enduring political space for the Telangana leadership. As it turned out during 1973-1982, the popular Governments were headed by Telangana leadership. It started with a stable government with a well respected Telangana leader J. Vengala Rao as Chief Minister, after the lifting of the President's Rule. This government lasted up to the next Assembly elections that were held in February, 1978. During this period, economic activity picked up with good progress on agricultural and industrial fronts. The growth momentum of this period, by and large, continued till the recent agitations (2009-10). A comprehensive account of the economic growth of the state, including region-wise details, is covered in the succeeding Chapter. Incidentally, in the post emergency Lok Sabha elections (1977), although the Congress Party led by Smt. Indira Gandhi lost in almost all the north Indian states, in Andhra Pradesh, it won 41 out of 42 Lok Sabha seats. In the Assembly elections held in February, 1978, the Congress party led by Smt. Indira Gandhi, although not in power at the Centre (the Janata Party including the breakaway faction of the Congress had come to power at the Centre in March

¹⁸ Source: Lok Sabha Proceedings of 1973.

1977, with Morarji Desai, a veteran Congress leader as Prime Minister), and had got further split a month before the state Assembly elections, still swept the polls. In a way, the results of the 1978 Assembly elections in the state seemed to have endorsed the policy of Smt. Indira Gandhi for a unified Andhra Pradesh. In keeping with her approach of giving appropriate political space to Telangana, Dr. M. Chenna Reddy, earlier a well known protagonist of separate Telangana, became the Chief Minister on March 6, 1978, and reportedly announced that "*separate Telangana is no longer an issue*".¹⁹ It is another matter that, since 1982, no leader from Telangana took reins of Andhra Pradesh as Chief Minister, except Dr. M. Chenna Reddy who was Chief Minister for a brief period of one year during December 1989-December 1990. The entire subject of political space has been discussed in detail subsequently in the Report, since this has been projected as one of the major issues by the Telangana delegations before the Committee.

1.3.02 The details of the SPF have been given in Para 1.2.27. The first point of the formula provided for constitution of a Planning Board at the state level and sub-Committees for different backward areas for accelerating their development. Accordingly, the state government set up Planning Board(s) for the state and also separately for coastal Andhra, Rayalaseema and Telangana regions, for this purpose. This arrangement replaced the sixteen years old Telangana Regional Committee. In the area of education, a Presidential Order, namely, "The Andhra Pradesh Educational Institutions (Regulation of Admissions) Order, 1974" was issued in July, 1974. Besides, the University of Hyderabad was established by an Act of Parliament in 1974. In spite of these positive actions, it has been represented that some areas of neglect in the provision and governance of education continued to persist in Telangana region. This aspect has been discussed at length in a subsequent Chapter. The Andhra Pradesh Administrative Tribunal order, 1975, was issued in May, 1975, to deal with the

¹⁹ Rao,P.V 1994 History and Culture of Andhra Pradesh-From the Earliest Times to 1991, in, Rao, P.R. (ed), New Delhi, Sterling Publishers Private Limited, p 330

grievances of services. The Andhra Pradesh Public Employment (Organization of Local Cadres and regulation of Recruitment) Order, 1975, was issued subsequently.

1.3.03 Thus, the SPF, it was widely considered and believed, had outlined an approach consisting of a strategy for development, an education policy, a method of recruitment and a machinery for remedying the grievances in the services. The essential part of the strategy for development and growth was outlined through the accelerated development of backward areas of the state in all the three regions and planned development of the state capital with specific resources earmarked for the purpose. Appropriate involvement of representatives from backward areas in the state Legislature, along with other experts in the formulation and monitoring of development schemes for the backward areas, was ensured as part of the strategy for development. Constitution of the Planning Board(s) at the state level as well as at the regional level was considered as a primary instrument for achieving these objectives. On the flipside, certain amount of discontent on the abolition of TRC, for whatever contribution it could make, coupled with the fact that the SPF was more state-centric as compared to the Gentlemen's Agreement, which was primarily Telangana-centric, has been voiced. The SPF, however, by and large, found its way for public acceptance and the dilemma that faced the leadership at the time of the formation of the state (in 1956) in the continuing thinking of reconfiguration of the state and retaining the identity of a separate Hyderabad/Telangana got diffused to a large extent. On the other hand, the SPF helped the growth of Telugu sub-nationalism, a culture that had been nurtured over centuries and to which attention was drawn by Smt. Indira Gandhi, Prime Minister, in a debate in the Lok Sabha on December 22, 1972, at the height of the separatist reflections. The full text of the Prime Minister's address is given at Appendix 1.8. The Prime Minister had said:

The very first Article of our Constitution declared that India is a Union of States. Each State has 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..... All parts which now constitute Andhra Pradesh have been under one umbrella for long periods 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.....

It was really the will of the Telugu-speaking people which prevailed over the proposal of some people to retain the old Hyderabad state

.....
.....
.....

It is true that 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.....

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 a momentary passion.....

I stand firmly for an integrated State..... 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.

To sum up, the Six Point Formula paved the way for a reasonably enduring political stability and sustained economic growth for about three decades in the state, despite occasional voicing of Telangana sentiment and a few minor agitations here and there.

1.3.04 Formation of Andhra Pradesh was the result of a protracted struggle for the cause of Telugu sub-nationalism seeking a separate identity. It also made common cause with other linguistic and cultural regional identities so that states could have greater autonomy in the mould of a federal structure, which was perceived by these entities to be in the best interest of the governance of the country. In the post independence period, while the Indian National Congress, through its policies, focused on nationalistic spirit, there developed a political culture, gradually, across the states, highlighting regional aspirations which took the form of linguistic, cultural and ethnic sub-nationalism and resulted in the emergence of regional political parties. As noted in the

Report of the second Commission on Centre-State Relations, *"The year 1967 proved to be a watershed in the history of Independent India..... This was the time when certain issues of importance pertaining to Centre-State relations came into the fore both in the form of criticism of the functioning of existing mechanisms and processes as also because the regional political parties wanted to create their own niche in their respective regions....."*. The subject acquired such an important dimension at that time that Dr. S. Radhakrishnan, the President, while addressing the Joint Session of Parliament on March 18, 1967, observed:

*"For the first time since Independence, governments of political complexions different from that of the Government at the Centre have been formed in several States. In a federal democratic polity, this is to be expected....."*²⁰.

In north India, the regional parties and regional coalitions coming to power had its advent in the mid sixties, i.e. from 1967 itself. However, in the southern and western states, with the exception of Tamil Nadu, primarily the Indian National Congress continued to have a hold over the political and governance structure almost up to the early eighties.

1.3.05 The gradual weakening of the leadership of the Congress Party in Andhra Pradesh, like in some other states, and the championing of Telugu sub-nationalist pride became the basis for the emergence of the Telugu Desam Party. The impact of the birth of Telugu Desam was that it greatly overshadowed the regional political divisions that had existed in the form of Telangana, coastal Andhra and Rayalaseema. Another important aspect of the growth of Telugu Desam Party was that, with this development, it was able to establish a veritable two party system in Andhra Pradesh within a few years of its formation in 1982. Starting from 1982 till now, Andhra Pradesh has been ruled either by Telugu Desam Party or by the Indian National Congress. The enduring leadership in the form of N.T. Rama Rao and N. Chandrababu Naidu of Telugu Desam Party and of

20 Report of the Second Commission on Centre-State Relations, Vol.I ,Evolution of Centre-State Relations in India, p. xvii

Dr. Y.S. Rajasekhara Reddy of the Congress Party for long periods, aided by a strong political machinery for governance while at the same time continuing to champion the cause of Telugu unity, helped in keeping the demand for a separate Telangana dormant or at best in a subdued state. One of the points of view expressed before the Committee was that, with none of these powerful leaders belonging to Telangana region, the policies of the successive Governments, since 1982, were not generally in favour of equitable development of Telangana. In this context, accusations were made that, during this period, large areas of resourceful land, including wakf lands in and around Hyderabad, were acquired at much cheaper prices for and by "outsiders" (persons not belonging to Telangana region) at a great advantage to them ignoring the interest of the locals. Although the industrial and economic developmental base that was created by these "outsiders", using these lands, contributed to general economic and industrial growth and incidental employment benefits, the higher-end dividends in terms of incomes and jobs and other similar avenues in these attractive efforts were taken away again by the "outsiders", leaving the locals with lower-end jobs and less attractive opportunities. It has been represented before the Committee that the unified state of Andhra Pradesh was maintained more through financial and political machinations than by giving equal and equitable opportunities to Telangana region and its people. All these aspects covering the political space, economic and other developmental issues including those related to land use and employment are dealt with extensively in the subsequent Chapters.

1.3.06 In the meanwhile, the economic development and urbanization of the city of Hyderabad, particularly in the aftermath of the Six Point Formula, became a contentious issue. While there was no dispute that the city had developed enormously during the post 1975 period, Telangana protagonists contended that the urban development in Hyderabad was disproportionate and skewed in favour of the needs of the migrants and sacrificed the principles of social and economic equity. It was stressed that its economic strength had declined because of the down-turn in the growth of industrial activities such as,

manufacturing and trade, which bring in money, capital and sustained employment. The growth was largely confined to the service sector and local trade only. While the population of Hyderabad has grown three times after the formation of the state in 1956, basic amenities have not grown in the same proportion. The improvement in the transportation system largely benefited only the privileged classes of urban community. The industrial units that came up in the periphery of the city of Hyderabad by the efforts of migrants engaged largely their own "migrant" staff to man the industry, thus depriving the locals of employment opportunities at various levels. Most of the urban housing activity was concentrated in the eastern, northern and north-western parts of the city, while in the south, which has been the home of the native population, the same was insignificant, with the result that the city developed in an uneven manner. Even the civic amenities planned were often diverted to meet the needs of the migrants.²¹ United Andhra advocates, on the other hand, insist that Hyderabad is no longer merely a Telangana city and that its identity, particularly over the last 35 years or so, has undergone a complete change in all respects and that Hyderabad today is a major national metropolis. They have extended several arguments such as large investments, major change in demographic profile, massive seasonal employment for the unemployed coastal Andhra and Rayalaseema youth, political neutrality etc. in support of their contention. Be that as it may, notwithstanding certain amount of economic setback faced by the city post the current agitation of late 2009 - early 2010, the fact remains that Hyderabad has grown over the years from a city status to a large and thriving metropolis with a cosmopolitan outlook. The status of Hyderabad, along with a couple of other major issues, is at the centre of current debate with arguments vociferously extended both by the sections demanding separate Telangana and those insisting on keeping the state as a single unit as Samaikya Andhra.

21 Rao, Ram Mohan, *et.al.* 1997 Telangana-Dimensions of Underdevelopment, in, Seshadri, S. (ed), Centre for Telangana Studies, Hyderabad

1.3.07 It is a known fact that Hyderabad stands apart in terms of developmental profile. Hyderabad, along with its peripheral areas, has largely been service-centric in spite of housing several large manufacturing units both in public and private sectors and the real estate and infrastructure development enterprises, and has been growing along this pattern. Its pre-eminence in IT exports and as the biggest software centre in Andhra Pradesh is well established. The city is also contributing to the growing share of national exports from the software talent it has pooled from across the country. The availability of basic infrastructure like space/land, transport systems, power supply etc. provided an added advantage. It is also contended that migration of people to Hyderabad is not a new phenomena. It started in 1920s, at the invitation from the Nizam of Hyderabad to the farming community from coastal Andhra for cultivation of the lands of Nizam-Hyderabad. By 1930s, there were about 20 lakh migrants cultivating about 10 lakh acres of land in the then Hyderabad state. They were called "settlers". Migration to Hyderabad was not confined to persons from coastal Andhra alone. Although in comparatively smaller numbers, migration had also taken place from Karnataka, Maharashtra, Bihar, West Bengal, Orissa, Uttar Pradesh and Gujarat etc. The city's cosmopolitan character had enabled consolidation of "talent" from all parts of the country. The "Urdu" heritage formed the backbone for the spread of Hindi which facilitated communication linkages with the northern states and which in turn attracted work force from the north in the low income strata. Other infrastructure facilities, like availability of primary coal and power resources, lent support to encouraging investment. The city, thus, acquired a sort of national character with the spread of IT and IT-related software and service enterprises.

1.3.08 Looking at the importance of the issue, a separate detailed Chapter dealing with Hyderabad alone, has been included in the Report.

1.3.09 Although, the period post introduction of Six Point Formula (SPF) till the turn of the century remained, by and large, peaceful and the state witnessed relatively impressive economic growth, one aspect which continued to be

contentious for the Government employees of Telangana region and defied satisfactory resolution despite a host of measure and correctives, pertained to "employment in Government". It may be recalled that, in one of the earlier violent agitations on this issue in 1952, in the then Hyderabad state, when Mulki Rules were in operation, a few students had lost their lives as a result of the police firing. The dissatisfaction on this front continued to agitate the minds of the government employees from Telangana region during these three decades also, which many times was expressed through demonstrations and other manifestations.

1.3.10 The issue of 'Implementation of Mulki Rules" entailed judicial involvement and the follow-up action on the same was taken by the state government during 1956-73, based on the orders of the High Court and the Supreme Court. In the post-1973 dispensation, it was to be dealt with under the Presidential Order, 1975. The general criticism of the Telangana employees on the Presidential Order itself and its implementation was:-

(i) The Presidential Order which was introduced to assure justice in Government employment and allay the fears of Telangana employees was used to inflict further discrimination against them in practice, as reflected in the changes of zones for employment (within the Telangana Zones); misinterpretation of the definition of "locals" in the Presidential Order to benefit "non-locals" and misuse of the exemption provided in the Presidential Order for gazetted positions and Heads of the Departments (HoDs) by upgrading several non-gazetted posts to gazetted level.

(ii) The second point was that the Presidential Order was issued in 1975 and it took ten years for the Government to correct the anomalies and bring out a comprehensive G.O. in 1985, popularly known as G.O. 610.

(iii) Another issue which Telangana employees have been raising is that although the Government has taken several measures in relation to the reservation of employment of Telangana people, each measure stood as a proof to the fact that the earlier measure was either not implemented fully or wrongly implemented.

1.3.11 In view of the criticism by the Telangana employees, as mentioned above, the state government in the year 1984 constituted an "Officers' Committee" headed by Shri K. Jayabharath Reddy, a former Chief Secretary to the state Government and two other Members, to look into the various anomalies in the implementation of the Presidential Order. This Committee identified the anomalies in Government employment between 1975 and 1985 which were in violation of the Presidential Order and recommended measures to rectify the same. Following the Committee's report, the Government, thereafter, appointed a One-Man Commission headed by V. Sundaresan, another (Retd.) IAS officer of the state government, to further examine the violations in the implementation of the Six Point Formula and to suggest corrective step taking into consideration the report of the Officer's Committee. On the basis of the recommendations of both these Committees, and after having wide ranging discussions, the state Government entered into an agreement with the Telangana Non-Gazetted Officers Union on 07.12.1985 and issued orders in the form of G.O.Ms. No.610 (SPF) on December 30, 1985, for the rectification of irregularities in the implementation of the Presidential Order. One of the key instructions under Para 5 (1) of this Order is as follows:

"the employees allotted after 18.10.1975 to Zone-V and VI (i.e. Telangana Zones) in violation of zonalisation of local cadre under the six-point formula will be repatriated to their respective zones by 31.3.1986 by creating supernumerary posts wherever necessary".

During the next 15 years after the issue of G.O.610, the Government is reported to have been receiving representations regarding rectification of lapses in the implementation of the Six Point Formula insofar as it related to public services. The matter was discussed in an All-Party meeting held on 15.6.2001, and a One-Man Commission (Six Point Formula) was constituted on 25.06.2001, under J.M. Girglani, IAS (Retd.). The Girglani Commission submitted its final report on 30.9.2004 with 126 findings and suggested 35 remedial measures. The Government constituted a Group of Ministers (GoM) to examine the

recommendations of the One-Man Commission on 10.8.2004. The GoM examined and accepted the final Report of the Girglani Commission. The state cabinet discussed the Report on 16.02.2006 and after further consultations and clarifications, the Report was finally accepted by the Government on 10.08.2006. The salient aspects of the follow-up action/steps taken by the Government on the implementation of Girglani Commission Report are at Appendix 1.12. It is learnt by the present Committee that during the past four years, as a result of the steps taken by the Government to implement Girglani Report, there has been great improvement in the satisfaction level of Telangana employees on the implementation of G.O. 610. The fact, however, remains that the implementation of G.O. 610 during 1985 to 2005 was, at best, tardy, which remains a grievance of Telangana employees. This issue continues to be highly contentious even today. A separate Chapter, therefore, examining this subject in a comprehensive manner, has been dedicated later in the Report.

1.3.12 The formation of united Andhra Pradesh was premised on the all-inclusive Telugu "sub-nationalism". However, the imbalance in the development that existed in the three regions of the integrated state at the time of formation and other social and cultural factors gave each region a distinct identity. This identity continued to influence the state politics and electoral outcomes in the coming decades. While the demand for separate Telangana stayed dormant during 1982-2000 periods, the state did face some major internal agitations since the emergence of TDP after the 1983 Assembly elections, on issues such as:

- a. Reduction in the retirement age from 58 years to 55 years by the TDP Government which resulted in a prolonged confrontation between the Non-gazetted Officers (NGOs) and the Government;
- b. Abolition, by the TDP Government of the hereditary posts of two traditional village officers viz: the post of *Karanam* in Andhra region or *Patwari* in Telangana and replacing them with a Village Administrative Officer(VAO) who was appointed by the state government and making it transferable;

- c. Anti-Arrack movement by women
- d. Assertion of Dalits and the emergence of independent Dalit organizations; etc.

1.3.13 In the meanwhile, the state during the last 30 years also witnessed the growth of Naxalism in a major way. The Naxal movement in Andhra Pradesh was the product of many combinations and various factors. Some of the issues listed in sub-para 1.3.12 above also contributed to the growth of this movement. It had its genesis in the Communist movement of 1945-51 in the Telangana region involving the peasant struggle against Zamindari and landlordism. After independence, the people's support to the movement, however, gradually receded. It got re-generated after the Naxalbari movement in 1968-69 in West Bengal and the problem spread to northern Andhra Pradesh including Telangana. Although, Naxalism was treated by the Government as a law and order problem and was controlled appreciably through various means, it continued to expand, establishing its influence in the politics of Andhra Pradesh and, in particular, in the electoral politics. Reportedly, different political parties did seek the support of the naxals at election time during this period. The details of the influence of Naxalism on the polity, economy and internal security of Andhra Pradesh are discussed in a separate Chapter in the Report.

1.3.14 It will be recalled that the BJP, in its national executive meeting at Kakinada (Andhra Pradesh) in 1997, had passed a resolution supporting a separate state for Telangana. Accordingly, in the 1998 Lok Sabha elections, BJP gave the slogan "One Vote, Two States". It received more votes in the Telangana region. Taking advantage of this position, TDP, which, by then, had started implementing the new economic reform programme of the Centre and had to leave its electoral alliance with the left, made BJP its ally in 1999 Lok Sabha and state Assembly elections. Both parties gained through this alliance. BJP won seven out of the eight Lok Sabha seats it contested while TDP won 29 Lok Sabha seats. In the State Assembly elections, TDP won 179 seats and formed the Government. In the meantime, driven by the situation prevailing in the state,

MLAs of the Congress from Telangana region had also started a regional forum called Telangana Congress Legislators Forum (TCLF) with the consent of the state leadership. In the panchayat election in Telangana region, the slogan of TCLF was "Jai Congress, Jai Telangana". In addition, in the panchayat elections campaign, other general issues such as strengthening of the Panchayati Raj bodies with more power to these bodies in terms of funds, functions and functionaries were also highlighted. Thus the year 2001 marked the beginning of the demand for separate Telangana once again.

1.4 Andhra Pradesh (2001-2009)

1.4.01 The resurfacing of the Telangana issue in panchayat elections provided the ground for the projection of the popularity of the TRS, which was created only a year earlier with the goal of achieving a separate Telangana. TRS provided the Telangana cause with all the needed ideological and logistical support to keep the momentum going. In the process, the party tried to maintain electoral prominence both at the state and at the Centre.

1.4.02 It may be recalled that the agitation of 1969 was primarily started by social groups, students and government employees and made active largely through the support of dissident Congressmen. On the other hand, the Telangana separation effort of 2001 had multi-party involvement, largely on the political plane, vying for the same cause. The cause was also interwoven with the political alignments between the national and the two regional parties (TDP and TRS) on the one hand, and among national parties on the other, mainly for electoral gains.

1.4.03 As noted earlier, with the coming of the TRS and the position on Telangana taken by the BJP, the state unit of the Congress Party had also projected Telangana cause under the aegis of "Telangana Congress Legislators Forum (TCLF)" in the panchayat election in 2001. It was reported that at that time 41 MLAs belonging to the Congress from Telangana region had urged the Congress President, Smt. Sonia Gandhi, to permit them to take up the "movement" for a separate state of Telangana. In fact, in these panchayat elections, the main cause of rivalry between TRS and Congress was the

Telangana issue, with each trying to gain at the cost of the other. Further, the leaders of the Congress Forum for Telangana and the TCLF passed a resolution at Nalgonda in December, 2002, assuring the people that a separate statehood for Telangana was very much on the agenda of the Congress and it would strive to create a separate Telangana soon. It was also claimed that such a possibility existed only under Congress rule and hoped that the demand would be included in the next manifesto of the Party. It was also mentioned that regional parties had failed earlier in securing this goal. They pressed the point that Congress High Command had supported the formation of Jharkhand, Uttaranchal (now Uttarakhand), and Chhattisgarh and mentioned that the Nalgonda meeting was being held with the support of the Congress High Command.

1.4.04 In the run-up to the 2004 Lok Sabha and Assembly elections, the Congress and the TRS formed an electoral alliance. In the Congress election manifesto for 2004 elections, it was stated that *"the Congress Party recognizes the growing emotions and aspirations of the people in the Telangana region"*. It was further added in the manifesto that *'while respecting the report of the States' Reorganization Commission, the Congress Party notes that there are many valid reasons for formation of separate states in Vidarbha and Telangana. However the reorganization of existing States raises a large number of issues. The Congress Party feels that the whole matter could be best addressed by another States' Reorganization Commission to look into all the issues involved"*.

1.4.05 The Congress won both the Lok Sabha and the State Assembly elections and formed Governments at the Centre as well as in the state. The TRS also joined the Government, both at the Centre and in the state. The Government at the Centre was formed by "The United Progressive Alliance (UPA)", led by the Congress Party. The UPA in their National Common Minimum Programme (NCMP), 2004, of the Government included the Telangana issue also stating that *"The UPA Government will consider the demand for the formation of a Telangana state at an appropriate time after due consideration and consensus"*. Subsequently in the Presidential address to the Joint Session of Parliament on

June 7, 2004, mention was made that *"the Government will consider the demand for the formation of a Telangana State at an appropriate time after due consultations"*. The UPA Government accordingly constituted a three-Member Committee of the Cabinet Ministers under the Chairmanship of Shri Pranab Mukherjee in November, 2004 with Dr. Raghuvansh Prasad Singh and Shri Dayanidhi Maran as Members. The Committee did take up this matter further, but no conclusion seems to have been arrived at.

1.4.06 On the reported grounds that the Central Government had been indecisive over the delivery of its electoral promise to the TRS for creating a separate Telangana, although (i) as per the election manifesto of the Congress Party no such definite promise had been made; and ii) in the CMP also no guaranteed assurance or time limit had been indicated, TRS in September, 2006 withdrew support to the Congress-led UPA Government at the Centre. The other main reason prominently quoted was the differences between TRS President K.Chandrasekhara Rao and the Congress Chief Minister Dr. Y.S.Rajasekhara Reddy. TRS ministers left their positions in Government both at the centre and in the state. Subsequently, all the four TRS MPs and the sixteen MLAs resigned their seats in the first week of March 2008 over this issue, forcing bye-elections. The bye-elections were held in May, 2008. In the run-up to the elections, while the TRS went all out in supporting the cause of Telangana and called the bye-elections as a referendum on the issue, both the Congress and the TDP maintained that the bye-elections did not lend themselves to being seen as a referendum on Telangana issue, as they too were not opposed to the formation of a separate Telangana state. However, the election results proved quite disappointing to the TRS which could retain only seven out of sixteen MLA seats and two out of four MP seats.

1.4.07 On January 31, 2009, before the State Assembly elections, Shri K.Chandrasekhara Rao, President, TRS announced that TRS had joined the 'Mahakutami' (grand alliance). The grand alliance was headed by Telugu Desam Party and included the Third Front and the Left parties. The main purpose of

“Mahakutami” was to contest the upcoming State Assembly and Lok Sabha elections with a view to win the same as a United Front against the Congress party as the Congress party, in their opinion, was not taking a decision on Telangana. The BJP, though having not been able to resolve the Telangana issue during the NDA regime up to 2004, continued to maintain the earlier stand that their policy was for smaller states and if they won the forthcoming elections (Lok Sabha and Assembly), they would be in a position to create Telangana. In the meanwhile, the Congress ruled state government constituted a Joint Committee of Legislators under the Chairmanship of the then Finance Minister, Shri K. Rosaiah, on Telangana related issues. However, some of the opposition parties such as BJP, CPI(M), CPI and TRS replied that they did not wish to be associated with the said Committee. The TDP also did not respond to the Government’s request. The Committee was thus formed, having seven legislators from the Congress Party representing all the three regions and one from AIMIM. With major parties not co-operating and the events taking an entirely different turn by the year end (covered in the subsequent para) the Committee could not move too much forward on its Terms of Reference²².

1.4.08 In the Assembly elections of May 2009, TRS won only 10 seats, showing a further decline in its overall popularity in the region. To recall, TRS had twenty six seats in 2004 which came down to seventeen seats after 2008 bye-elections (which were held only for sixteen Assembly segments) and in 2009, as stated above, it further shrank to ten seats only. In the Lok Sabha, it won only two seats, coming down from the five seats it had held in the previous Lok Sabha. It would thus be seen that the popularity of TRS in 2009 had dipped substantially from 2004 levels. Many political pundits attribute the impressive

²² The ToR for the Joint Committee included examining concerns of minorities in the proposed Telangana set up, facts relating to employment and exploitation of resources, identification of economic issues, the status of Hyderabad Metropolitan area taking into account the migrant population, their concern excluding Hyderabad, the issues relating to Maoists and terrorists activities in the context of the proposed Telangana set up, the sharing of river waters visa-a-vis the existing situation, the existing demands for separate statehood by other regions of the State and working out a strategy for overall development of all the regions in the event of formation of Telangana state including the infrastructure facility at the state capital – both for the State and Central Governments.

success of the TRS in 2004 to their alliance with the Congress party. Soon after the 2009 Assembly elections, TRS left Mahakutami and tied up with the BJP, the alliance which exists even at present. The flip-flop electoral policy of TRS right from its constitution in 2001, also came to the fore with its latest alliance with the BJP. Its leader and some of its MLAs who were part of TDP, had left TDP to form TRS in the year 2001; in 2004 elections it entered into an alliance with the Congress Party, left the alliance in 2006, contested the bye-elections for sixteen Assembly seats in 2008 on its own, joined the Mahakutami led by TDP before 2009 elections and finally left the alliance soon after the elections and joined hands with the BJP. Be that as it may, the Congress party won the State Assembly elections with a comfortable majority and formed the Government in May 2009. In the Lok Sabha elections, the Congress won thirty three out of forty two seats from Andhra Pradesh and the Congress-led United Progressive Alliance (UPA-2) again formed the Government at the Centre. It may be relevant to mention here that unlike the National Common Minimum Programme (NCMP) of UPA-1, the NCMP of UPA-2 did not make any mention of the Telangana issue.

1.4.09 It may be noted that there was no specific noticeable incident of major public concern over the Telangana issue during the months of May-November, 2009. Incidentally, during this period elections to Greater Hyderabad Municipal Corporation (GHMC) took place on November 23, 2009, which TRS did not contest. The President of TRS made a statement that '*since we have a larger agenda like attainment of a separate Telangana we have decided not to participate in the GHMC Polls which is a minor issue having no great consequence*'. He also made a statement that, instead, his party was making an elaborate plan for the indefinite fast to be undertaken by him in the last week November, 2009. However, other parties held that TRS did not contest these elections as the party did not have any support in greater Hyderabad. Notwithstanding this, TRS once again started taking an aggressive posture on the Telangana issue from November 2009 onwards. The Chief Minister, Dr. Y.S. Rajasekhara Reddy suddenly passed away in a helicopter crash on September 2, 2009. On November 9, 2009, the TRS president Chandrasekhar Rao wrote to

the President of India about his intention to go on fast-unto-death in order to fulfil the hopes and aspirations of the people of Telangana for a separate state. He also publicly announced that the intended fast would start on November, 29, 2009, as planned.

1.5 Andhra Pradesh (November 29, 2009 – December 31, 2010)

1.5.01 The events and happenings in the state in the last one year starting from November 29, 2009 are still quite fresh in public memory. To recall, as announced earlier, TRS President, K. Chandrasekhara Rao started his fast-unto-death on November 29, 2009 demanding that the Central Government should introduce the Telangana Bill in Parliament. Prior to his undertaking the fast, TRS called upon student bodies, employees unions and various non-gazetted officials' organizations to join the movement. After the Telangana issue had resurfaced around Assembly elections of 1999, the students, non-gazetted officials and other organizations at this point of time once again got involved in the Telangana movement. On the day of his fast, i.e. November 29, 2009, K. Chandrasekhara Rao was arrested and taken to Khammam. On November 30, 2009 he reportedly broke his fast but resumed it soon thereafter under pressure from vociferous and agitating pro-Telangana elements. Following these developments, there was simultaneous and wide-spread agitation and violence in Telangana region for a few days, particularly on December 6-7, 2009, resulting in major damage to public and private property and loss of life including a number of suicides. Around the same time, a Joint Action Committee (JAC) was formed by the students of Osmania and Kakatiya universities. The JAC started seriously agitating for the cause of a separate Telangana, demanding an assurance for the same. The agitations led to the closure of educational institutions and business establishments throughout the Telangana region. Public transport services were also suspended. During this period, reportedly over five thousand persons were taken into preventive custody with a view to bringing the law and order situation created by the agitations under control.

1.5.02 With the situation becoming grim, a meeting of the floor leaders of the political parties in the State Legislature was convened by the Chief Minister, K.Rosaiah on December 7, 2009. It is learnt that all political parties, except CPI (M), were in favour of a proposal to adopt a resolution in the State Assembly for creation of a separate Telangana. The CPI (M) apparently referred to the stand it had taken at the time of the Pranab Mukherjee Committee. The AIMIM on the other hand observed that the proper forum to express its views would be the Legislative Assembly. Taking into account the situation in the state and the deliberations in this all party meeting, the Union Home Minister, P.Chidambaram in the late evening of December 9, 2009 at New Delhi announced the decision of the Central Government to initiate the process of forming the state of Telangana, adding that an appropriate resolution would be moved in the State Assembly. Based on this development TRS President, Chandrasekhara Rao gave up his fast and the agitation was called off.

1.5.03 The above announcement, however, created a backlash in coastal Andhra and Rayalaseema regions, resulting in agitations and eruption of violence in many districts. The agitations included *bandh* calls by political parties, road blockages, fast-unto-death programmes, relay hunger strikes etc. A near total *bandh* was organized in all the districts of coastal Andhra and Rayalaseema on December 11, 2009 at the call of political parties. The agitations continued during the second and third weeks of December, 2009. Reportedly, nine MPs, one hundred forty three MLAs and forty one MLCs submitted their resignations in protest against the announcement on the formation of a separate Telangana.

1.5.04 Looking at the totality of the situation, including the intensity of the backlash and the strong sentiments expressed through agitations in all the regions of the state as also the near vertical division on the issue among the major political parties in the state, the Union Home Minister made another statement on December 23, 2009 that the situation in the state had altered since December 9, 2009 when the Central Government had announced that the *process* of the formation of a separate state of Telangana would be initiated

and an *appropriate resolution* would be *moved* in the State Assembly (meaning perhaps thereby that moving such a resolution in the State Assembly was appeared to be difficult at this point of time). The Home Minister, therefore, in this statement emphasized the need for wide ranging consultations with all political parties and groups and promised to take steps to involve all concerned in the process. Although, this statement led to ending of agitations in coastal Andhra and Rayalaseema regions, agitations restarted in Telangana region due to the perceived change in the stand of the Government of India. At this point, reportedly sixty three MLAs belonging to Telangana region (Congress – thirteen; TDP – thirty seven; TRS – ten; BJP –one; PRP –two) submitted their resignation. On December 30, 2009, a *bandh* was called by the Telangana Joint Action Committee (TJAC) paralysing the entire region.

1.5.05 During the period starting from November 29, 2009 till the end of April 2010 the state witnessed agitations of varying kinds, the most intense being from late November 2009 upto January 2010. Initially, these agitations were in Telangana region, then after the December 9, 2009 announcement, in coastal Andhra and Rayalaseema regions, and again back to Telangana region, post-December 23, 2009 statement. The law and order machinery of the state took appropriate action to bring the situation under control. A large number of cases both under preventive and substantive sections of law were registered and the needed arrests carried out. Since the agitations in Telangana region were for a much longer time compared to coastal Andhra and Rayalaseema regions, the number of cases registered against agitators from Telangana was also much higher. In all, over 1600 cases were registered involving more than 8000 agitators. The cases were classified in two categories, i.e., simple cases such as Rasta Roko, Rail Roko, making provocative statements, instigating violence, violation of prohibitory orders, insulting national leaders by garlanding their statues with objectionable material and attempt to suicide etc. and serious cases involving damage and burning of private properties, government properties and assault on public servants. The state government has recently withdrawn all simple cases totalling to 565 pertaining to the first category in the interest of the

career prospects of the youth and the students. The region-wise details of cases withdrawn are as: Telangana – 440; Coastal Andhra – 58 and Rayalaseema – 67. It is further understood that appropriate decision will be taken by the Government from time to time on withdrawal of the remaining cases after examining each case on its merit.

1.5.06 As indicated in the announcement of December 23, 2009, the Central Government invited the Presidents/senior leaders of the eight recognized political parties of the state for a meeting on January 5, 2010 to deliberate on the mechanism of the proposed consultations and to lay down a road map for the same. In the meeting chaired by the Union Home Minister on the said date at New Delhi and attended by the Presidents/Senior representatives of eight recognized political parties²³, the opinions on the issue were quite divided. It is learnt that while TRS, BJP and CPI expressed the view that no further consultations were necessary and that the process of creation of a separate state of Telangana, as announced, should be initiated, the Congress Party, CPI(M), AIMIM and the PRP conveyed that wide ranging consultations would be an appropriate option at this stage. The TDP was represented by two leaders who took divergent positions; with one favouring consultations and the other supporting a separate state. Notwithstanding the diversity in their views on the further steps to be taken, there was clear recognition of the need of the hour, which was to ensure that peace and calm should return to the state at the earliest. Understanding the serious law and order problems the state was facing, all the parties issued an appeal to the people of Andhra Pradesh to maintain peace and public order.

1.5.07 In the period following the above initiative of Central Government, however, different groups continued to support pro and anti division agitations. This period also witnessed intra party/intra group rifts in approaches. In this

²³ The parties that attended this meeting are: Indian National Congress (INC), Bharatiya Janta Party (BJP), Communist Party of India (Marxists) (CPI(M)), Communist Party of India (CPI), Telugu Desam Party (TDP), All India Majlis Ittehaud-ul-Muslimeen (AIMIM), Telangana Rashtra Samithi (TRS), and Praja Rajyam Party (PRP).

backdrop, the Government of India vide its decision dated February 3, 2010, constituted the present Committee i.e. the "Committee for consultations on the situation in Andhra Pradesh". The details of the constitution of the Committee and its Terms of Reference have already been covered in Approach and Methodology of the Report. The Committee held its first meeting on February 13, 2010. Although, most political parties and other concerned groups started cooperating with the Committee right from the beginning, the Bharatiya Janata Party (BJP) neither responded to the Committee's request to provide their inputs nor joined in the deliberations with the Committee. Some groups from Telangana region such as the lawyers, the representatives of students' JAC, etc. expressed reservations initially, but after observing the functioning of the Committee for some time, came forward to provide their views through detailed memoranda and also took part in extensive interactive sessions. The Committee was able to establish its rapport and credibility very quickly with all the sections of the society in the state which helped in the softening of the agitational mood and in the smooth conduct of its work. By and large, a general atmosphere of peace and calm and rational working conditions returned to the state which enabled the Committee to complete its programme of deliberations, interactions and visits to different parts, as per its schedule.

1.5.08 It may, however, be relevant to mention here the three important events that took place during the tenure of the Committee, which had drawn widespread attention of the society. These three events were: (i) the bye-elections to the twelve Assembly segments in five districts in Telangana region held in August 2010; (ii) the agitation for the demand for extension of 42% reservation in the Group-I posts in the Government for which recruitment is made under the aegis of the Andhra Pradesh Public Service Commission and (iii) the agitation by lawyers' groups in Telangana demanding reservations in the law officers' posts of the state Government. Due note was taken of these events and their outcome by the Committee.

1.5.09 The bye-elections for the twelve Assembly segments were necessitated by the resignations, in February 2010, of twelve MLAs (ten belonging to TRS, one BJP and one TDP. The TDP MLA resigned from the party in protest against the party's ambivalent stand on Telangana issue and later joined TRS under protest and in support of the demand *for separate state of Telangana*. While eleven seats were won comfortably with huge majority by the TRS candidates including the one TDP candidate who had switched over to TRS, the twelfth seat was won by the BJP candidate with TRS support from Nizamabad urban constituency defeating the PCC President, D. Srinivas. In these bye-elections, there was vast increase in the votes polled by TRS candidates as compared to the previous elections. One view on the outcome of all that had happened was that the status quo had been restored and the twelve sitting MLAs who had resigned had returned. However, if one sees the margins, it would be noticed that despite the fact that the overall polling in these bye-elections had dipped by about two per cent (from 66% to 64%) as compared to the previous elections, the separate Telangana sentiment aggressively and vociferously aroused by the TRS had appealed to the people in very large measure. Although the Congress and the TDP candidates also echoed pro-Telangana sentiment, they did not have as much impact on the public perception as the TRS candidates did. While the TDP fared rather badly, even the Congress party was not able to acquit itself well. It is also to be noticed that the twelve constituencies are located in five districts of Telangana region and cover a wide cross section of society. The bye-election results, thus, did provide a further fillip to the separate Telangana demand.

1.5.10 On the reservation for Group-I posts, the Telangana activists and the Osmania University JAC started an agitation for postponing the Screening Test for Group-I posts [conducted by Andhra Pradesh Public Service Commission (APPSC)] demanding 42% reservation of the posts for Telangana. A *bandh* to press this demand was called on September 5, 2010, *the day of the examination*. However, the examination was conducted successfully on September 5, generally peacefully all over the state, barring a few stray incidents. In the examination

centre located in the B.Ed. College at Osmania University, Hyderabad, the Telangana students entered the examination hall and tore up the question papers. APPSC decided on 14th September to conduct Group-I examination again for all candidates whose centre was at B.Ed. College, Osmania University and also for those who had missed the same due to disturbances caused by Telangana *bandh* on September 5, 2010. The re-examination was conducted for all those who wanted to appear on October 25, 2010 at three centres in Hyderabad. 1037 candidates appeared for the examination on this day. The overall attendance for the examination i.e. applicants vis-à-vis candidates actually attended was 44.5% in the state and about 40.6% in Telangana. The question of reservation for employment in Government jobs has been discussed in detail in a separate Chapter subsequently in the Report.

1.5.11 The lawyers of Telangana region have been agitating for a long time on the issue of discrimination against them in appointments as law officers/standing counsels. While they had represented about this to the state Government and the Advocate General in February 2010, in September 2010 the agitation became serious through boycott of the Courts in Telangana region and also the High Court and through indefinite fasts etc. While this issue has been discussed at length subsequently in the Report, it will be worthwhile to mention here that the state Government constituted a Committee of three Ministers namely Dr. (Mrs) Geetha Reddy, Minister for Information & Public Relations and Tourism & Culture (from Telangana), Sri. Mopidevi Venkata Ramana Rao, Minister for Law & Courts, Technical Education, (from coastal Andhra) and Sri P. Ramachandra Reddy, Minister for Forests, Environment, Science and Technology (from Rayalaseema) - representing all the three regions - in September 2010 to ensure regional and social balance in the appointment of law officers and standing counsel. It is learnt that the Committee has since completed its work and submitted the report to the state government, fulfilling its mandate for providing regional and social justice in these appointments. Details pertaining to the lawyers' demands are also covered in the Chapter on "Employment in Government".

1.5.12 The entire working of the Committee for the last ten months or so has been covered in detail in the section on Approach and Methodology. It will suffice to conclude that in spite of some initial hiccups, the agitational mood and the early non-cooperative stance taken by a few groups, who, except for the BJP, soon thereafter started extending their full support, the Committee was able to complete its mandate in the given time-frame.

CHAPTER 2

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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 ₹326547 crores which works out to be ₹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% since 2003-4 (Government of India, Ministry of Statistics and Program Implementation). Yet, only 26 % of its GDP accrues from agriculture while 62% of all workers are either farmers or manual agricultural labourers (See Table 2.1). Per hectare agricultural output works out to be ₹25 thousand which is above the average for India. AP has a literacy of 60.5% (70.3% male and 50.4% female) and low infant and child mortality (43 per thousand births). It has 27 % 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%, 6.6% and 9% 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 Millions) 2001	Population Density (Persons/Sq. Km.)	Urbanization (in%)	Sex Ratio	IMR (Per 1000)	Literacy Rate	% of SCs & STs	Work Participation Rate	% Share of Agri. in Total Workers	Per Hectare Agri. Output (₹ '000)	2007-08 Per capita DDP (in ₹ 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	22.2	977	42	55.0	27.0	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
Mahbubnagar	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
<i>Hyderabad</i>	<i>0.2</i>	<i>3.8</i>	<i>19149</i>	<i>100</i>	<i>933</i>	<i>22</i>	<i>78.8</i>	<i>8.9</i>	<i>29.2</i>	<i>1.7</i>		<i>51856</i>
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%, 41.6% and 17.6% 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% 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% of state population in 2010¹. Telangana region has a slightly larger SC/ST population at 24.7 % compared with 22.3% in coastal Andhra and 19.5% 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 ₹33056 in Rayalaseema at 2007-08 current prices. Rayalaseema draws its income from agriculture to the tune of 25%

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%, 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%. Thus adjusting for the rate of migration it is expected that the Hyderabad district consists of 4.9 million people or 5.6% of the state population in 2010. However, the population of Hyderabad urban agglomeration is expected to be 7.3 million or 8.4% 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.

followed by 24% in coastal Andhra and least in Telangana at 22%. The overall work participation rate is high at 47.5% in Rayalaseema followed by 46% each in coastal Andhra and Telangana. As expected, the level of urbanization is rather low in all regions – Telangana (22%) and 25 % in coastal Andhra and 23% 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. Refer to Appendix 2.1 for a comparison of additional variables amongst the three identified regions.

2.2 Gross District Level Domestic Product (GDDP)

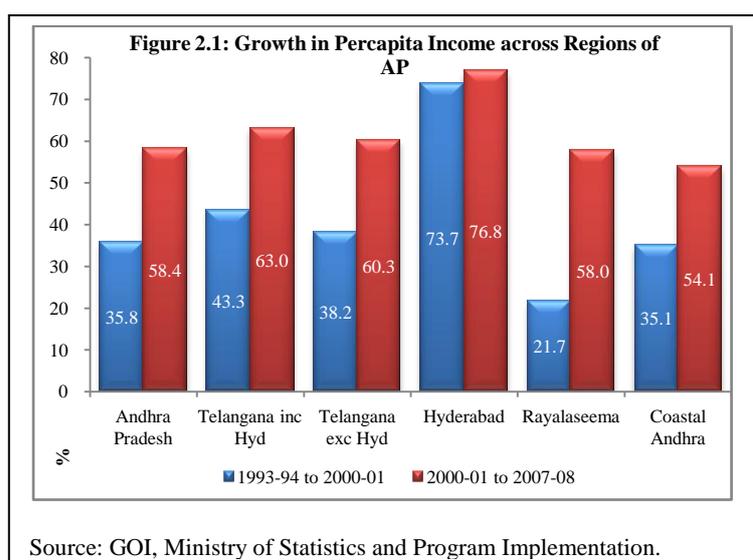
2.2.01 In India, value added in the productive sectors of the economy is estimated at the level of the state. Using time tested standard methods the state GDP is redistributed to each of the districts based on the structure of the district economy. In the following analyses such Gross District Level 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 ₹12809 at 1999-2000 prices and Telangana excluding Hyderabad city had lowest per capita income at ₹11391. However, by the year 2007-8, Hyderabad city experienced extraordinarily high growth in per capita income and reached ₹39145 level; the remaining regions also experienced growth so as to reach for example, ₹26655 in coastal Andhra, ₹25237 in Telangana (excluding Hyderabad) and ₹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/ ₹)

Region	1993-94	2000-01	2007-08
Andhra Pradesh	12235	16615	26310
Telangana inc Hyd	11558	16566	27006
Telangana exc Hyd	11391	15746	25237
<i>Hyderabad</i>	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

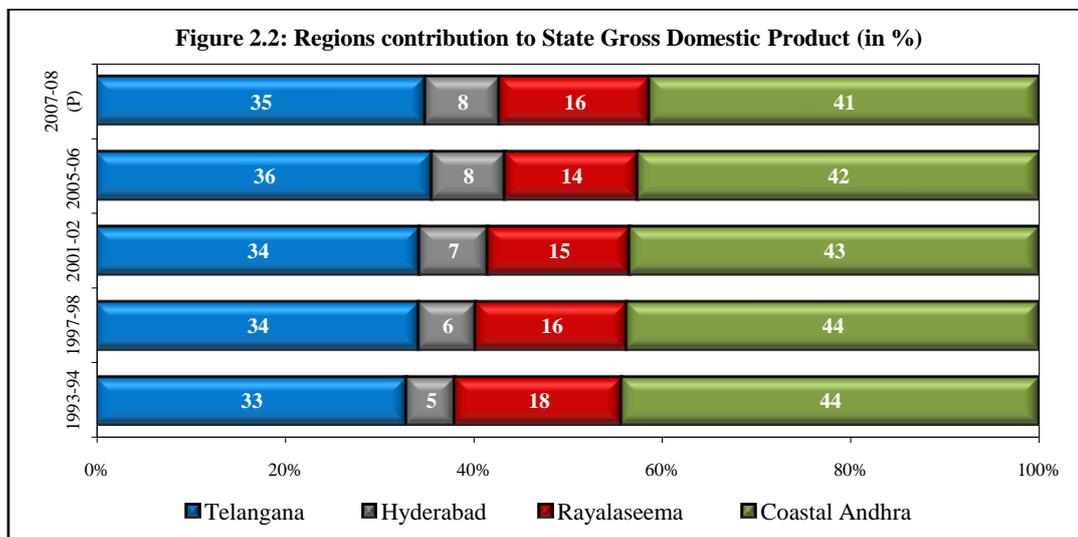


understood by reviewing the rate of growth by region. During the period 2000-1 and 2007-8, the whole of AP experienced an average per capita income growth of 58%; during this same period Hyderabad recorded the highest growth to the tune of 77%, followed by

Telangana region excluding Hyderabad at 60%, Rayalaseema at 58% and coastal Andhra at 54% 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.

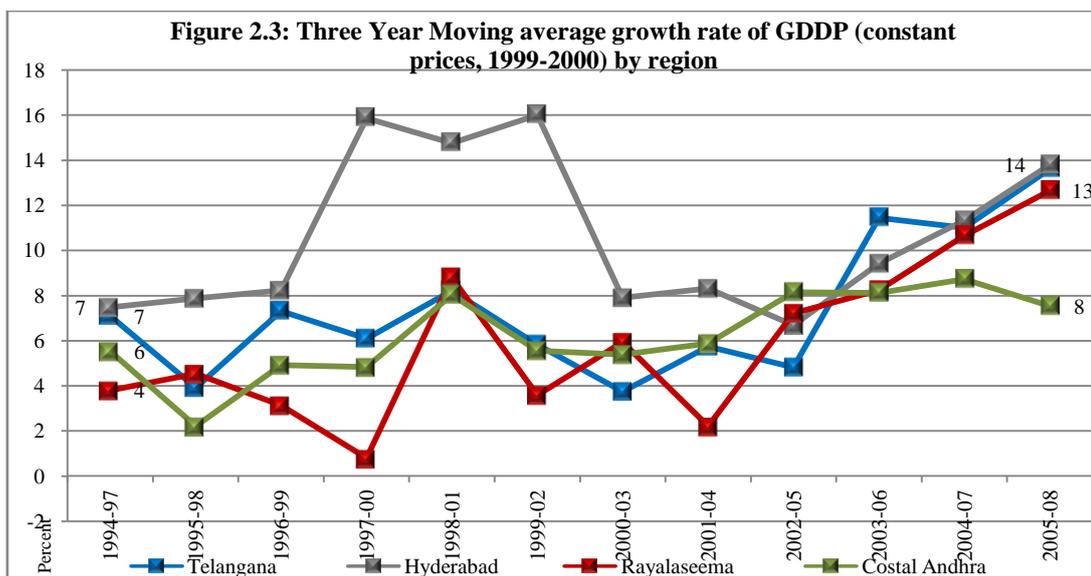
2.3 Share of Income by Regions: Another way to compare the growth of income is to trace the changes in share of income per capita over the years. The annual growth of income often show sharp variations, therefore it is normal to

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% during 1993-94 has increased to 35% during 2007-08. Similarly, the share has increased from 5% to 8% in case of Hyderabad. Consequently the respective share in coastal Andhra declined from 44% to 41% and from 18% to 16% 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).



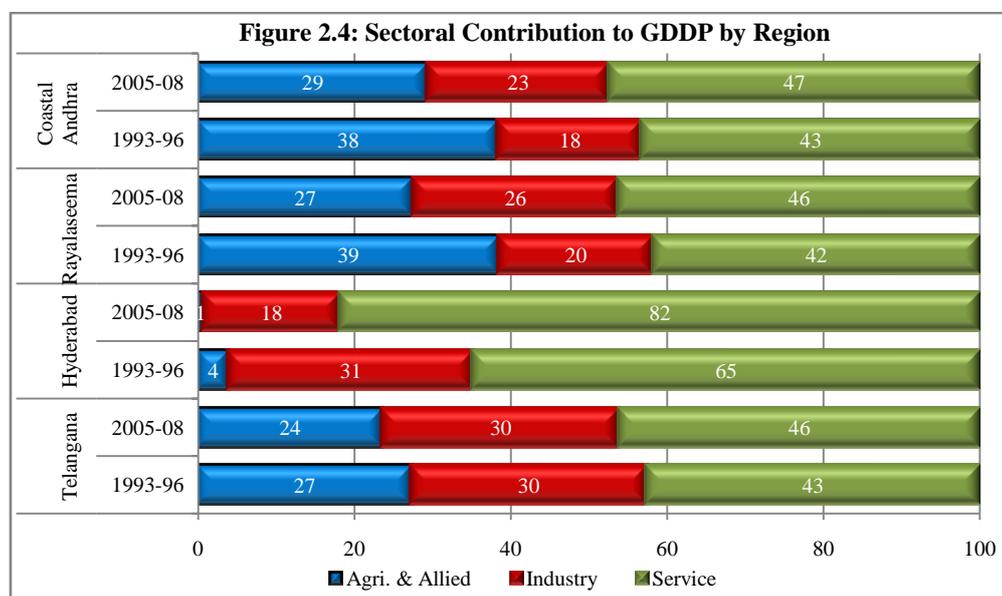
Source: GOI, Ministry of Statistics and Program Implementation.

Note: Telangana excludes Hyderabad



Source: GOI, Ministry of Statistics and Program Implementation. Note: Telangana excludes Hyderabad

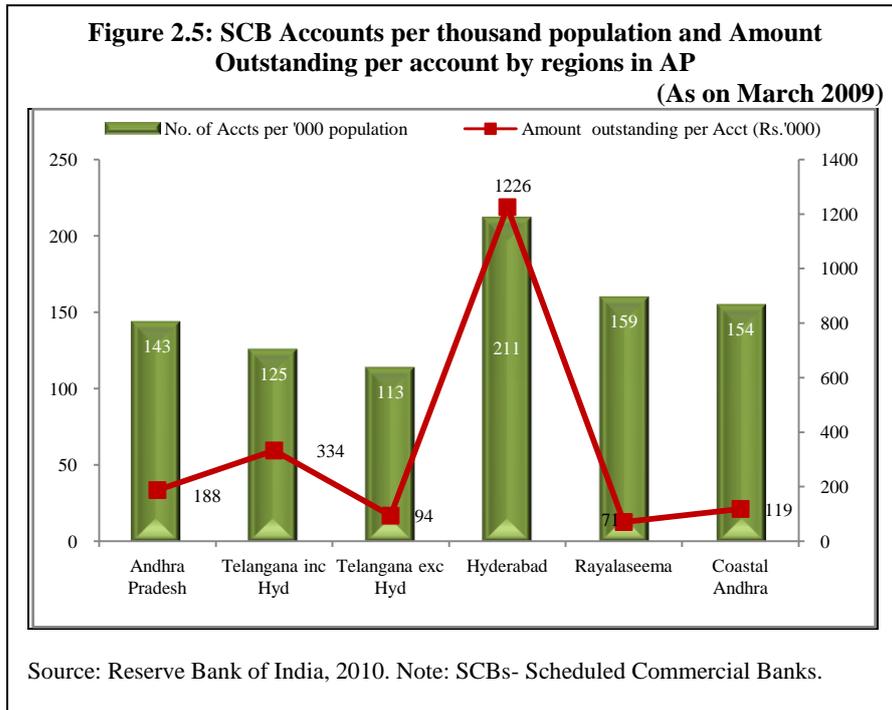
2.4 Regional Sectoral Share of GDDP: In the following, is a review of source of income according to the three broad sectors of the economy, namely, the primary or agricultural, manufacturing and services. The sectoral GDDP growth in Telangana has drawn a relative advantage in income generation both from 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%) and possibly better employment as well and these have improved over time for better. Hyderabad, as expected, draws most (82%) of its income from services followed by the industrial sector.



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

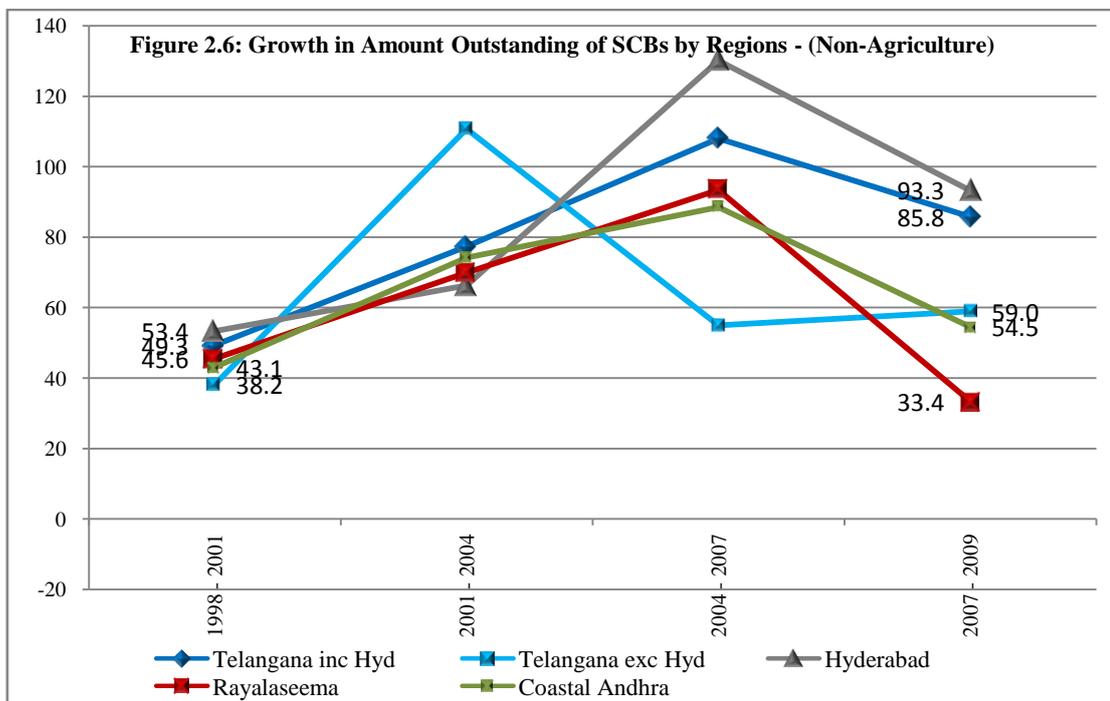


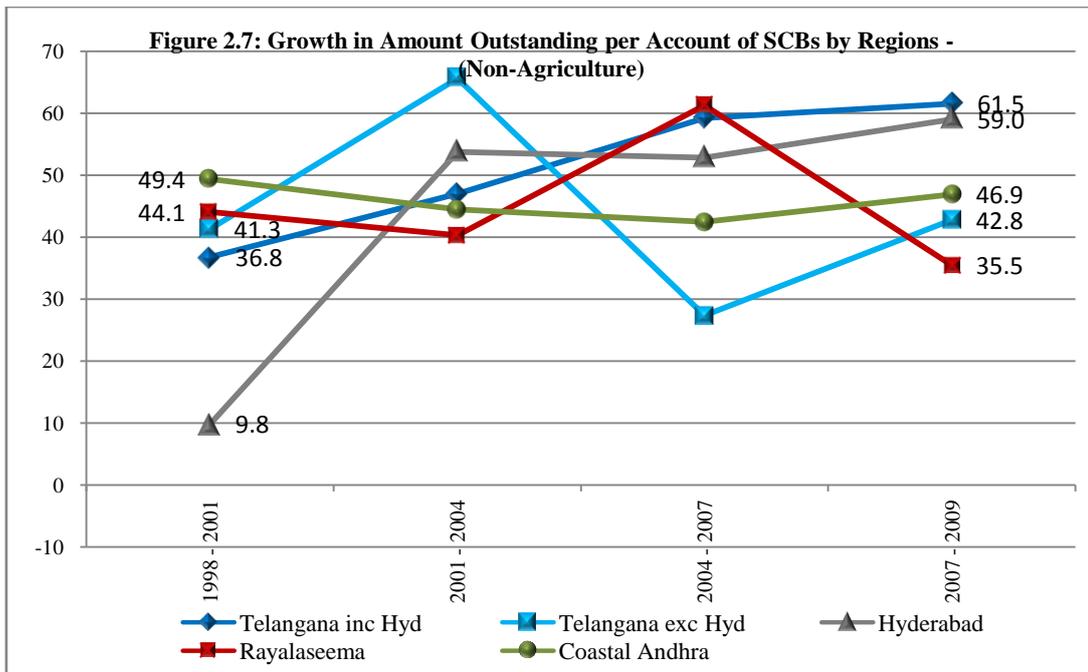
economic health of an area or region is to evaluate the credit utilization offered by the scheduled commercial (both public and private) banks (SCBs).

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 non-agricultural 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 ₹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 ₹71 thousand followed by Telangana (excluding Hyderabad) at ₹94 thousand and ₹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 ₹334 thousand but note that the largest outstanding amount is for the city/district of Hyderabad which is over ₹12 lakh per account.

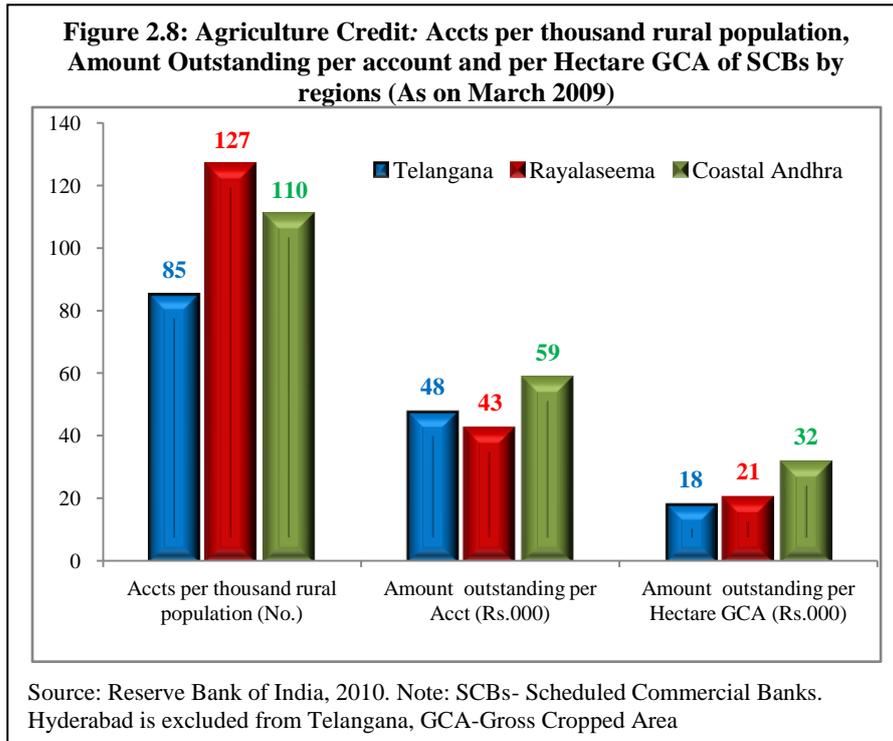
An analysis of growth of credit amount and also credit per account of the non-agricultural credit of the SCBs suggest that a robust growth have taken place during the last about dozen years in Hyderabad. The Telangana area experienced considerable progress during the period 2001-04, but thereafter, there 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.





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.

2.5.02 Agricultural Credit: Agricultural credit is one of the prime functions of commercial banks and is classified as a priority sector lending.

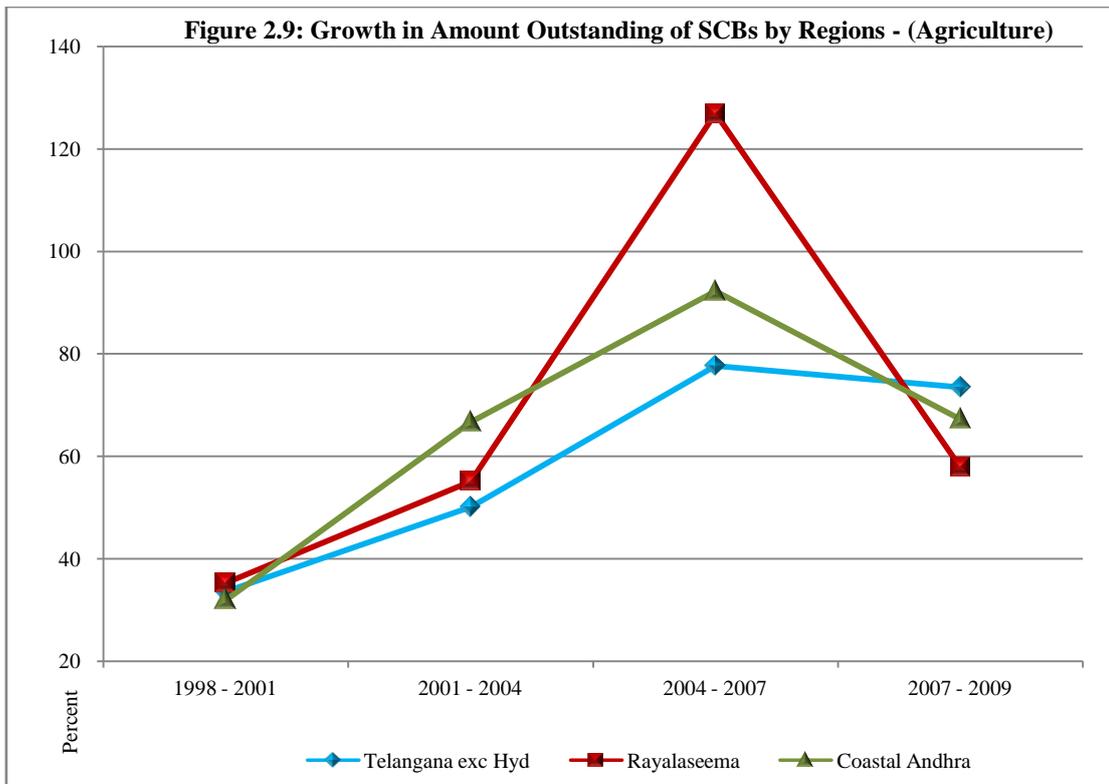


Rayalaseema which is a relatively dry and rain-fed agricultural area has highest concentration of accounts at 127 accounts per thousand rural population, followed by coastal Andhra at 110 and

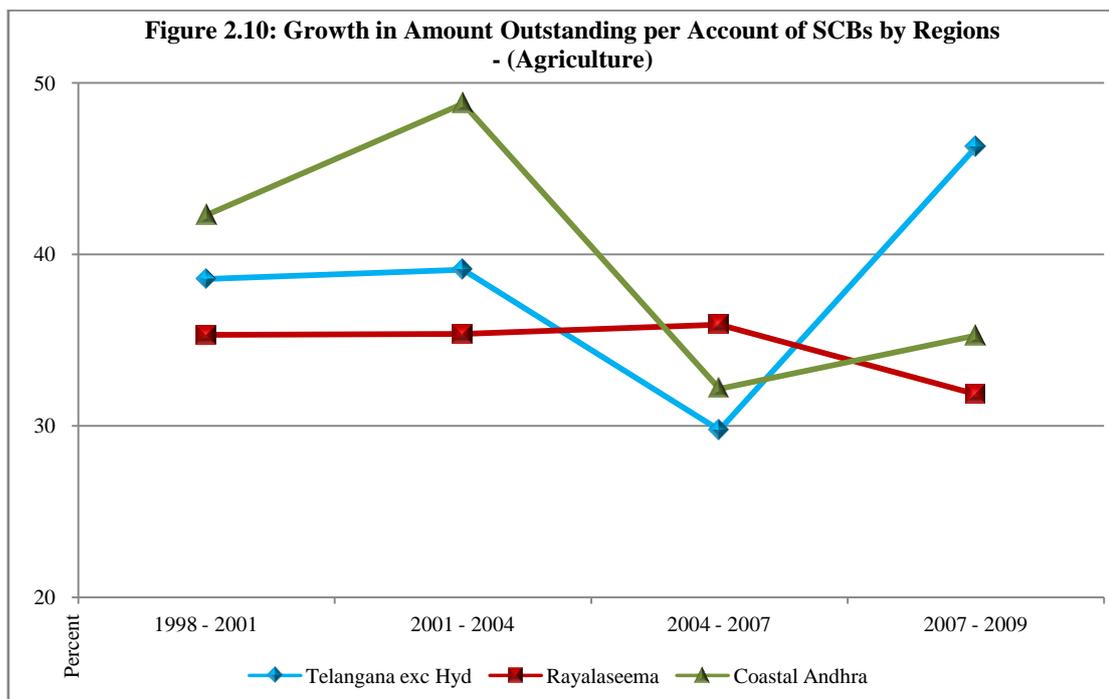
Telangana at 85. But in terms of amount outstanding, coastal Andhra has considerable advantage over both Telangana and Rayalaseema. It is important to

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 ₹48 thousand per an agricultural account which is higher than in Rayalaseema at ₹43 thousand, but far lower than coastal Andhra at ₹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 ₹32 thousand per hectare compared with ₹21 thousand in Rayalaseema and only ₹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 ₹29 thousand account holders and the average outstanding is very high at ₹16.4 lakh per account.

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.



Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks



Source: Reserve Bank of India, 2010. Note: SCBs- Scheduled Commercial Banks

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.

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.

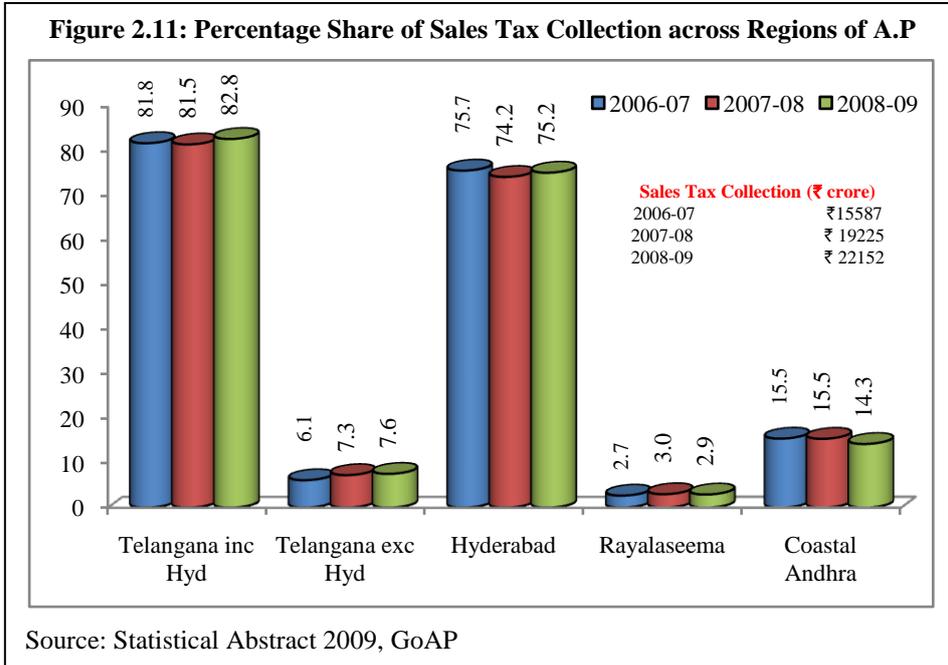
2.6 Other Economic, Fiscal and Programme Indicators

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 percent. 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 ₹22 thousand crores was the sales tax accrual in Andhra Pradesh. Incidentally, almost 75% of this amount was collected



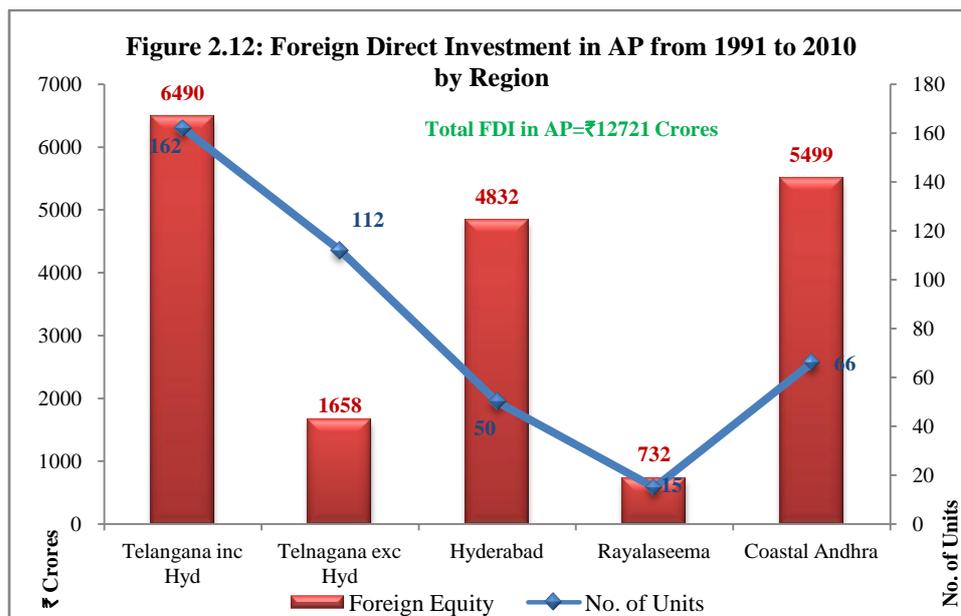
from Hyderabad alone. The sales tax collection is undertaken as per the sales tax division and often one division can cover more

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 % of all sales tax collection takes place. Tax collection in Telangana is about 8% and Rayalaseema is just about 3%.

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 ₹12,421 crores in FDI. Of which, ₹6490 crores of investment has taken place in Telangana (including Hyderabad), but with very high concentration 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 ₹1658 crores compared with ₹5499 crores investments in coastal Andhra. Rayalaseema has received just ₹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

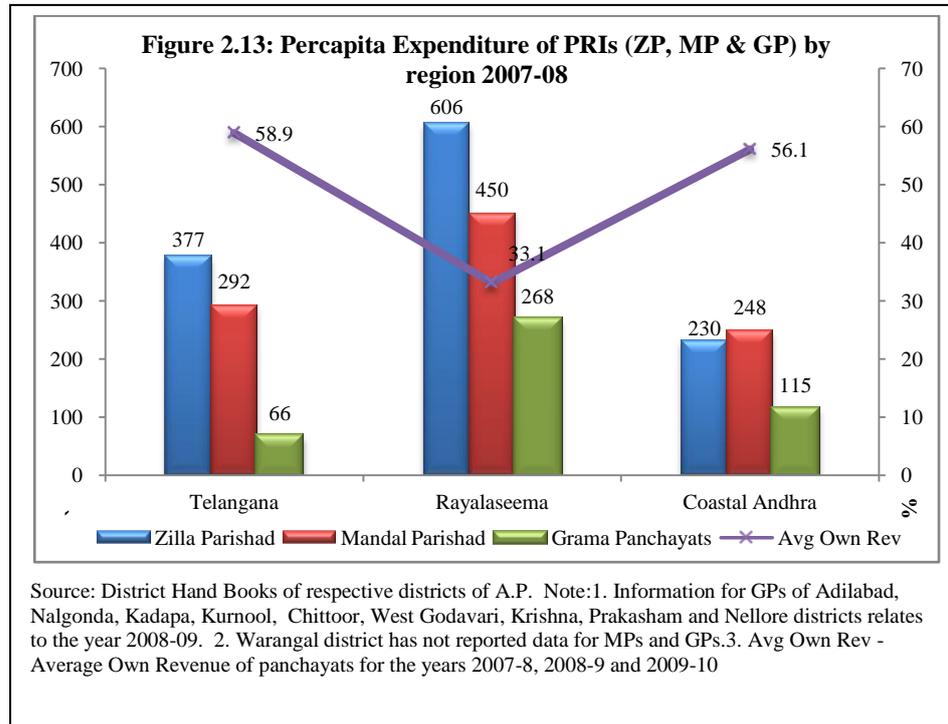
2.6.04 Devolution of Fiscal Powers to PRIs namely the ZPs, MPs and GPs

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

₹268

compared with ₹115 in coastal Andhra and only ₹66 in Telangana. However, in case of ZPs and MPs, Telangana has recorded higher amounts

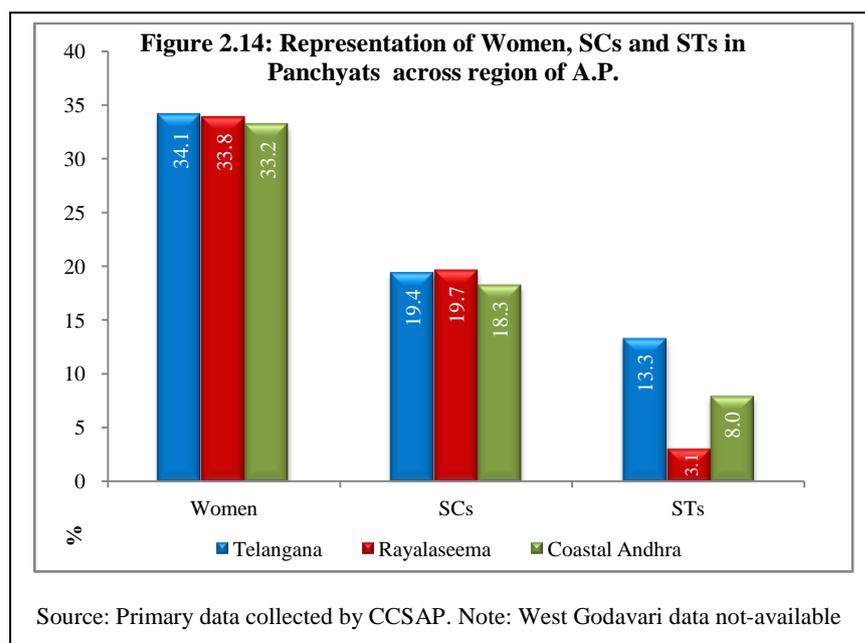


than coastal Andhra yet much less than Rayalaseema. These estimates suggests that Telangana is the least devolved region, since the ZPs and MPs report relatively higher amounts of expenditure whereas the GPs spend considerably less compared to other areas. Rayalaseema stands out since the per capita 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% of all expenditures from local sources,

which is commendable. Coastal Andhra is not far behind with 56%, while Rayalaseema is able to raise its own resources to the extent only of 33% 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.



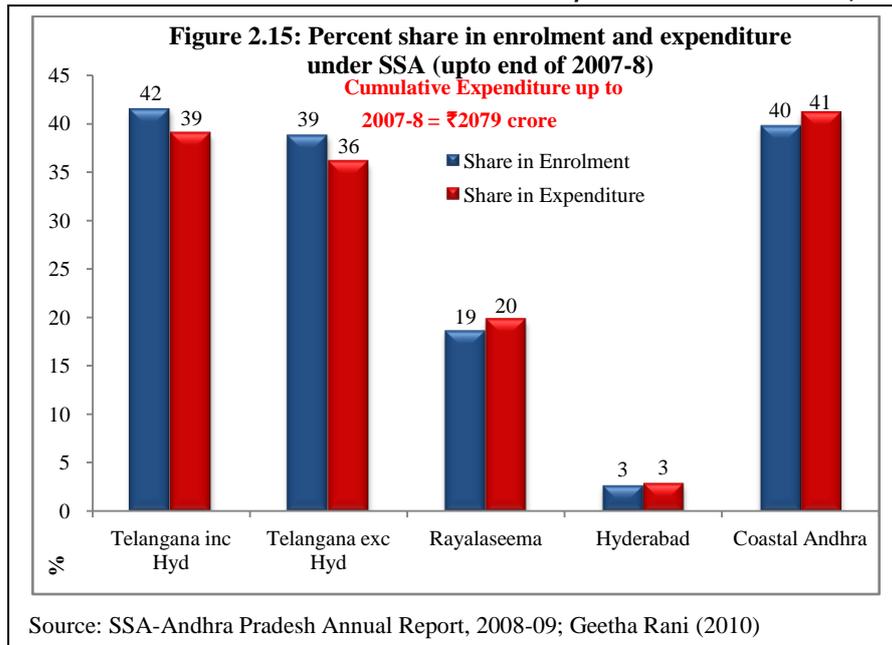
The data received from the districts was carefully consolidated. Due to scanty reporting of information on PRI participation of minorities, it was not possible to assess representation of minorities at the

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% in Telangana, 8 % in coastal Andhra and a low of only 3% in Rayalaseema. These levels do reflect low shares in the respective populations.

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 ₹ 3737 crores over the years until 2007-08, but the released and



expended funds are 58% and 57% 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% share in enrolments but somewhat less share at 36% in expenditure, but coastal Andhra has better enrolment at 40% and a bit higher share in expenditure at 41% (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 catch-up 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 % population of Telangana (including Hyderabad) and about 19 % 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% (including Hyderabad) in Telangana, 74% in Rayalaseema and only 7% in coastal Andhra.

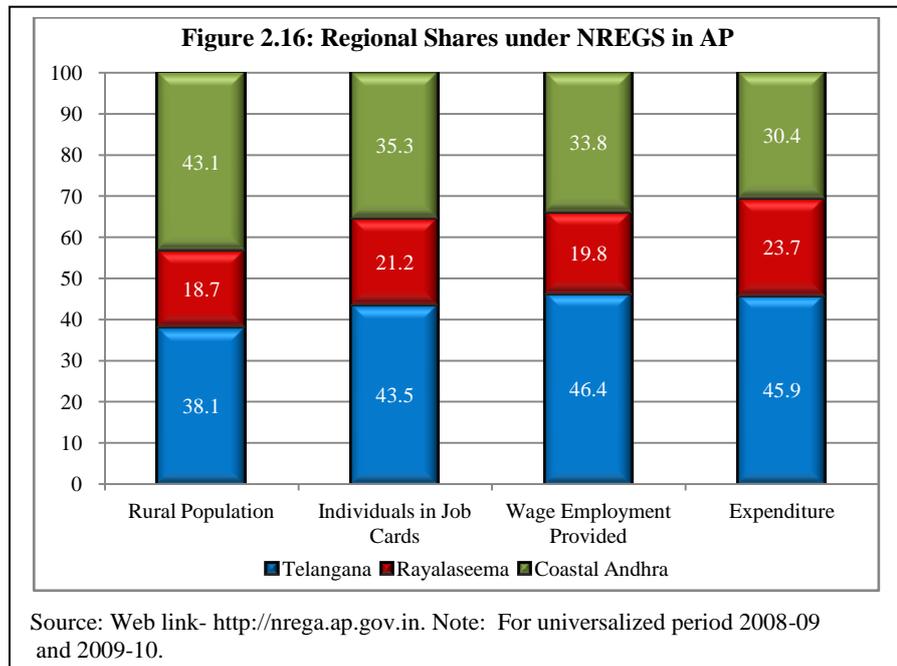
Of the total 87% population covered by BRGF in Telangana, 46 % is covered under extremist affected districts selection criteria. Thus, a large percentage of population from Rayalaseema, relatively smaller percentage from Telangana and very small percentage from coastal Andhra were backward as per the 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 ₹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;

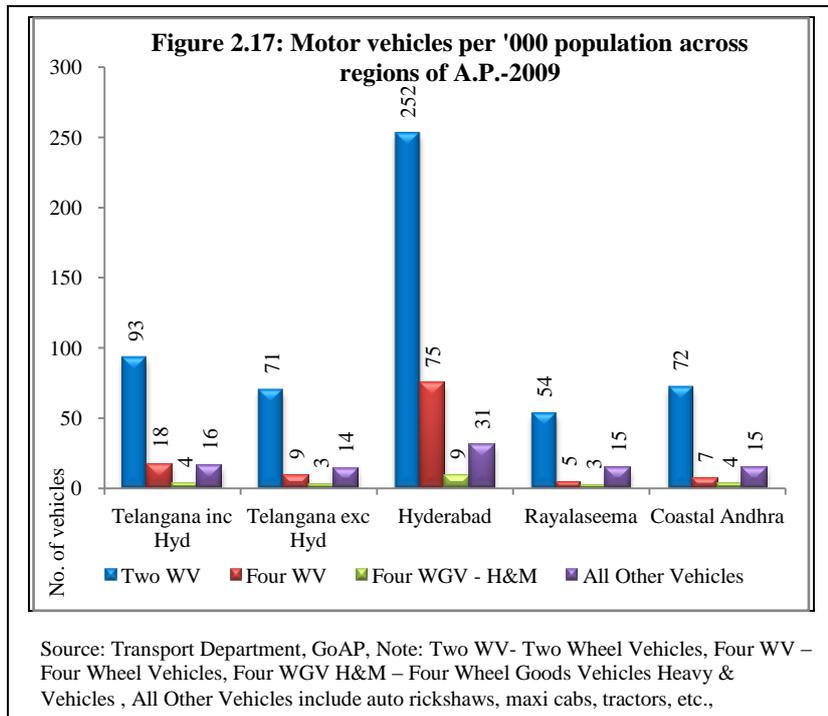
(2) Four WV- four wheelers such as cars, vans and other LMVs; (3) Four WGV H&M-

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

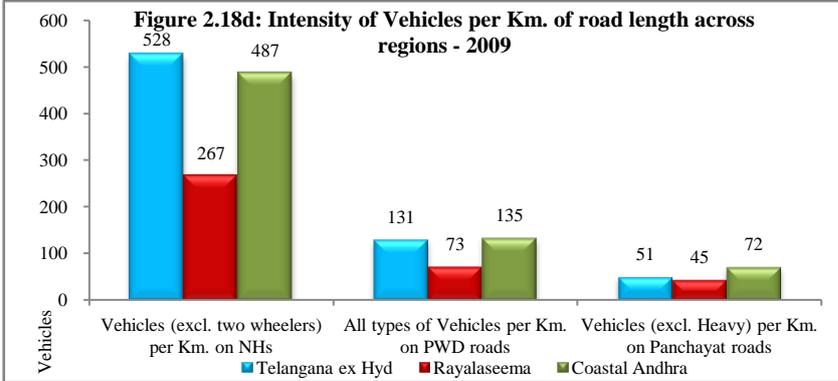
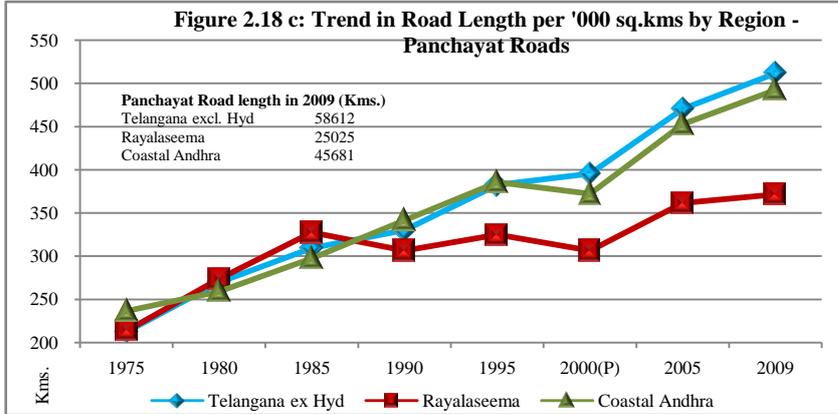
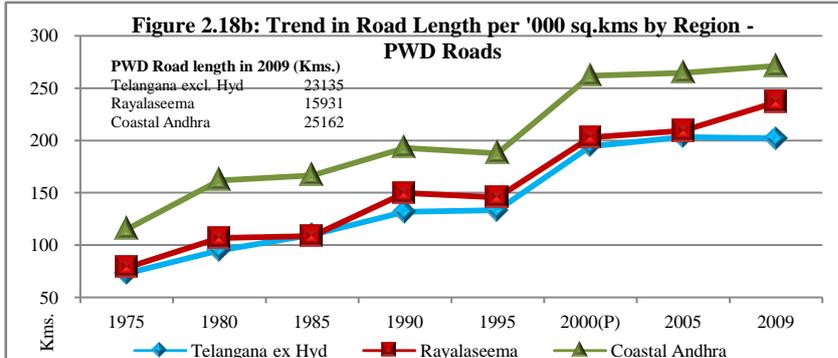
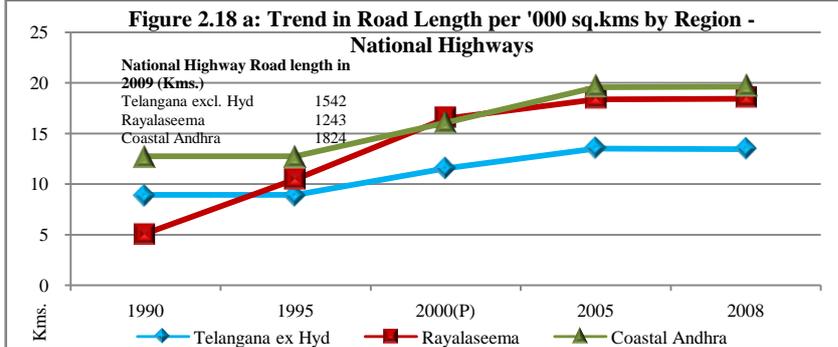
Telangana. Rayalaseema has low intensity of motor vehicles in all categories.



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% 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% increase during the same period. However, the situation in Rayalaseema has been one of decline (about 6%) 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.

Table 2.3: Gross cropped area across regions of A.P

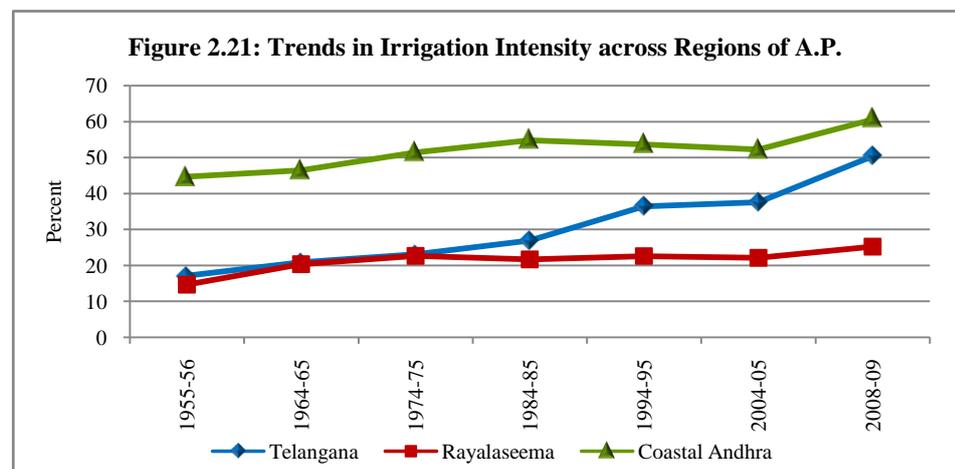
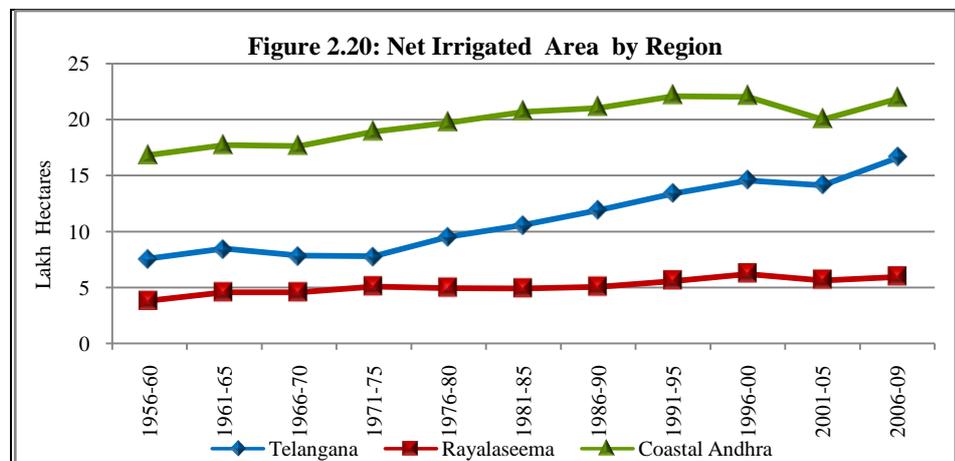
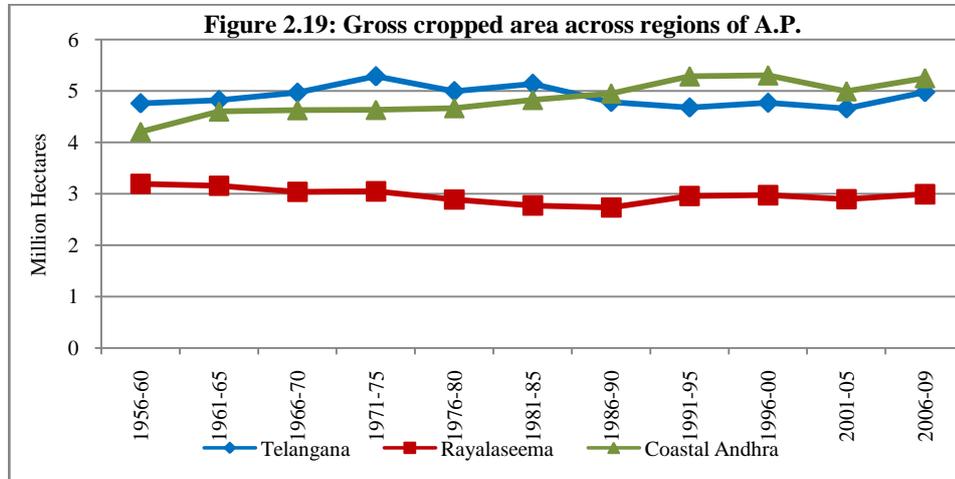
(5 year moving averages / Million Hectares)

Region	1956-60	1961-65	1966-70	1971-75	1976-80	1981-85	1986-90	1991-95	1996-00	2001-05	2006-09
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



Source: Directorate of Economics & Statistics, GoAP. Definition: Net Irrigated Area – the area irrigated through any source once in a year for a particular crop.

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% increase; while coastal Andhra and Rayalaseema have experienced a much lower growth of NIA at 30% and 55% 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.

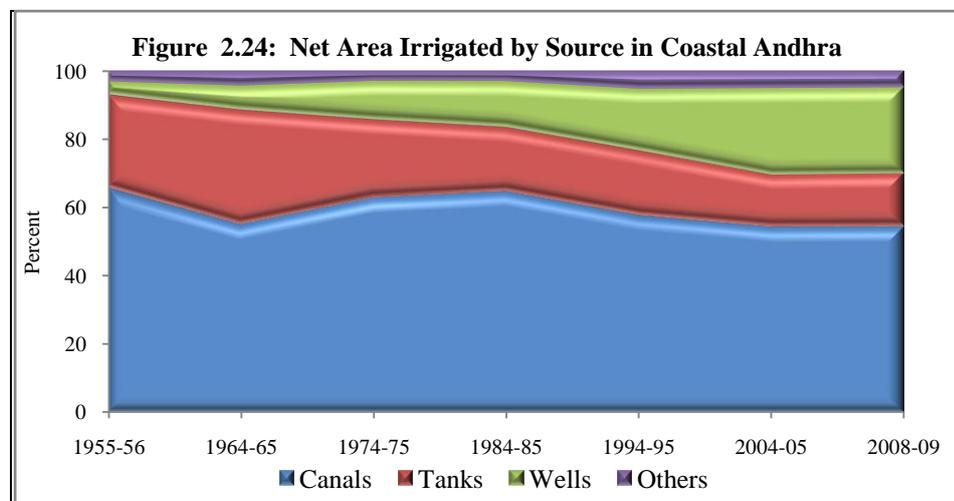
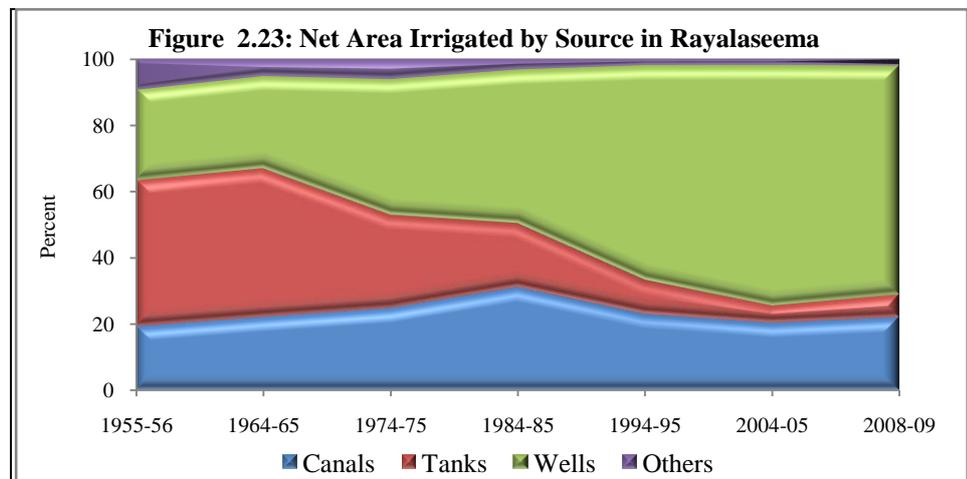
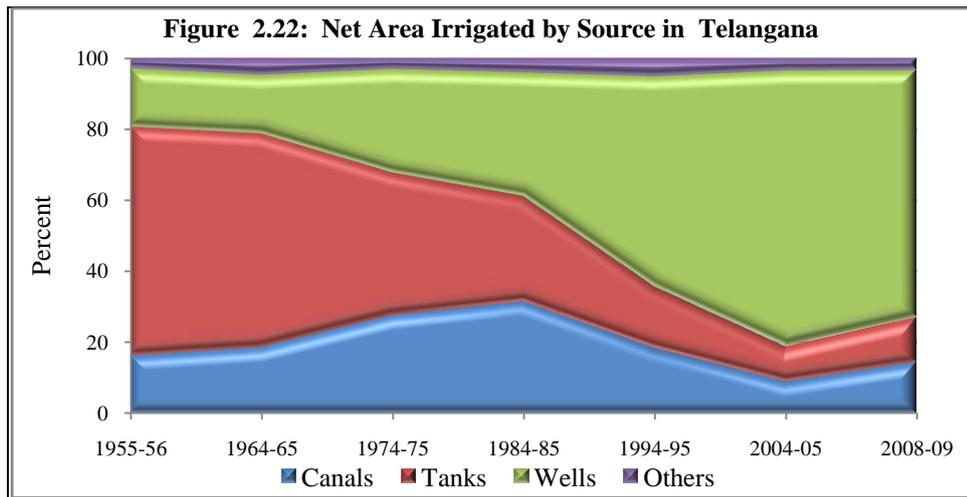
2.7.04 Irrigation Intensity: Another way to understand improvement in irrigation is to study 'irrigation intensity' which is the ratio of gross irrigated area to gross cropped area across regions. About the time of reorganization of AP in 1956, coastal Andhra had highest irrigation intensity of 44.7% compared to Telangana with only 17.2% and Rayalaseema at 14.7%. However, the irrigation intensity improved to 50.4% in Telangana, 60.6% in coastal Andhra and a meagre 25.3% 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% in Telangana and 19% in Rayalaseema. A cause of concern is that surface water irrigation through Tanks has declined significantly from over 64% in 1955-56 to just 12% 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.

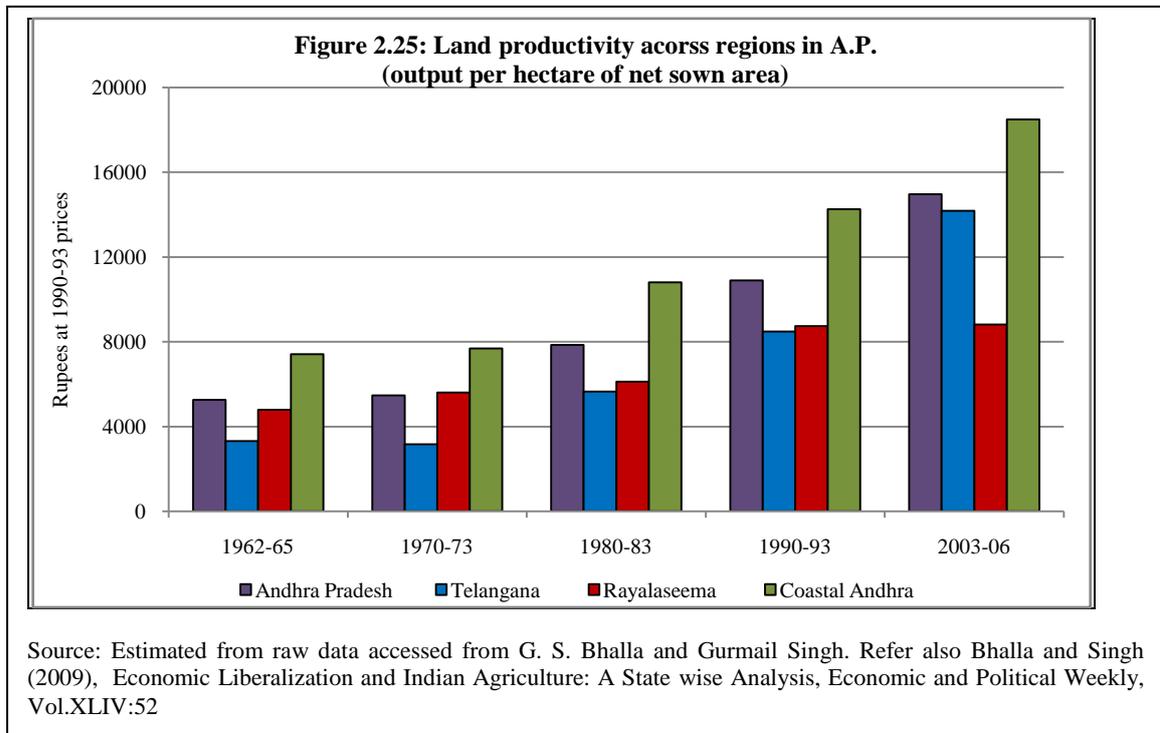
The puzzle is in coastal Andhra, where the canal and tank irrigation has declined by about 10 percent, each over a period of 53 years, and even in this region bore well (energized) irrigation which was insignificant (4%) in 1955-56 has increased to 25 percent. Due to the natural advantages, both surface 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 ₹3320, compared to Rayalaseema at ₹4795 and coastal Andhra the highest at ₹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).

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% increase in rice production per hectare between 1956-65 and 1965-75 compared with only 39 % and 20% 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% 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% of all its area under land size of less than 2 hectares compared to 41 % in Rayalaseema and 46% 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% of all its operational land area under irrigation, and this share is 46% in Telangana and as low as 24% 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.		
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. % 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								
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 2.26: Growth of Electricity consumption per agri connection

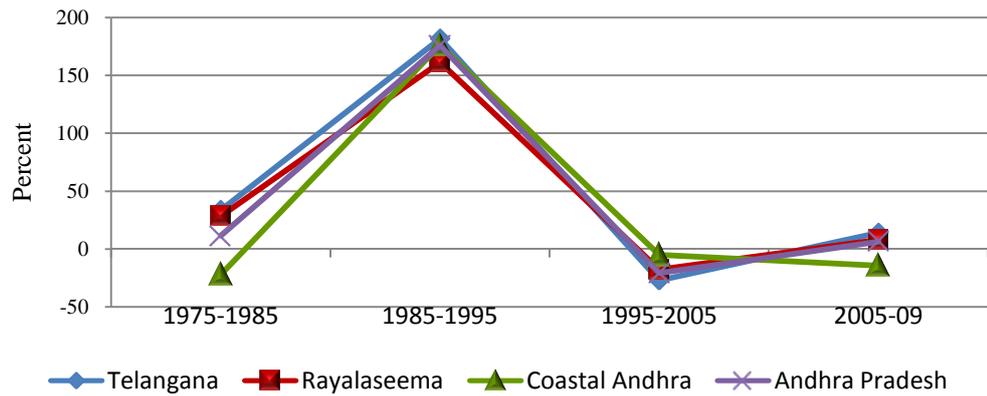


Figure 2.27: Growth rates in percapita electricity (LT) consumption

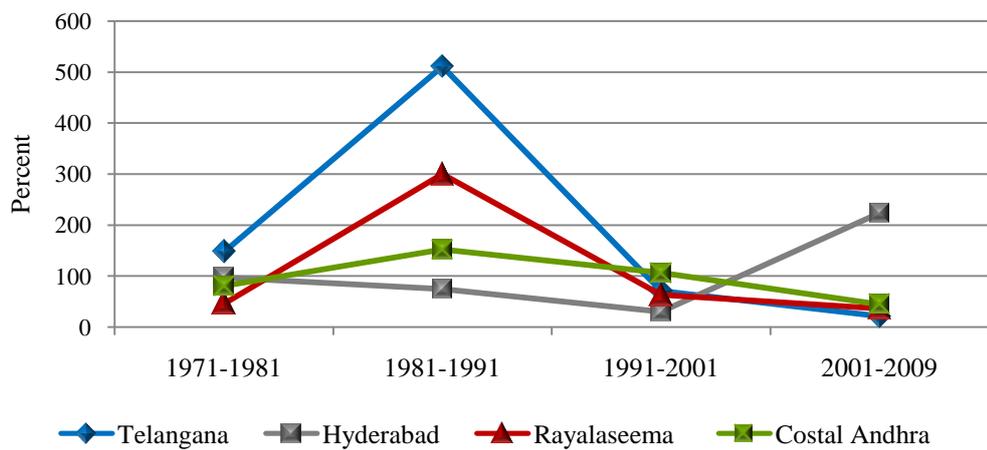
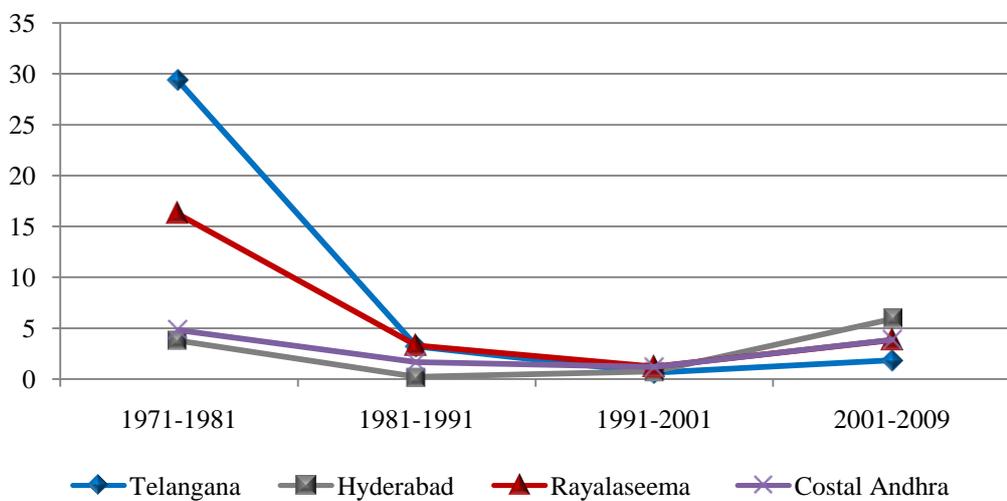
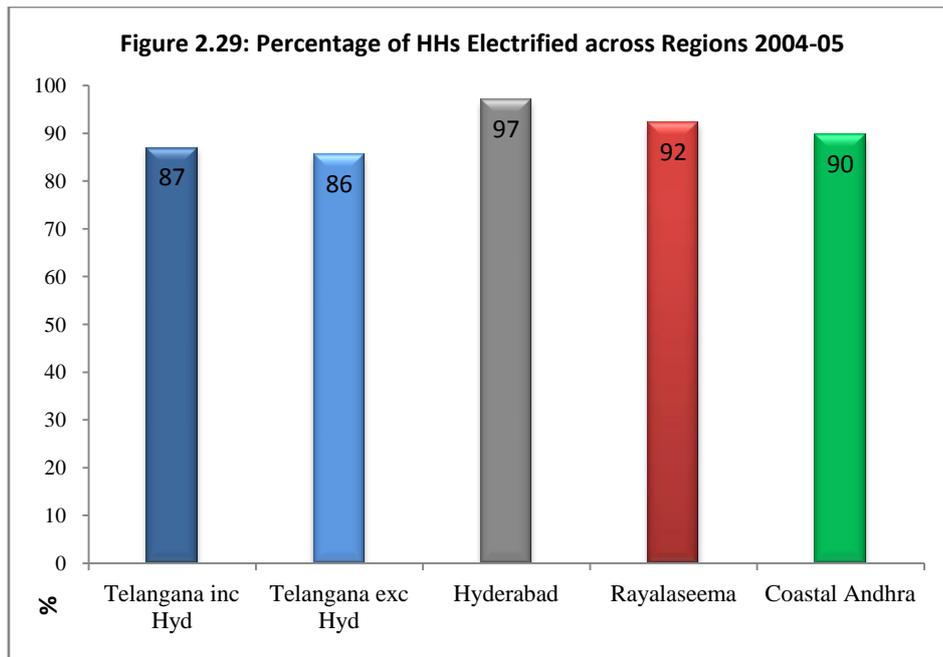


Figure 2.28: Growth rates in percapita electricity (HT) consumption



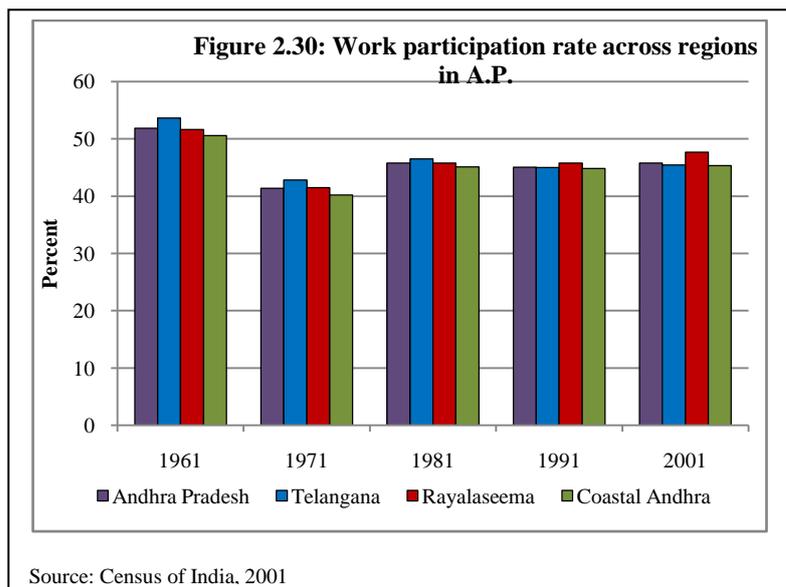
Source: Directorate of Economics and Statistics, GoAP.



Source: HDPI, 2004-5

2.9 Work Participation Rates and Employment

2.9.01 Work Participation Rates (WPR):



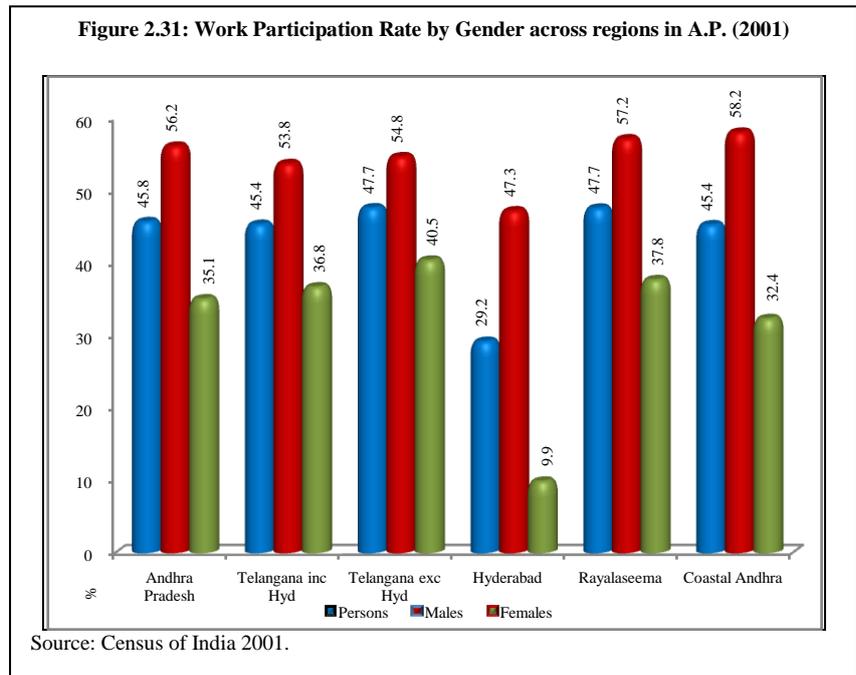
Source: Census of India, 2001

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% in 1961 has declined to 45% 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% and both coastal Andhra and Telangana have recorded WPR just at about 45% each (See Figure 2.30). A

relatively higher WPR is generally considered a sign of distress rather than an indication of employment in India.

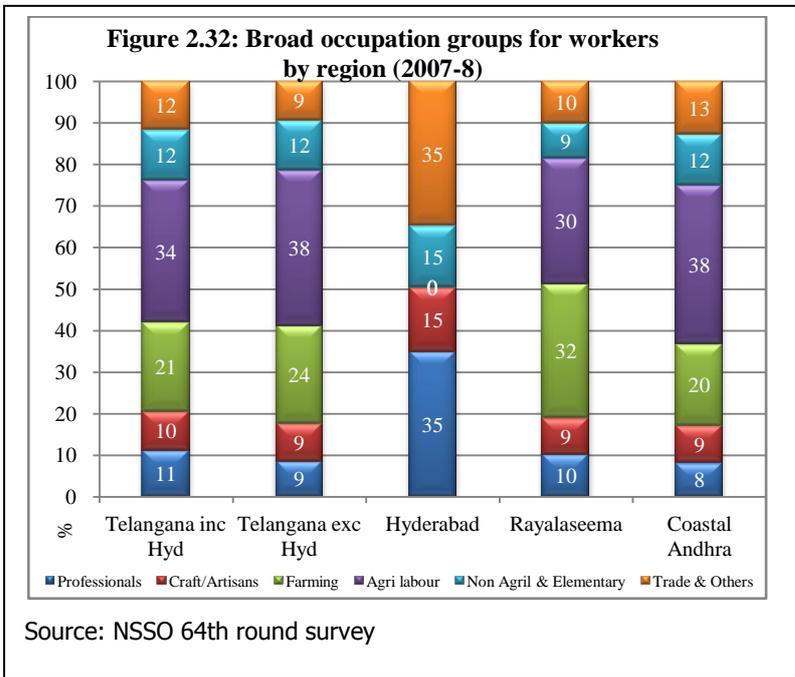
Generally the WPRs differ substantially between men and women. Customarily, in India, adult men are considered the primary bread earners and women earners are found either as educated employed or as family and / or distress workers in



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.

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% of the labour force followed by another 35% 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% 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.

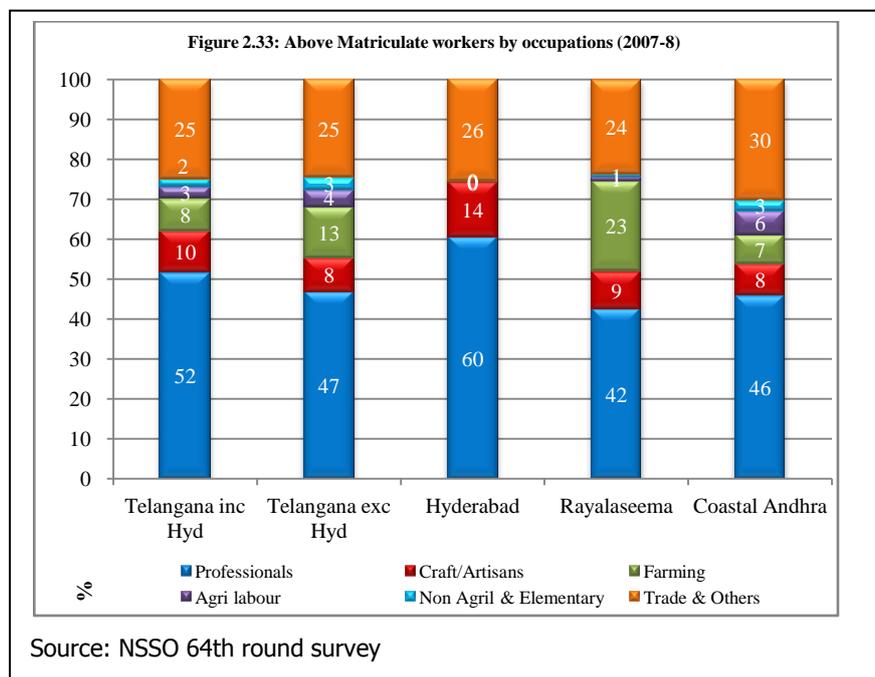
Table 2.6: Workers by level of education and gender by Regions 2007-8 (Percent)

Region	Illiterate	Up to Matriculation	Above Matriculation	Women Workers
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

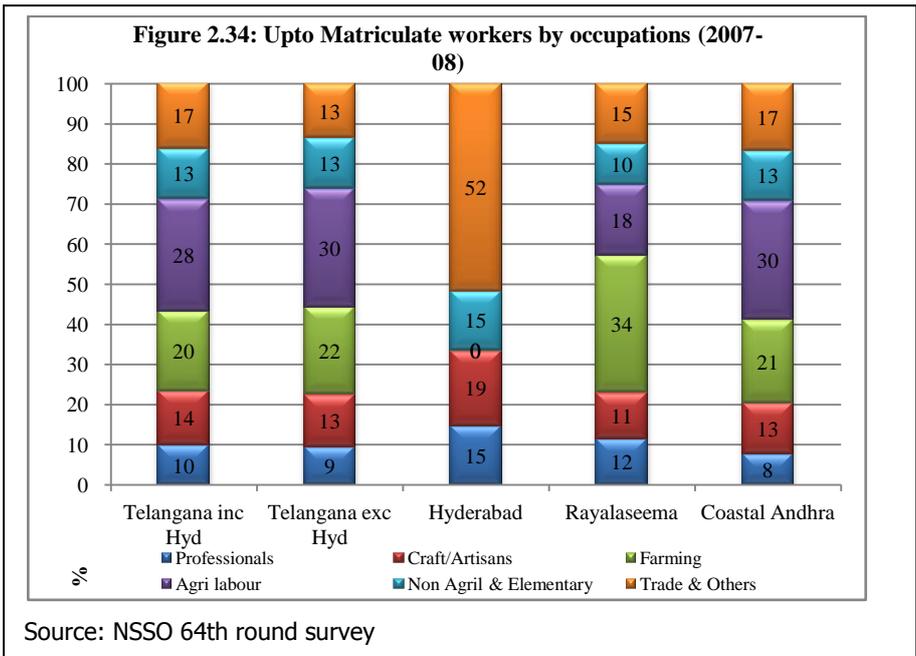
2.9.04 Education and Employment: To understand the impact of education on the nature of employment, an analysis was undertaken separately for the educated labour force, those up to matriculation and those above matriculation. One sees a clear impact of education in the choice of occupations but differentials

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



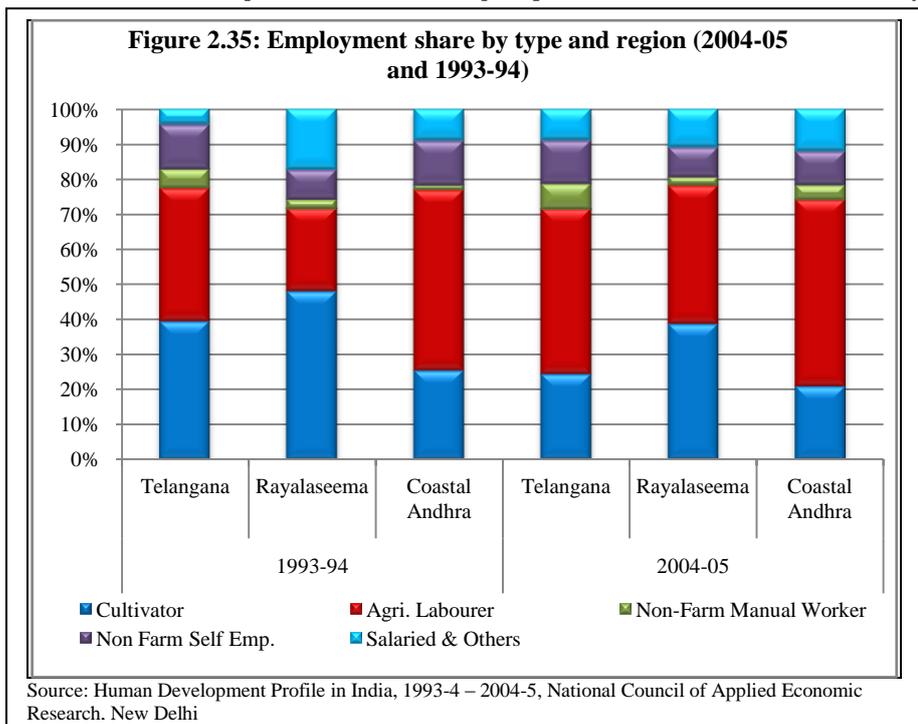
Telangana and coastal Andhra, followed by trading and business with a slight edge in coastal Andhra (See Figure 2.33). It is only in Rayalaseema that the share of educated is also as high as that of farmers at over 23%. The share of educated in farming is only 10% in Telangana and 13% in coastal Andhra suggesting relatively better employment opportunities in non agricultural occupations in both Telangana and coastal Andhra 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% to 25%; in coastal Andhra it fell from 25% to 21% and in Rayalaseema it declined from 48% to 39% (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% to 47%, and in Rayalaseema this share has increased from 24% to 39%. 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 % percentage points in coastal Andhra.

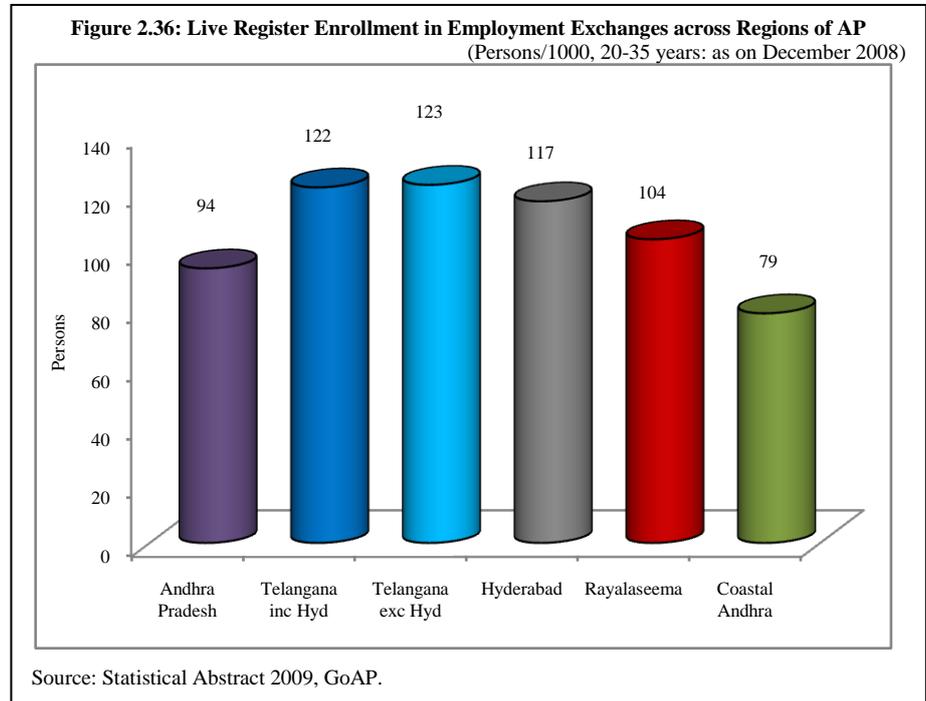
Further, Telangana region has recorded a considerable increase in households with regular income, followed by a smaller increase in coastal Andhra; but Rayalaseema has shown a large decline in occupations reporting regular income. Overall, the review of occupational shifts suggests proletarianization 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



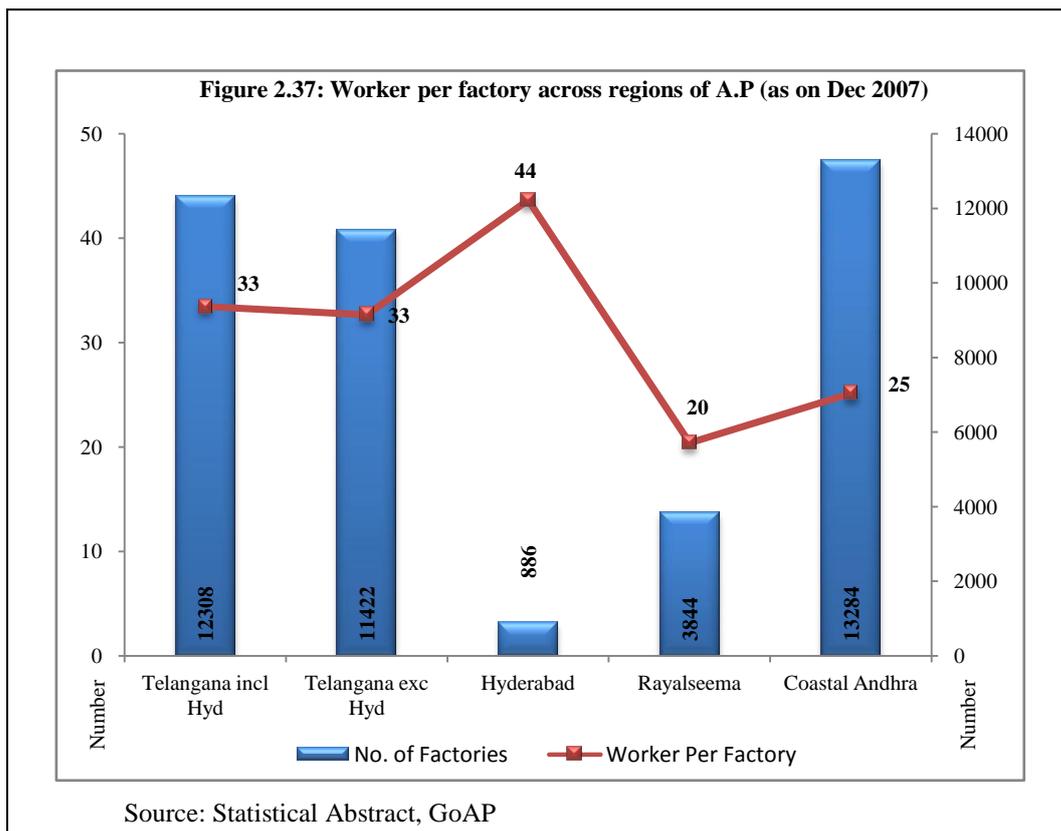
exchanges, 123 per thousand population compared with only 104 in Rayalaseema and 79 in coastal Andhra (See Figure 2.36). What is not clear is whether those registered are seeking new employment (with the current status of unemployed) or are pursuing higher level or better paid jobs. It may be emphasized 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%, Graduates 12.8%, Intermediates 32.5%, Matriculates 14.7%, Technical/ITIs 11.4%, Other Technical (typist etc) 14.4%, Unskilled 10.5%. Similarly, a social group distribution of those on the live register is SCs 26%, STs 8.7%, BCs 41%, and Others 24.3%.

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.

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 out-migration 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 out-migration 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 % of households or 1.8 per cent of population, whereas it has attracted about 11% of all households as the new entrants to the city constituting 3.6% of the population (See Table 2.7). Telangana (excluding Hyderabad) and Rayalaseema regions have similar percentage of 0.4% migrant households, whereas coastal Andhra has slightly higher at 0.7%. 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%, 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
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	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

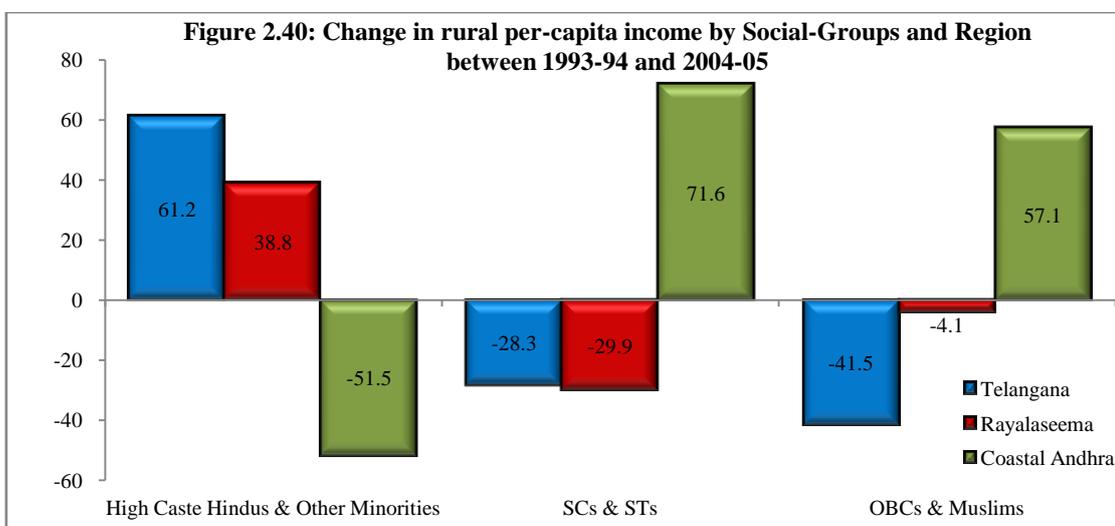
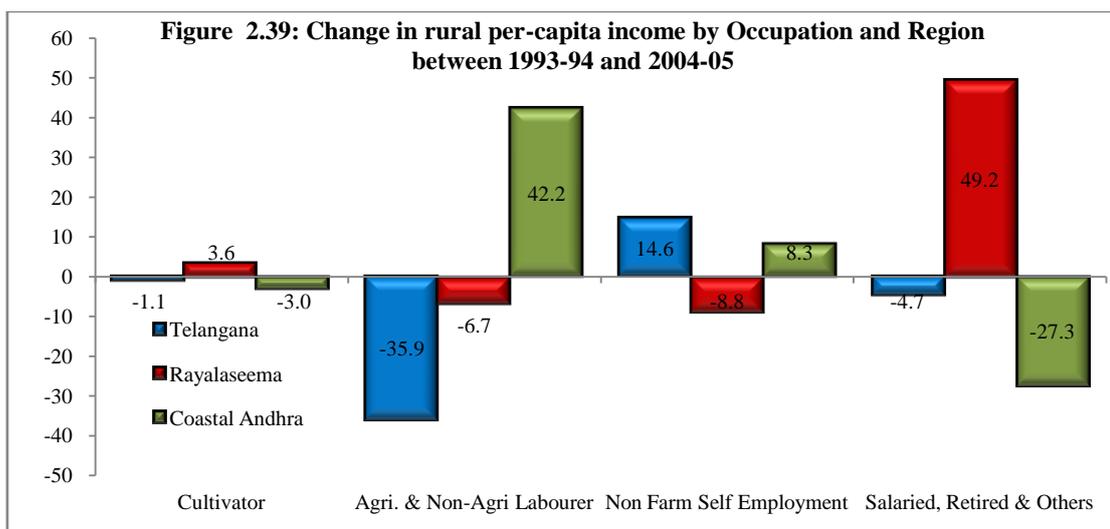
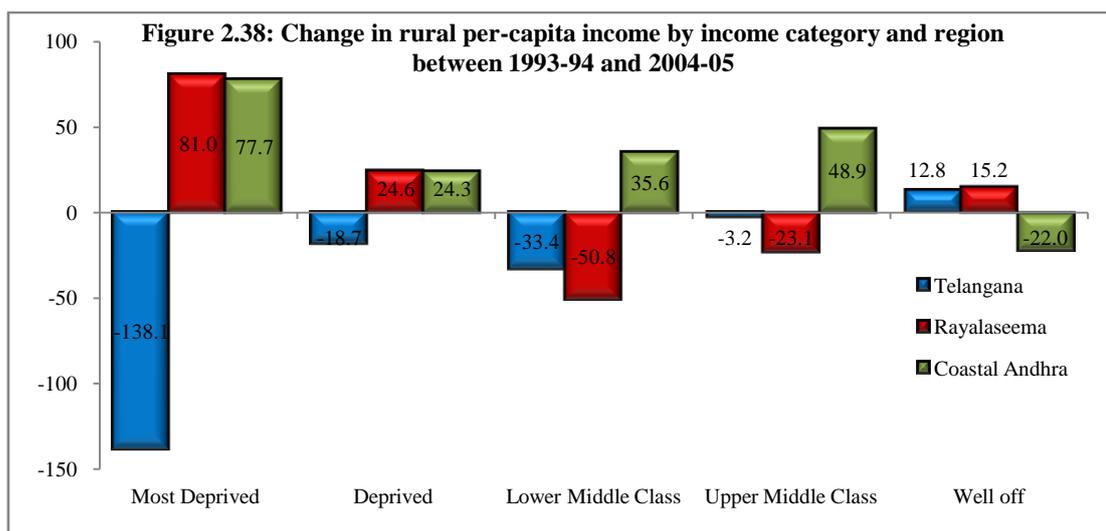
into five categories based on per capita household income, namely, 'most deprived', 'deprived', 'lower middle', 'upper middle', and 'well off'. It is interesting to note that, relatively speaking, the rural incomes in coastal Andhra region have improved over the reference period amongst all income categories, 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% 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 self-employed 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
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

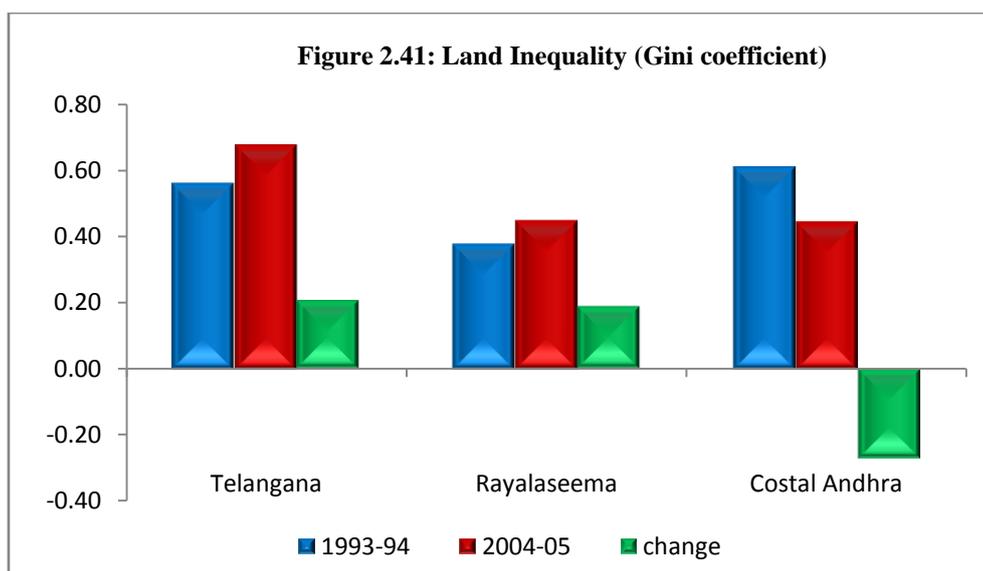
Source: Estimated from NCAER-Human Development Surveys, 1993-4 and 2004-5.

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 ₹971 during 2007-08. The MPCE is rather low in Telangana ₹895 compared with coastal Andhra at ₹1003 but much higher than Rayalaseema which is rather low at ₹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 (₹) Regions and Social Groups (2007-08)

Region/Group	All Groups	SCs	STs	OBCs	Other Hindus	All Minorities	Muslims
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.

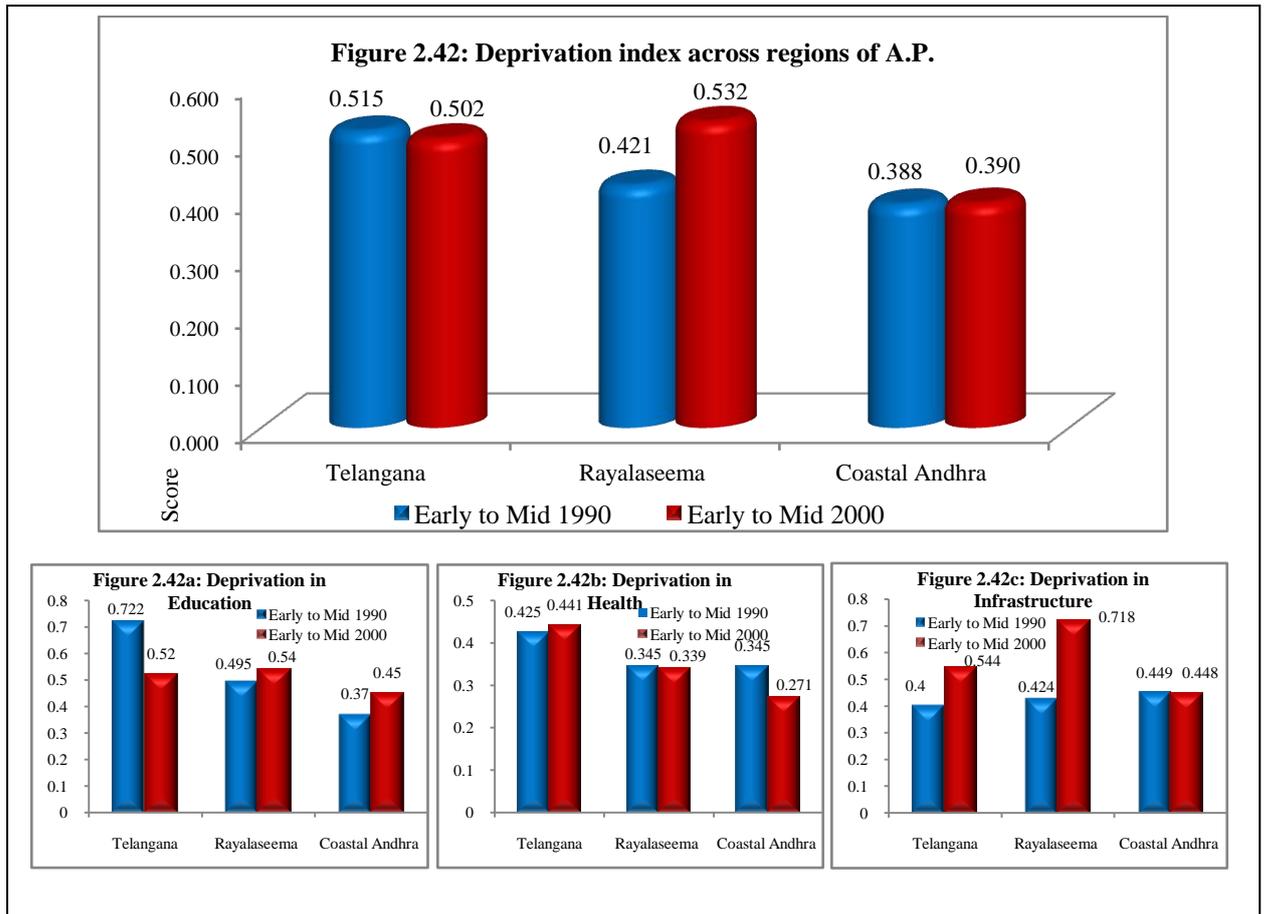
2.13 Human Development: Deprivations Index

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 AP³. 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.

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: actual value-min. value / max. value - min. 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. output- reciprocal 1990-93, d) population per bank 1992 & 2005- reciprocal.



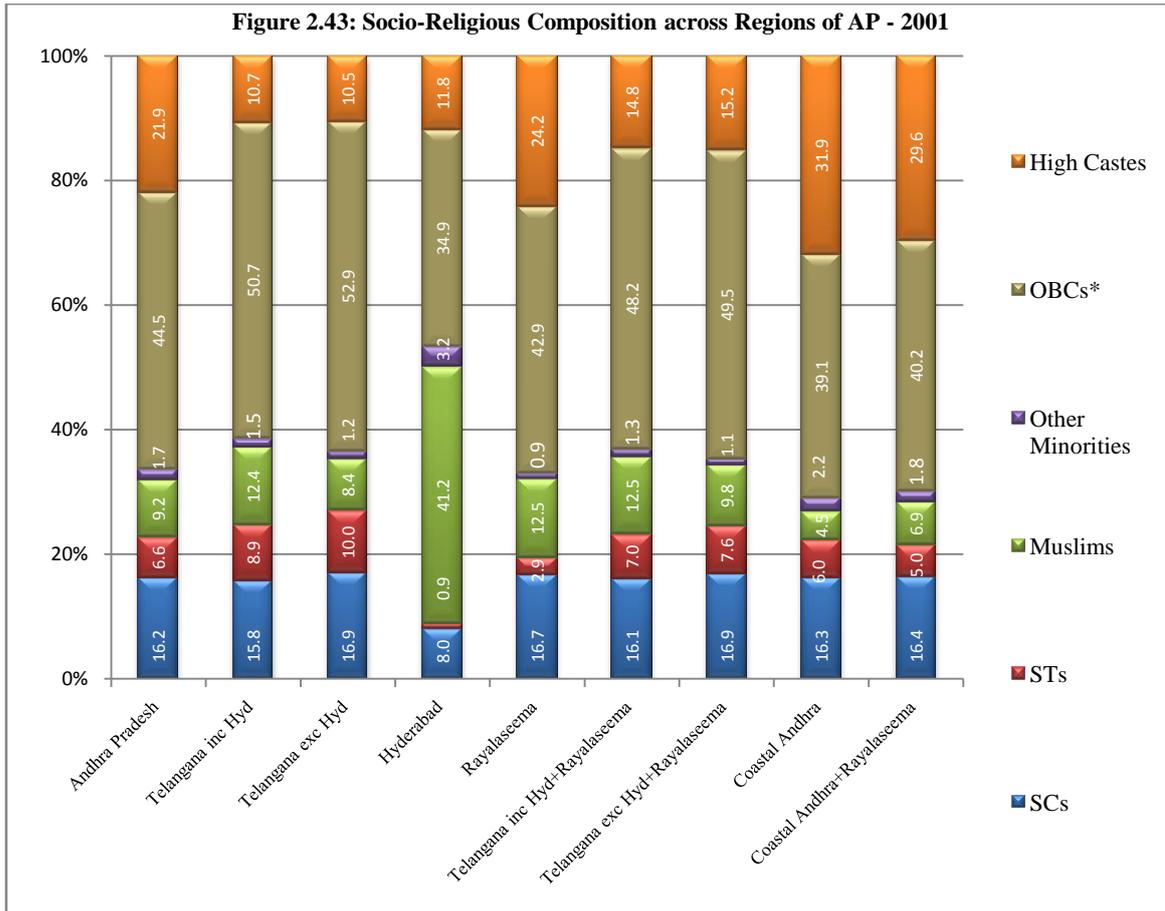
Telangana has fairly high level of deprivation but it has recorded a decline in deprivation during the reference decade. Coastal Andhra has relatively low level of deprivation compared with other regions and it continues to sustain that level during the reference period. It is Rayalaseema region which 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% 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 % in Rayalaseema and 6% in coastal Andhra. The other category, which has variation between regions, is the share of Muslims. In Telangana, they constitute 8.4%, but they are 12.5 % in Rayalaseema and much less in coastal Andhra at only 4.5%. Due to historical reasons 41% of the population of Hyderabad is Muslims. A look at the social differentiation amongst the Hindus suggests that 24% of all citizens in Rayalaseema are identified as high caste, but a higher share of OBCs is found in Telangana at 53%. 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.

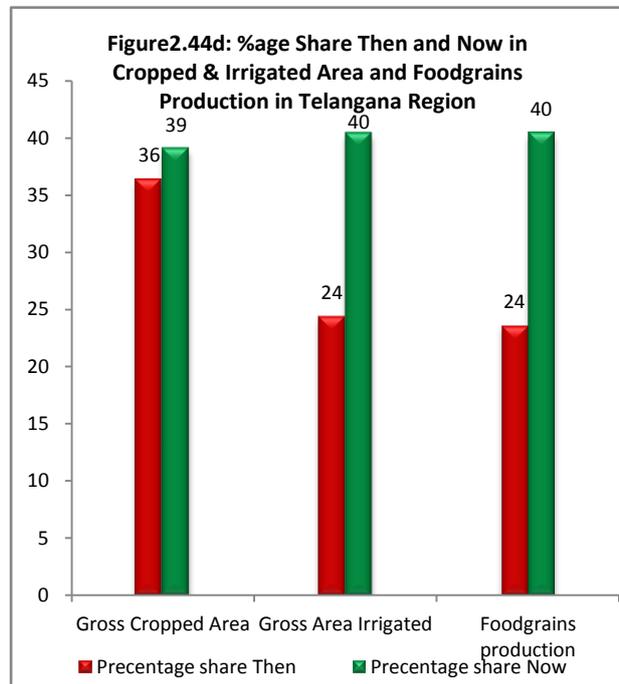
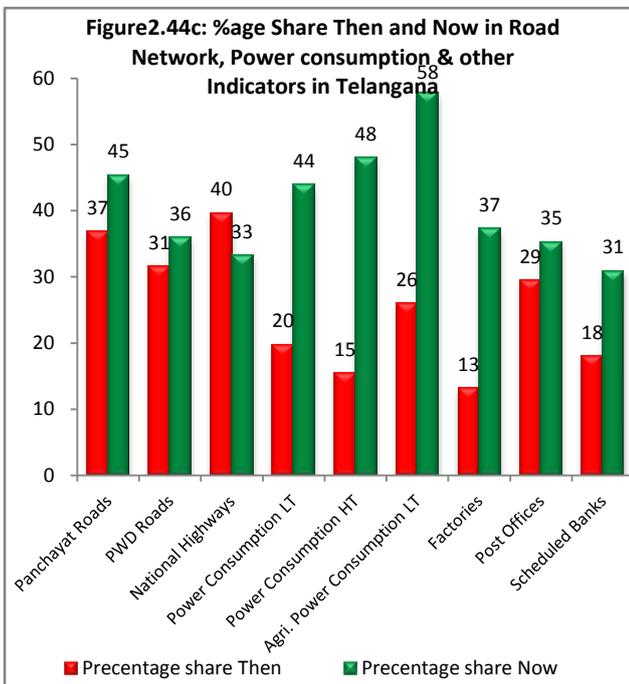
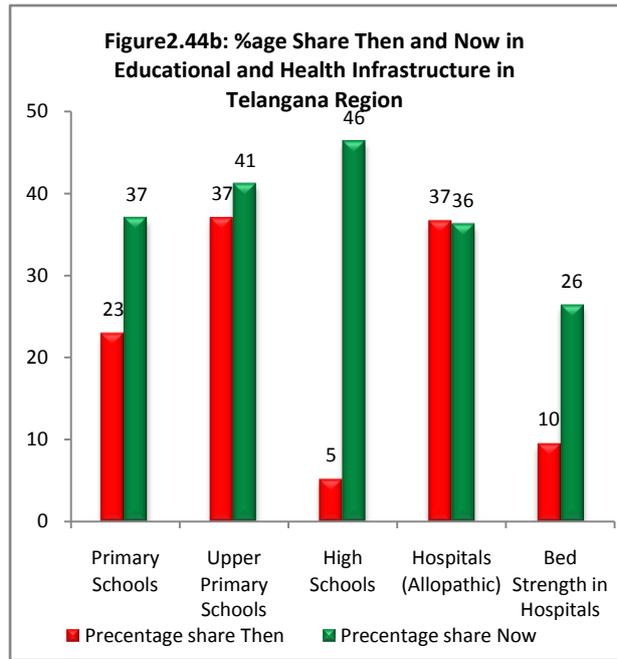
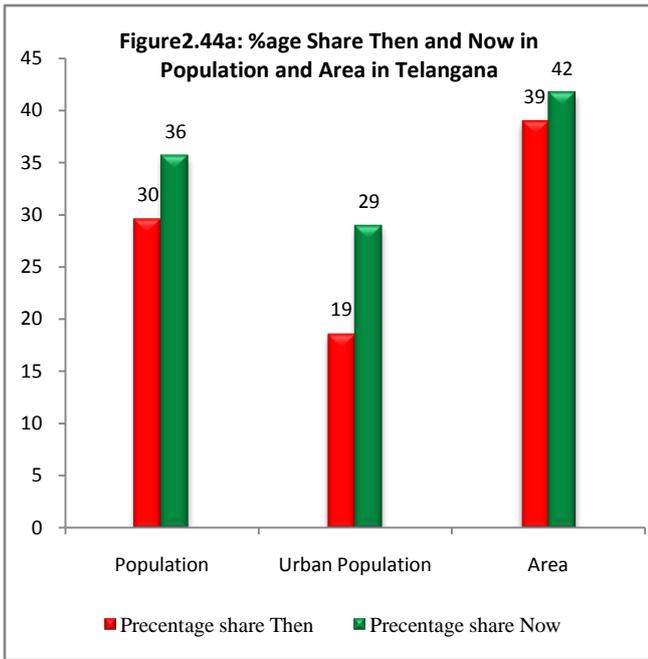
Figure 2.43: Socio-Religious Composition across Regions of AP - 2001



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% in state population and 41% 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 % 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%. 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 3

EDUCATION AND HEALTH

PART I: EDUCATION

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3

EDUCATION AND HEALTH

The educational and health status of people is an important indicator of their quality of life. This Chapter therefore includes an examination of these two important dimensions of human development in detail. Part I of the Chapter looks at Education and Part II at Health related issues.

PART I: EDUCATION

Every society that values social justice, lays emphasis on access to educational opportunities for all sections of society, especially the poor and marginalized. Education is not only an important social indicator of, but is directly linked to economic and social development. It is one of the main avenues for social mobility in a democratic society and also a means for governments to ensure inclusive growth. Education and employability are intrinsically linked and the demand for education from all sections of society reflects people's aspirations to improve their children's future prospects. In this chapter the progress in literacy and education in the three regions of Andhra Pradesh – Telangana, coastal Andhra and Rayalaseema - is reviewed to understand their respective standing and seek explanation for regional disparity, if any. The chapter also takes up specific claims of neglect and/or discrimination made by the Telangana region as access to education is one of the major issues in their demand for a separate state.

3.1 Comparison of Educational Achievements in different regions of AP

Literacy Rates

3.1.01 Literacy levels are an important measure of educational status of a region. The state of Andhra Pradesh has been lagging behind the all India level of literacy but the gap has somewhat narrowed in recent years (Table 3.1). The gap is partly because a systematic attempt towards universalisation of primary education in all the districts of the State was made only after the State's formation in 1956.

Table 3.1: Literacy Rate in India and Andhra Pradesh

	1961	1971	1981	1991	2001
All India	28	34	44	52	65
Andhra Pradesh	21	25	30	44	60
Telangana inc Hyd	17	21	26	41	58
Telangana exc Hyd	14	16	22	37	55
Hyderabad	35	40	58	72	79
Rayalaseema	21	24	30	45	60
Coastal Andhra	24	28	33	46	63

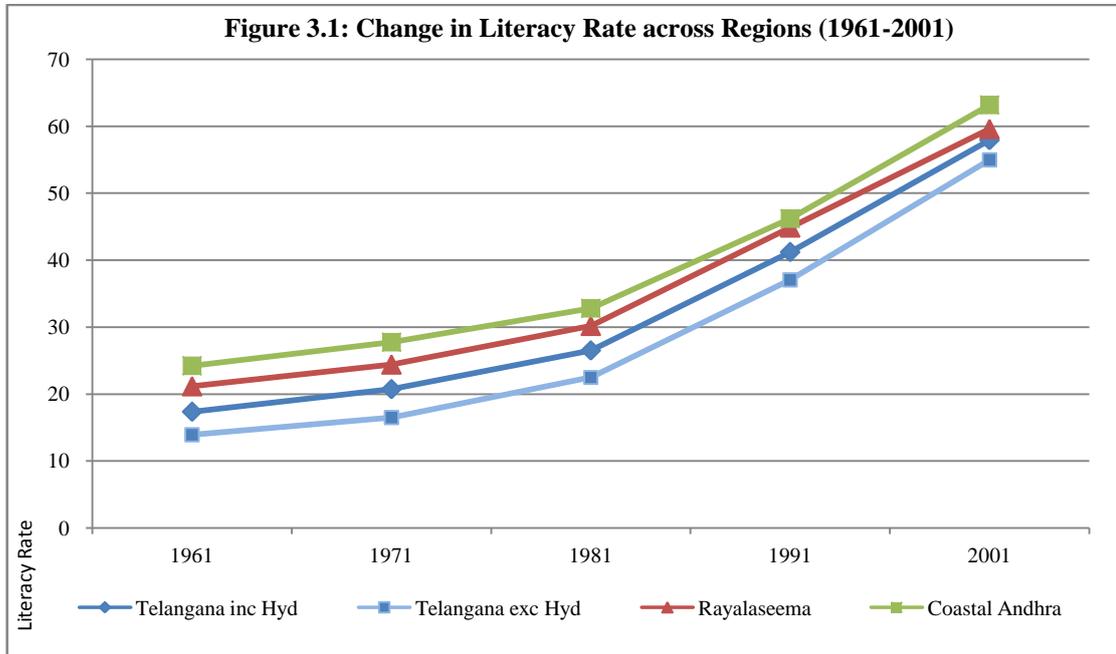
Source: Census Data

Gap in literacy rates between the regions and catch up

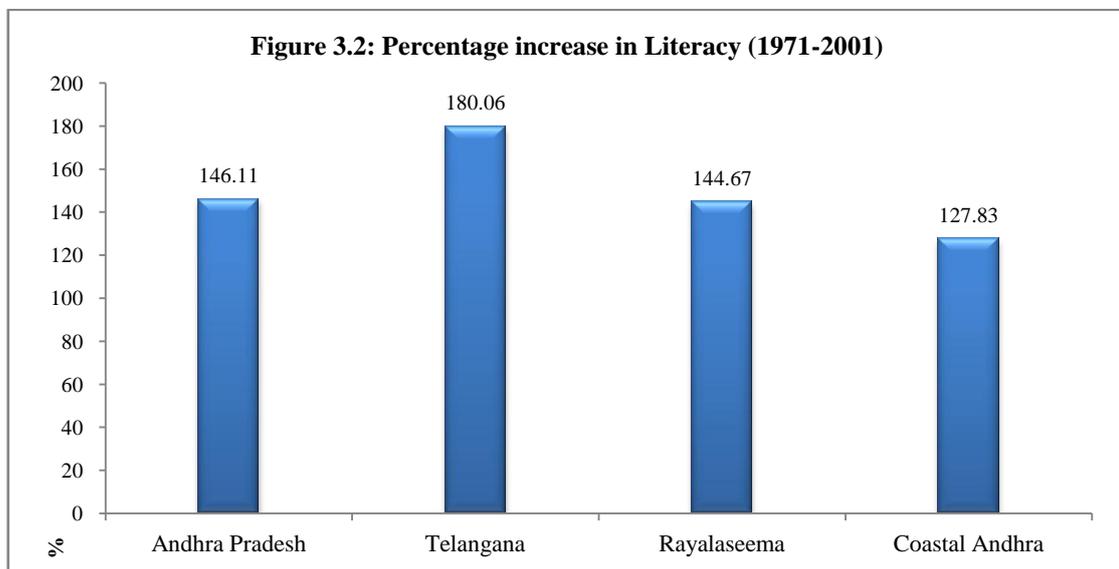
3.1.02 The regional literacy rates given in Table 3.1 above bring out that while the overall literacy rate in Andhra Pradesh in 2001 is 60%, the literacy rate in Telangana is only 58% well below that of coastal Andhra (63%) and somewhat lower than Rayalaseema (60%). Literacy rates in Telangana excluding Hyderabad¹ are the lowest (55%). The gap in literacy achievements has to be situated against the historical background outlined later on in this Chapter. Though Telangana remains behind the other two regions, it has made significant

¹ It has been argued that being an urban centre and the capital city, Hyderabad is educationally far more developed than other districts of the region and therefore its inclusion in the statistics of the region hides the level of deprivation of the other areas in the region. In some of the regional comparisons therefore, we consider Hyderabad separately from Telangana.

progress and the gap in literacy rates between coastal Andhra and Telangana excluding Hyderabad has been progressively declining since 1971 (Figure 3.1). Telangana region shows the highest rate of growth in literacy (Figure 3.2).



Source: Census of India



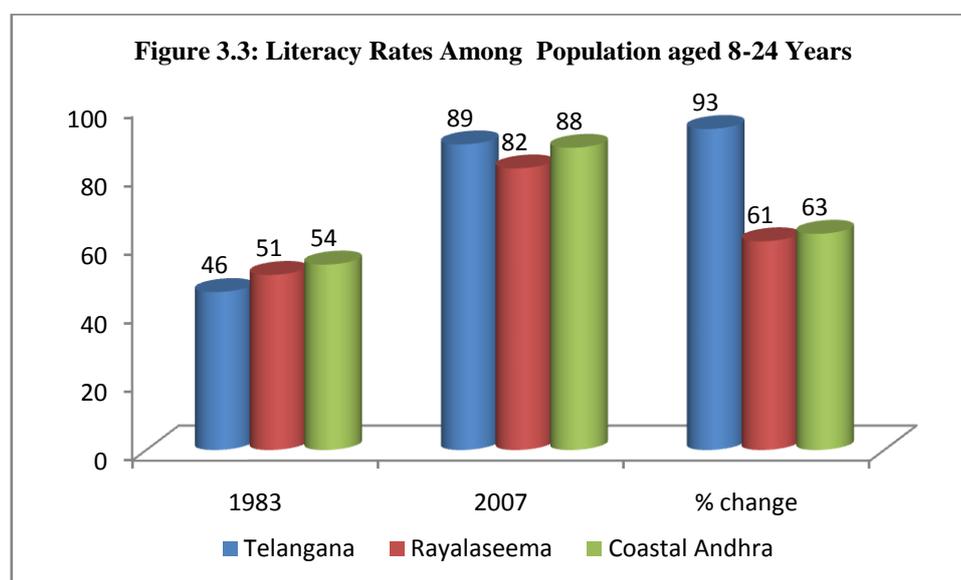
Source: Census of India

3.1.03 Despite the impressive growth in literacy rates and number of schools, the districts in Telangana remain amongst those with lowest literacy

though they are catching up.² The district-wise literacy rates (Appendix 3.1) bring out that in 2001, 6 of the Telangana districts remained amongst the 10 with lowest literacy (literacy < 57.15%). An analysis of the data on educational achievements reveals that most districts of Telangana continue to lag behind districts of coastal Andhra and Rayalaseema not only in terms of literacy rates but also in female literacy rates, percentage of children in school as a whole as well as for the SC, ST groups. However, the gap between the educationally backward and advanced districts is narrowing as we find that the coefficient of variation in the adult literacy rate as well as in the percentage of children in school has come down in 2001 as compared to 1991 (Appendix 3.2).

Youth Literacy

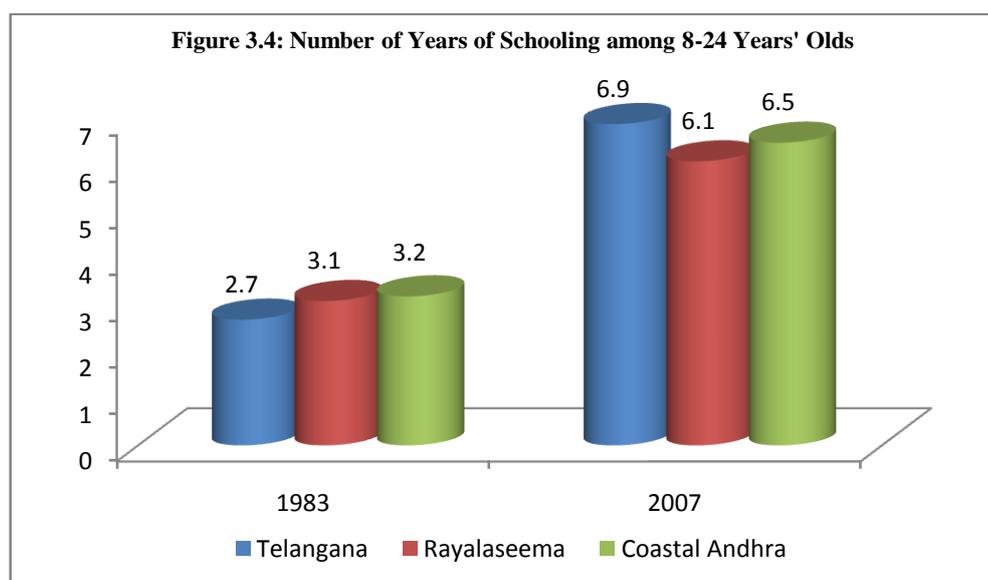
3.1.04 Youth literacy is a more robust indicator of progress in literacy achievements as it excludes the very young and those among the older population who never had an opportunity to gain literacy. Regional literacy rates among the youth population (ages 8 -24) calculated from the NSS data are given in Figure 3.3.



Source: NSS Household Consumer Expenditure Surveys 1983 and 2007/8

² The analysis is based on literacy rates as per 2001 census; the current situation will become clear only after the census 2011 results are available.

The findings are quite dramatic – although youth literacy rate in Telangana was behind those in the other two regions in 1983, in 2007 Telangana is ahead of the other two regions in terms of the youth literacy rates, showing the highest percentage increase over the period. Not only this, the number of years of schooling among the population aged 8-24 increased fastest in Telangana taking it from the third place in 1983 to first place in 2007 among the three regions (Figure 3.4).



Source: NSS Household Consumer Expenditure Surveys, 1983 and 2007/8

3.2 Causes of Gap: Historical, Sociological and Economic

3.2.01 At the time of independence and subsequently when the state was formed coastal Andhra was educationally ahead of Telangana since it had benefitted from the spread of education by Christian missionaries during colonial rule. Also, British rule resulted in wider use of English in coastal Andhra and Rayalaseema as compared to Telangana where Urdu was the official language under the Nizams. Coastal Andhra region also benefitted from standardization of Telugu language which was the medium of instruction in schools and access to schooling was made available to all sections of society, including the lower castes. Hence, while the Andhra region got an undeniable advantage, the Telangana region had to overcome multiple handicaps – poor spread of schooling

and higher education as well as medium of instruction being solely Urdu at the time of its merger with the Indian union. Telangana students (and employees) were thus doubly disadvantaged by not only having limited access to education but also little familiarity with English. Indeed, at the time of the merger, the region was short of qualified teachers and this gap was filled by bringing in teachers from coastal Andhra. This later became an issue of discord during the 1969 agitation. However, as mentioned above, Telangana has reduced the gap in literacy over the last few decades and this becomes more visible if we look at literacy rates among the youth population (See sub-para 3.1.04).

3.2.02 Besides historical factors, there are other socio-economic reasons why overall literacy tends to be lower in certain parts of the state. It is a known fact that literacy levels are lower among the rural, poor and socially deprived sections (SC, ST, BC, Muslim minorities and Women). The illiteracy rates are highest among the ST female adults in rural areas of Andhra Pradesh (96.5% in 1991 which declined to 86.5% by 2001) depicting the impact of multiple deprivations. Table 3.2 gives the region-wise literacy rates of different social groups.

Table 3.2: Region-wise literacy rates of different social groups

Regions	SC Literacy Rate, 2001			ST Literacy Rate, 2001			Literacy Rate, 2001		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
Andhra Pradesh	64	43	54	48	26	37	70	50	60
Tel inc Hyd	59	36	47	47	23	35	69	47	58
Tel exc Hyd	58	34	46	47	22	35	67	43	55
Hyderabad	77	61	69	65	46	55	84	74	79
Rayalaseema	64	39	51	55	32	44	72	47	60
Coastal Andhra	68	52	60	47	30	38	71	55	63

Source: Census of India: 2001

As is clear, literacy rates are particularly low for the ST population in all the regions of the state and since Telangana has the highest concentration of tribals among the three regions, this provides one explanation for the overall low literacy in the region. Also, Social Disparity Index for the STs in Telangana declined at a much slower rate than that in the other two regions during 1971-

1991³. However, Chapter 7 which provides a detailed analysis of the literacy rates and years of education for the different social groups, shows that in 2007, literacy rates for the youth population aged 8-24 for SCs and Muslims in Telangana are ahead of or at par with those in the other two regions. Youth literacy rates for STs in Telangana though grew at an impressive rate of 278% between 1983-2007, are still behind those in coastal Andhra and Rayalaseema.

Enrolment and Dropout Ratios

3.2.03 The district-wise enrolment ratios and dropout ratios for different levels of schooling are given in Appendix 3.3 and 3.4 respectively. An analysis of enrolment ratios for Primary schools (Appendix 3.3) shows that these are higher for districts of Telangana (ranging between 95.22 in Khammam and 148.66 in Rangareddy for Classes I-V, as against the state average of 97).⁴ The very high enrolment ratio in Rangareddy shows that it is the favourite destination for students from other districts and regions.

3.2.04 However, one needs to be cautious about using the enrolment ratios since the Human Development Report of Andhra Pradesh 2007 points to the existence of 'fictitious enrolment' in Andhra Pradesh and lists some of the reasons for it – such as provision of mid-day meals. It also mentions that data available from the MHRD (Ministry of Human Resource Development) overestimates the number of school-going children which may lead to misleading results. It is therefore, more meaningful to look at the number and percentage of children attending school. According to the census 2001, school attendance rate among the 6-14 years' olds in the state was 74 percent. According to the Human Development Report - during the 90s, there was a sharp increase (termed by it

³ Reddy, V. Ratna and R. Nageswara Rao 'Primary Education: Progress and Constraints' in Economic and Political Weekly, March 22-29, 2003.

⁴ One explanation for high enrolment ratios is that the children dropping out once may be enrolled again and thus the same child may be counted two or more number of times. Thus, districts with high dropout ratios tend to have a high enrolment which seems to be the case with Mahbubnagar, Medak and Warangal. Another explanation (Statistical Abstract Andhra Pradesh - 2009, p. 397) is that since these ratios are defined as the percentage of the enrolment in classes I-V, VI-VII and VIII-X to the estimated child population in the age groups of 6-10 years, 11-12 years and 13-15 years respectively, the enrolment of under age and over age children may result in enrolment ratios being greater than 100%.

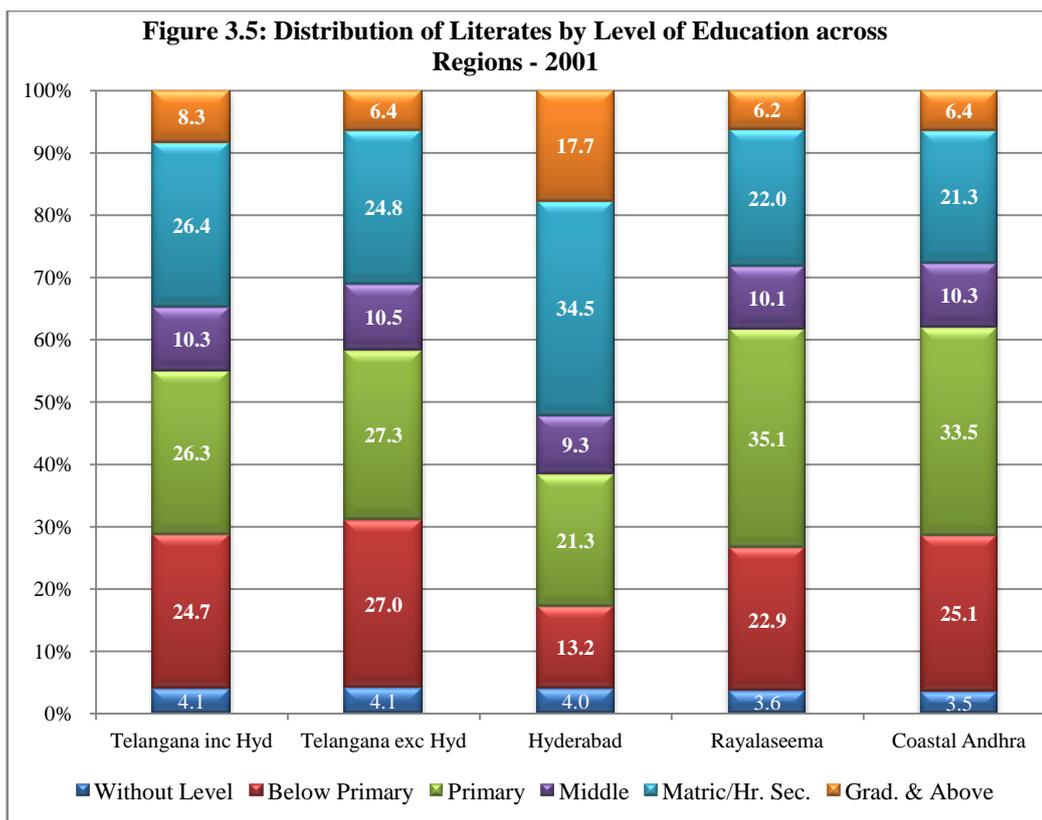
as 'a dramatic change') in percentage of children attending schools in Andhra Pradesh. The table also shows that there has been a sharp decline in the inter-district as well as rural-urban variation in the school attendance rates (as measured by the Co-efficient of Variation).

3.2.05 Dropout ratios (Appendix 3.4) are particularly high in case of Mahbubnagar, Medak and Warangal (all three are in Telangana region) at all levels. However, Prakasam and Guntur in coastal Andhra and Adilabad and Nizamabad in Telangana which have low dropouts at primary level end up having high dropouts comparable to those of Mahbubnagar, Medak etc showing that there are more dropouts in these districts at the higher level. It may also be due to the fact that some of the students do not complete their education in the same district and get enrolled elsewhere.

3.2.06 Another explanation for low literacy can be found in the lack of infrastructural facilities such as number and spread of schools, student teacher ratios etc. The available data suggests that Andhra Pradesh is better off than the average level for India in most of these parameters. The inter-regional differences in these facilities are analysed in Para 3.4 and 3.5.

3.3 Levels of Education

3.3.01 In the census data on districts, the literates are further divided on the basis of highest education level into six groups. The figure below shows highest education level of persons as a percentage of total literates region-wise as per Census 2001.



Source: Census 2001

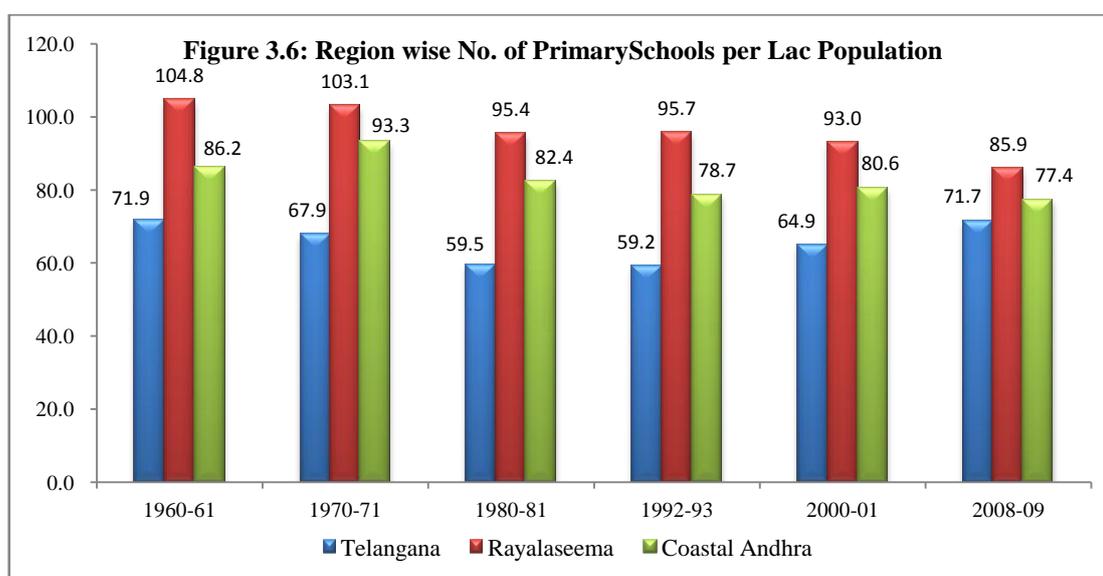
Telangana (in particular Hyderabad) has the highest educational attainment levels – this is given by the lowest fraction of ‘only primary level’ achieved and the highest fraction of those with ‘at least a higher secondary education’. Telangana also has a larger number of high schools and higher secondary schools and higher enrolment in these as compared to the other two regions (Para 3.4.06). At present, there is greater demand for higher education in Telangana districts as compared to agriculturally prosperous districts of coastal Andhra. The higher demand reflects the catch-up process from a lower base and could be correlated with improving income levels in several Telangana districts. At the same time, reservation and fee reimbursement policies have enabled many first generation learners from SC/ST/BC categories to enter college education. Such students (and their parents) have extremely high aspirations of getting decent employment, preferably in the public sector.

3.4 Educational Facilities and Indicators of Quantity and Quality of Education (District/Region wise)

Access to and distribution of educational facilities significantly affects the distribution of opportunities in society. The availability of good quality educational institutions is, therefore, a prerequisite for human development. The following paragraphs briefly analyse the availability of educational institutions in the districts/regions of the state.

Primary Education

3.4.01 Andhra Pradesh is far better than the average Indian state in respect of physical access to primary schools. In the state, around 90% of the population is served by primary schools within their habitation. Within the state, the differences in access to primary schools across districts are not wide and have in fact been narrowing over the past few decades. The number of primary schools in the state increased from 30495 in 1960-61 to 65609 in 2008-09. Appendix 3.5 gives the district wise distribution of primary schools, enrolment, number of teachers, teacher-pupil ratio, enrolment and drop out ratios. The regional distribution of primary schools per lac population from 1960-61 to 2008-09 is given in Figure 3.6.

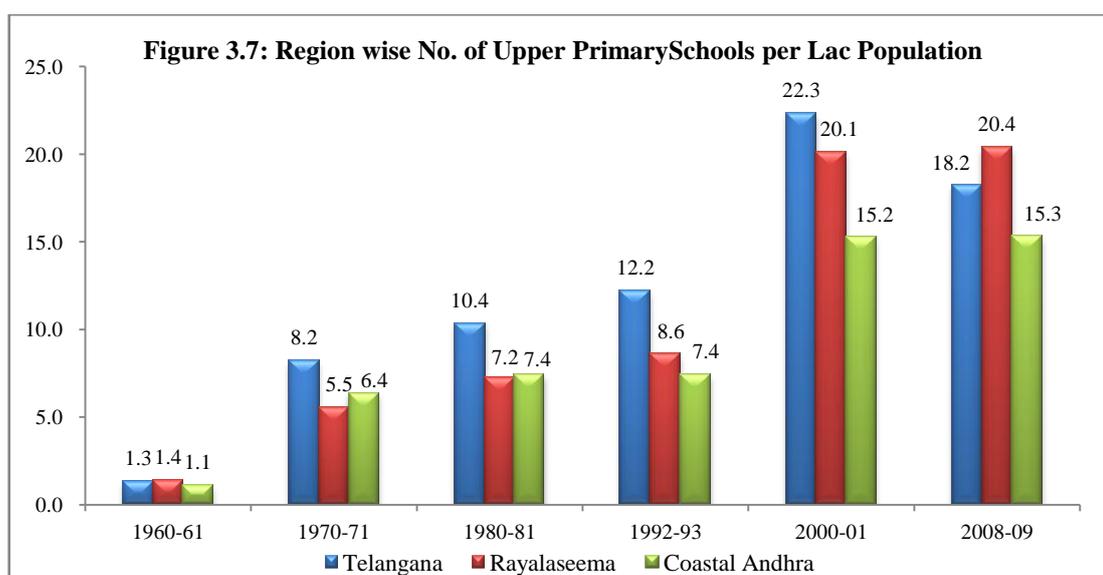


Source: Statistical Abstracts of Andhra Pradesh

Though the total number of primary schools in the state doubled during 1961 to 2009, the availability of primary schools per lac population in the state does not show an increase because many primary schools have been upgraded to upper primary and high school level increasing their availability in all regions (Sub-para 3.4.02 and 3.4.05). In the number of primary schools per lac population, Rayalaseema is leading in all periods, with coastal Andhra following at number two position. Since 1993 Telangana has been catching up, narrowing the gap with Rayalaseema and coming very close to the level of coastal Andhra.

Upper Primary Education

3.4.02 Appendix 3.6 gives the district-wise number of schools, enrolment and number of teachers as well as Teacher-Pupil Ratios for Upper Primary Schools. An analysis of teacher pupil ratios (number of students per teacher) in the various districts shows them to be quite balanced and below 35 (ranging between 21.05 in Nellore to 32.28 in Hyderabad). The number of upper primary schools in the state has seen a quantum jump from 444 in 1960-61 to 14942 in 2008-09 taking the availability of upper primary schools per lac population from 1.23 to 19.61 over this period. Figure 3.7 shows the regional distribution of Upper Primary Schools in the state.



Source: Statistical Abstracts of Andhra Pradesh

The number of upper primary schools per lac population has increased greatly in all the regions. Telangana has soared ahead of other regions between 1961 to 2001, although falling a little behind Rayalaseema in the last period.

Growing Demand for Private Schools:

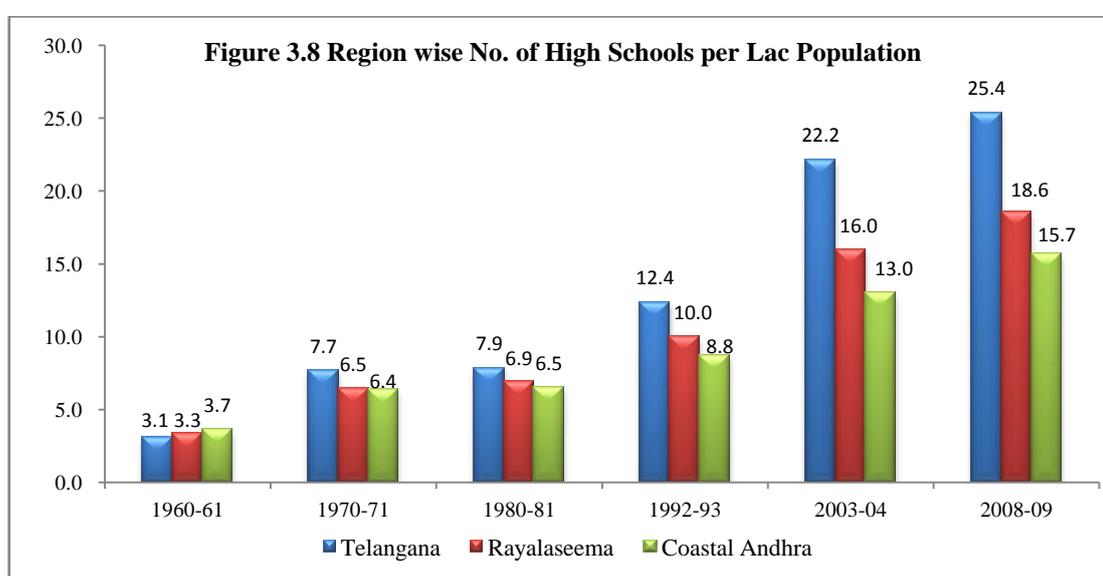
3.4.03 Since the late 1980s and particularly since the 1990s, the demand for private schools in Andhra Pradesh has been growing. This is due to the general perception that the quality of government schools is very poor and the growing awareness of the value of education and rising expectations of parents as to the quality of schooling. In Andhra Pradesh, 11% of the primary and 29% of the upper primary schools were under private management and about 30% and 34% of the children enrolled were in private primary and upper primary schools in 2005. The Annual Status of Education Report (Rural) 2009 (ASER) shows (Appendix 3.7) that the percentage of children going to private schools is more in Telangana (33.1), highest being in Karimnagar (43.1) as compared to coastal Andhra (28.5) and Rayalaseema (23.9). The emergence of private education underlines the dualism in the education system. This leads to differentiation in employment opportunities and earning prospects in the labour market.

3.4.04 The ASER Report looks at learning achievements of children in classes I-V and possible explanations for differences in achievements. District-wise data alongwith region-wise aggregates from the report are given in Appendix 3.7. Learning outcomes depend upon a number of factors - mothers' education, tuitions and private schooling are important among these. The ASER study finds that although the percentage of mothers who can read is lowest in Telangana (39.7), there are fewer children (12.3%) attending tuitions in the region. A look at the learning outcomes shows that Telangana children are behind those in schools in the other two regions. It is however not possible to draw an inference about the quality of schooling/teaching in the districts/regions

from the learning outcomes of the children without accounting for other factors affecting it.

High Schools

3.4.05 The number of high schools in the state increased from 1224 in 1960-61 to 17376 in 2008-09 taking the availability of high schools per lac population from 3.40 to 22.80 over this period. Figure 3.8 shows the regional distribution of High Schools in the state.

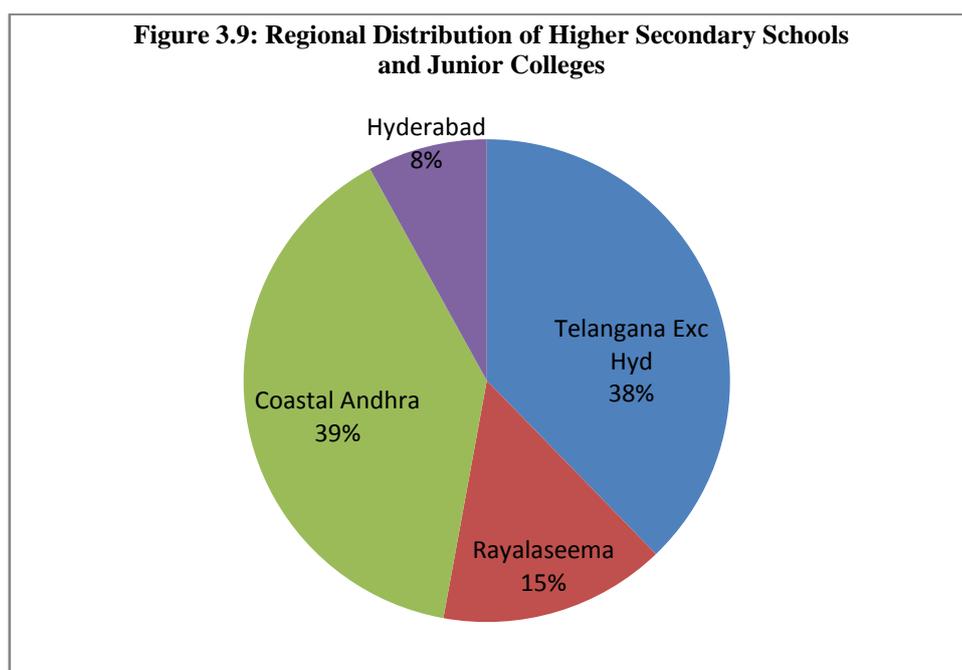


Source: Statistical Abstracts of Andhra Pradesh

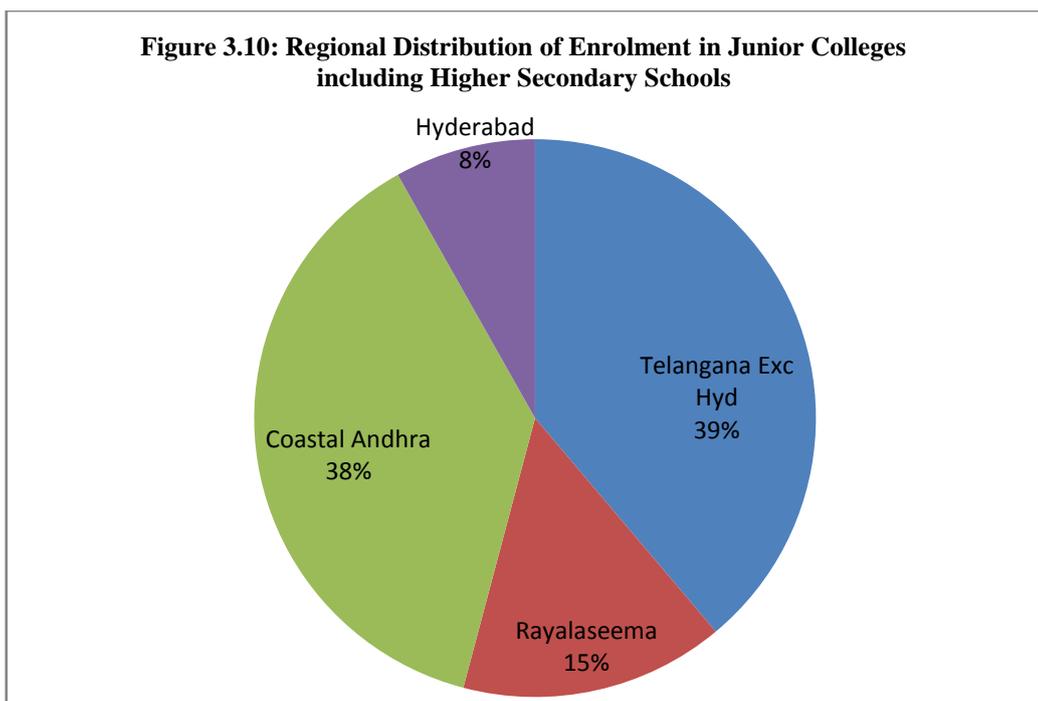
The availability of high schools per lac population shows impressive growth in all the regions. Telangana which was slightly behind the other two regions in 1961 has soared ahead of them since 1971 onwards with the gap between it and the other two regions widening progressively. District-wise information on Number of Schools, Enrolment and Number of Teachers as well as Teacher Pupil Ratio for the High Schools (Classes IX and X) is given in Appendix 3.8. Most districts have teacher pupil ratio of around 35 or less except Visakhapatnam (40), Anantapur (39.6) and Kurnool (38%).

Higher Secondary Schools and Junior Colleges

3.4.06 The institutions for students of classes 11th and 12th run by the Central Government (and a few private unaided) are known as Higher Secondary Schools while those run by the State Government and private institutions are called the Junior Colleges. Since they cater to the same age group, we have combined the two for the analysis. District-wise information on Number of Schools (including Junior Colleges), Enrolment and Number of Teachers as well as Teacher Pupil Ratio (TPR), is given in Appendix 3.9. Except for Rangareddy, Hyderabad and Karimnagar in Telangana and Krishna and Visakhapatnam in coastal Andhra TPRs in all districts are below 37. Regional distribution of institutions is shown in figures 3.9 and 3.10.



Source: Statistical Abstract Andhra Pradesh (2009)

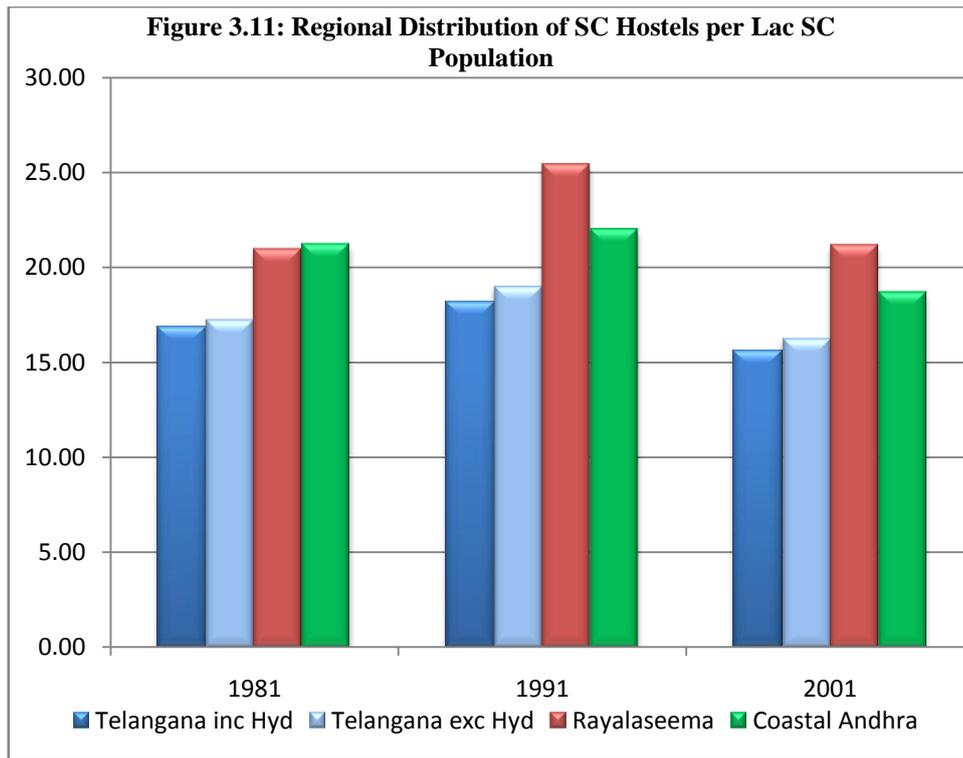


Source: Statistical Abstract Andhra Pradesh (2009)

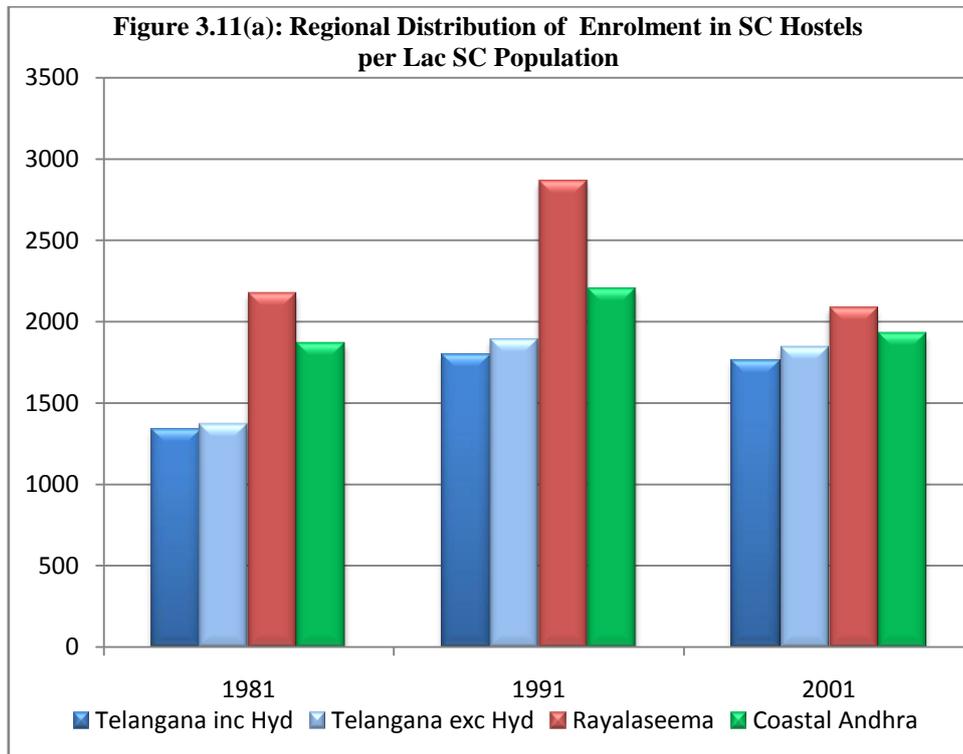
46% of institutions and 48% of students in higher secondary schools plus Junior Colleges are in Telangana region. Here again, Telangana has more than its share of population. An analysis of the district-wise data however shows that a large number of institutions (and students) are concentrated in Rangareddy and Hyderabad, probably because of more opportunities for higher education (particularly engineering and other professional degrees) available there.

Hostels for Scheduled Castes and Scheduled Tribes Students

3.4.07 Availability of schools at Upper Primary and High School as well as Higher Secondary/Junior College level has improved greatly between 1961 and 2009 in all the regions of the state. Besides this, the state also supports education for the disadvantaged by running residential schools. Figures 3.11 and 3.11(a) show the regional distribution of number of SC Hostels and students per Lac SC Population.



Source: Statistical Abstract Andhra Pradesh (2009)

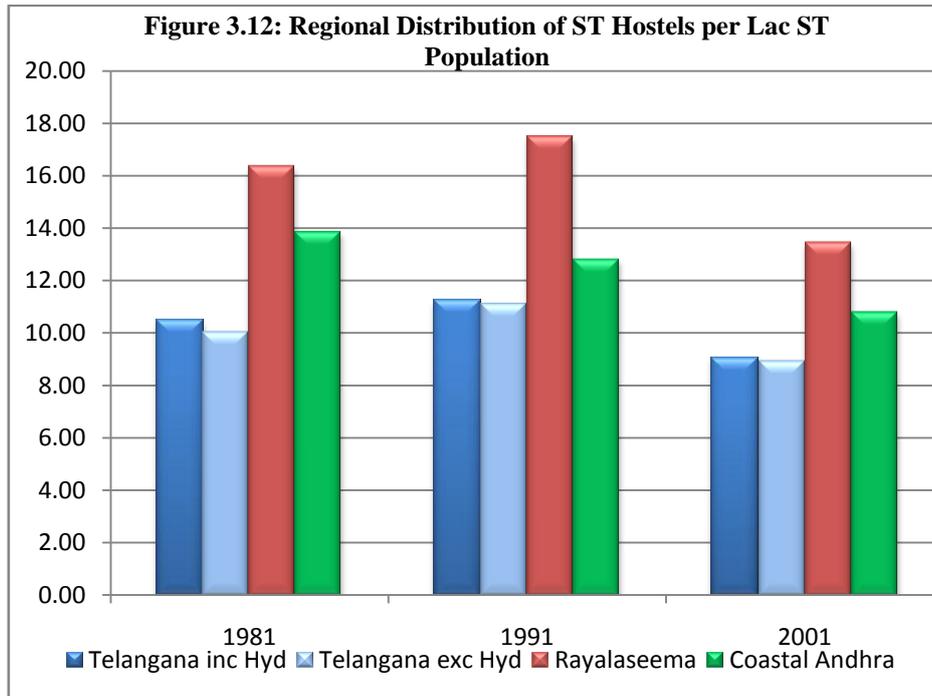


Source: Statistical Abstract Andhra Pradesh (2009)

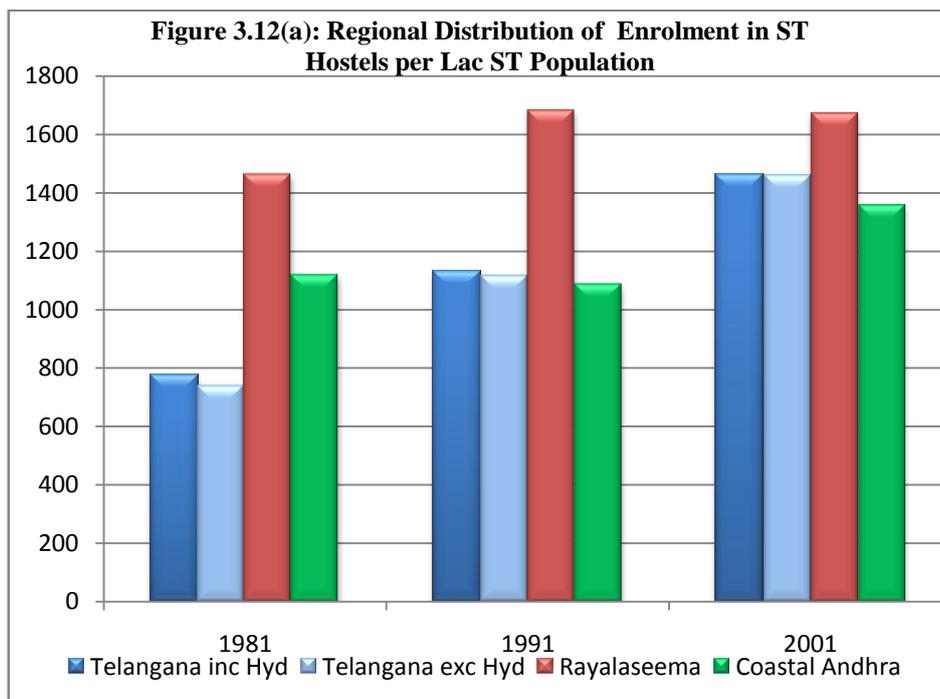
Telangana region has relatively fewer hostels per lac SC population than the other two regions but the gap is less in 2001 than in 1991. Also, the gap in the

number of SC students enrolled in these hostels per lac SC population is quite low in 2001.

3.4.08 Figures 3.12 and 3.12(a) show the number of ST Hostels and students enrolled in them per lac ST population region-wise.



Source: Statistical Abstract Andhra Pradesh (2009)



Source: Statistical Abstract Andhra Pradesh (2009)

The number of ST Hostels per lac ST population has come down in all the regions though the gap between them has narrowed. The number of ST hostels per lac ST population is less in Telangana but the number of ST students enrolled in these per lac ST population is more than in coastal Andhra showing the high demand for these in Telangana.

3.5 Tertiary Education

Spread of Higher Education in different regions before Independence

3.5.01 Coastal Andhra had a head start in higher education since a number of educational institutions at degree and post-graduate level were already present in the region prior to independence. These include:

- The college at Machilipatnam established by Church Missionary Society in 1864
- Junior College at Rajahmundry that was made a degree college in 1877
- Hindu College (presently known as the A.V.N. College) at Visakhapatnam in 1878
- Andhra Christian College, Guntur in 1885
- PR College of Kakinada before 1910
- Hindu College, Guntur in 1930
- SRR & CVR College at Vijayawada

3.5.02 Later, Andhra University was established at Visakhapatnam in 1926 as an English medium university where the Arts College was started in 1931 under the Vice-Chancellorship of Sarvepalli Radhakrishnan. In Rayalaseema region, Theosophical college in Madanapalli was established by Annie Besant in 1915. Government Arts College was established at Ananthapur in 1916.

3.5.03 In Telangana, the development of educational institutions was concentrated in Hyderabad. Nizam College was established in Hyderabad in 1887 and was affiliated to Madras University. It had English medium education.

Osmania University was established in 1918 with Urdu as the medium of instruction in all its colleges (Professional and Non-Professional) until 1948 and all its colleges were located in the Hyderabad city. There was only one intermediate college outside of Hyderabad which existed at Warangal town and which also had Urdu as the medium of instruction.

3.5.04 Given the disparity in institutions of higher education in the two regions at the time of merger, therefore, it was feared that the people of Andhra, with their higher educational standards would have an unfair advantage in filling government and educational jobs.⁵ Against this background, the Gentlemen's Agreement provided for the following safeguards relating to education (and employment):

- Existing educational facilities were to be reserved for students from the Telangana region and every effort was to be made to improve educational facilities in the region
- Recruitment to the civil service and other areas of government employment such as education and medicine was to be proportional
- The use of Urdu was to continue in the administration and the judiciary for five years

As detailed in the first chapter of this report, dissatisfaction of Telanganites with the way the safeguards under Gentlemen's Agreement were implemented led to the agitation for Mulki rules in 1969 and subsequent developments to Jai Andhra Movement in 1973, giving rise to various agreements and formulae over time. Here the safeguards relating to education under different agreements/formulae are recapitulated:

⁵ While debating the merger of Andhra and Telangana, the SRC stated: "One of the principle causes of opposition to Vishalandhra also seems to be the apprehension felt by the educationally backward people of Telangana that they may be swamped and exploited by the more advanced people of coastal area. In the Telangana districts outside the city of Hyderabad, education is woefully backward. The result is that a lower qualification than in Andhra is accepted for public services, The real fear of the people of Telangana is that if they join Andhra, they will be unequally placed in relation to the people of Andhra." (Para 378, p105)

ALL PARTY AGREEMENT, 1969

“Steps will be taken to afford better educational opportunities to students irrespective of region in the capital city of Hyderabad with effect from the ensuing academic year.”

FIVE POINT PROGRAMME, 1972

“Educational facilities including those in the technical and professional fields which are available at present to Telangana students in the cities of Hyderabad and Secunderabad will not be adversely affected. In these cities, the facilities will be suitably expanded and these educational facilities will not be subject to any restrictions on the basis of residence.”

SIX-POINT FORMULA, 1973

“Institution of uniform arrangements throughout the state enabling adequate preference being given to local candidates in the matter of admission to educational institutions and establishment of a new Central University at Hyderabad to augment the existing educational facilities should be the basis of the educational policy of the State.”

ANDHRA PRADESH EDUCATIONAL INSTITUTIONS (REGULATION OF ADMISSIONS) ORDER, 1974

In exercise of the power conferred by clauses (1) and (2) of article 371-D of the Constitution of India, the President has made, with respect to the state of Andhra Pradesh, the Andhra Pradesh Educational Institutions (Regulation of Admission) Order, 1974 which is referred to as the Presidential Order. This order provides for reservation of seats in favour of local candidates in courses of study provided by the Universities and other educational institutions subject to the control of the State Government.

3.5.05 Following the Presidential Order, there are now two kinds of Universities and institutions of higher learning with two different systems of reservations for the students of the three regions. First, there are 17 universities and educational institutions (Appendix 3.10) which have a State-wide jurisdiction (referred to as State universities). For admission to these, the state is divided into 3 areas:

- Osmania University area comprising of the 10 districts of Telangana region
- Sri Venkateswara University area comprising of the 4 districts of Rayalaseema region and Nellore district of coastal Andhra region

- Andhra University area comprising of the remaining 8 districts of coastal Andhra region

The seats in the state institutions are to be allocated in the ratio of 42%, 22% and 36% to the candidates from Andhra University area, Sri Venkateswara University area and Osmania University areas respectively. The basis for this is not mentioned in the Order but roughly corresponds to the population shares of the areas at the time. More recently, there have been demands from Telangana for a larger share to bring it in proportion with its current population share.

3.5.06 Second, there are non-state-wide Universities and non-state-wide educational institutions subject to the control of the State Government (hereafter referred to as regional universities) where 85% of the seats are reserved for the local candidates (Appendix 3.12) and the remaining 15% are open seats. There are certain grievances of Telangana region related to the local/open distinction which is taken up in a later section of the Chapter. Until 2006, there were six regional universities (Appendix 3.11) in the state (two each in coastal Andhra, Rayalseema and Telangana regions). Higher education (particularly technical/professional education) is an important means of economic and social mobility and is much sought after in the State. The state has been catering to the growing demand for higher education by expanding capacity and ten new Universities (four in Telangana, three in coastal Andhra and three in Rayalseema) have been set up in the last few years. The region-wise spread of government and aided degree colleges is given in Table 3.3 followed by an analysis of it.

Table 3.3: Region-wise data for Govt. and Aided Degree Colleges (2008-09)

Regions	Number			Enrolment			Lecturers			Stu Lec Ratio		
	Govt	Aided	Total	Govt	Aided	Total	Govt	Aided	Total	Govt	Aided	Total
Telangana inc Hyd	106	53	159	88956	52405	141361	1881	1799	3680	47.00	29.00	38.00
Telangana exc Hyd	99	17	116	80839	17232	98071	1675	539	2214	48.00	32.00	44.00
Rayalaseema	54	25	79	46368	29819	76187	1093	1025	2118	42.00	29.00	36.00
Coastal Andhra	80	101	181	48758	116455	165213	1501	4307	5808	32.00	27.00	28.00

Source: Higher Education Department, Govt. of Andhra Pradesh

It is clear from the above that:

- (1) There are more colleges and students in degree colleges in coastal Andhra than in Telangana⁶ even though the two regions have comparable number of youth population. This is mainly due to the lesser number of aided colleges in Telangana since the number of government colleges is more in Telangana. This is due to historical reasons such as existence of large number of aided colleges in the coastal region even at the time of formation of the state etc. as explained in Appendix 3.16. District data (Appendix 3.13) shows that Karimnagar in Telangana has the largest number of students in government degree colleges in the state, followed by Anantapur and Chittoor in Rayalaseema and Mahbubnagar in Telangana. As Telangana was a late comer to higher education and due to policy change relating to funding of aided colleges, it has fewer aided colleges.
- (2) The student lecturer ratios are higher in Telangana and Rayalaseema as compared to coastal Andhra particularly in government colleges showing less number of lecturers are appointed per 100 students. The ratio is extremely high in case of Adilabad (82) and Karimnagar (61) in Telangana region. Filling of teacher vacancies is of the utmost importance to make teaching effective and bring about better quality education. Other districts with somewhat high ratios (exceeding 50) are Visakhapatnam in coastal Andhra and Nizamabad in Telangana.

Technical and Professional Education

3.5.07 Andhra Pradesh has seen an unprecedented growth in the number of professional colleges since 1996. The number of engineering colleges grew from 37 in 1996 to 540 in 2008-09 (a growth of 1359%). The number of students in these engineering colleges grew from 10455 to 175767. The number of pharmacy colleges increased from 6 to 256 during this period (growth of 4167%) and the number of students enrolled increased from 310 to 15320. The number of MBA colleges increased from 57 in 1996 to 499 in 2008-09 (growth of

⁶ If Hyderabad is excluded from Telangana, the numbers fall sharply showing the large concentration of colleges and students in Hyderabad.

775%) and the intake of students during this period increased from 2145 to 37443. The number of MCA colleges saw an increase from 44 in 1996 to 698 in 2008-09 (growth of 1486%) while student enrolment increased from 1330 to 46668 over this period. Table 3.4 gives region-wise number and seats in engineering and other professional colleges (government and private).

Table 3.4: Region-wise data on Professional Colleges (2009-2010)

Regions	Engineering		Pharmacy		B.Ed		MBA		MCA		Law	
	No	Seats	No	Seats	No	Seats	No	Seats	No	Seats	No	Seats
Telangana inc Hyd	286	69407	159	6766	248	26292	404	19835	253	12768	17	2649
Telangana exc Hyd and Rangareddy	134	31483	92	3929	178	18589	180	8870	47	4336	5	702
Rayalaseema	87	20285	27	1198	115	12238	122	5976	75	3743	13	2242
Coastal Andhra	233	55913	93	3945	241	26134	256	11632	226	10495	21	2851

Source: Department of Higher Education, and Commissioner of Technical Education, Govt. of Andhra Pradesh

Though Telangana has more technical and professional colleges/institutions than the other two regions, most of these are concentrated in Hyderabad and Rangareddy districts (See Appendix 3.14). When we exclude the colleges in Hyderabad and Rangareddy, Telangana falls behind coastal Andhra while Rayalaseema remains behind (except for B.Ed. and Law) the other two (taking the relative population into consideration). Most of these engineering, MBA and MCA colleges are private and driven by the market forces, so it is easy to understand why they are concentrated in Hyderabad and Rangareddy in Telangana and in the prosperous districts of coastal Andhra. On its part, the government should therefore, locate new government colleges in future in underdeveloped and underserved districts and also encourage private sector to open colleges there by offering incentives/subsidies.

3.6 Educational Facilities in Hyderabad and Rangareddy

3.6.01 It is important to consider Hyderabad and Rangareddy separately as a lot of concentration of facilities has taken place in these districts. Access to

education in Hyderabad is therefore of utmost concern to all three regions of the state. Students in all three regions repeatedly emphasized the importance of access for both education and jobs. Hyderabad falls into zone 6 and many parents send their children here in order to attain 4 yrs of schooling in the zone which then makes them eligible for admission to institutions located in Hyderabad and Rangareddy. Hyderabad has a literacy rate of about 79% and has also recently become an important centre for software/information technology sector in India today. It is considered to be the hub of higher education in the state since many national universities and institutes are located here such as University of Hyderabad, National Institute of Fashion Technology (NIFT), National Institution of Rural Development (NIRD), International Institution of Information Technology (IIIT), Indian School of Business (ISB) etc. A complete list of important state and national institutions is given in Appendix 3.15. There have been some complaints from Telangana separatists that institutions meant for other districts of Telangana are re-located to Hyderabad/Rangareddy or Medak, depriving local people of easy access and making them available to all those from other regions who manage to achieve zonal resident status. This issue is taken up in the later part of the Chapter.

3.6.02 With a population of over six million, the Hyderabad urban agglomeration is spread over 700 sq. km. of area (which includes parts of the neighboring districts e.g. Rangareddy). Within this, Hyderabad district comprises about 200 sq. km of area with the erstwhile Municipal Corporation of Hyderabad (MCH), Secunderabad cantonment and Osmania University. Most of the educational facilities, particularly for higher and professional education, are concentrated in and around Hyderabad. The data available to us is district-wise and there we find that it is Rangareddy (and not Hyderabad) which is leading in respect of the number of professional colleges (See Appendix 3.14).

3.6.03 In terms of school education, Hyderabad has the least number of schools at primary and upper primary levels among all the districts of Andhra Pradesh; though it has a substantial number of students at those levels. At high

school and junior college level, the enrolments in Hyderabad are the second highest next only to Rangareddy. School education in Hyderabad is dominated by the private sector for the middle and upper middle classes, whereas the poor depend on govt. schools⁷. In recent years, a new class of elite schools has come up with the claim that they are "global". While private schools in Hyderabad are much sought after, the infrastructure in government schools is reported to be deficient⁸, especially in the old city which is mainly populated by the Muslim minority. Muslims have argued that their children lag behind in education and access to jobs and that Urdu schools and Urdu teaching in the city have declined since the merger. In order to address grievances of Muslims it is imperative that quality of schools in the Old City area be improved.

3.6.04 The quality of government primary schools overall needs to be improved as the poor and marginalized sections depend upon these schools and any attempt at equalizing opportunities for them has to begin at the primary school level.

3.7 Issues raised/Specific Cases brought out by Political/Other Groups/Representations

In case of college/university education, specific cases of alleged discrimination have been raised by various political parties and other groups who made oral and written representations to the committee. The important ones are taken up for examination in this para.

⁷ Ramachandraiah C. 'Perpetuating the Divide and Implications for Human Development: Poor Status of Government Schooling in Hyderabad' in Mahendra Dev, C. Ravi and M. Venkatanaryana (eds.) Human Development in Andhra Pradesh: Experiences, Issues and Challenges, 2009, Centre for Economic and Social Studies, Hyderabad.

⁸ A survey of 391 schools in the Old City in 2004 by a non-governmental organization (PUCAR-People's Union for Civic Action and Rights) found that about 69 per cent of students dropped out in 2002-03; 410 teacher posts were vacant; 259 schools had no drinking water facility; 270 schools did not have electricity; 121 had no toilets; 174 were functioning in rented buildings; 137 buildings were not in good condition; and that most of those schools had only two rooms. There were about 68334 students in the primary and pre-primary classes in these schools. The survey further showed there was a requirement of 460 additional classrooms in these schools. In more than 75% of schools, the student-teacher ratio exceeded the prescribed limit (1:40) and was as high as 1:120 in some schools. All this has an adverse effect on the quality of education and performance of students. Of the 20 high schools that recorded 0% pass in the secondary school certificate (10th standard) examination in May 2006, six were in Hyderabad city (5 in old city). (Source: Ibid.: p. 366)

Grants to Regional Universities

3.7.01 Many groups have submitted before the committee that grants made to regional universities have been discriminatory with per capita block grant to the universities in Telangana being less. According to representations received from political parties/groups (Telangana Rashtra Samithi - TRS, Telangana Development Forum, Telangana group of Telugu Desam Party, Telangana Congress group), the per capita annual block grants to the six old universities are given in Table 3.5.

Table 3.5: Per capita Grant as Calculated by Various Political Groups

University	Annual Per capita (Rs.)
Andhra University	35500
Nagarjuna University	22700
Sri Venkateswara University	37500
Sri Krishna Devaraya University	25000
Osmania University	17400
Kakatiya University	14000

Source: Memorandum submitted by TRS and other groups to CCSAP

These representations mention the source for the above table to be Budget Documents for the years 2004-09 presented to the AP Assembly. The state government's clarification (Appendix 3.16) on a query by the Committee to authenticate the above is given in Table 3.6.

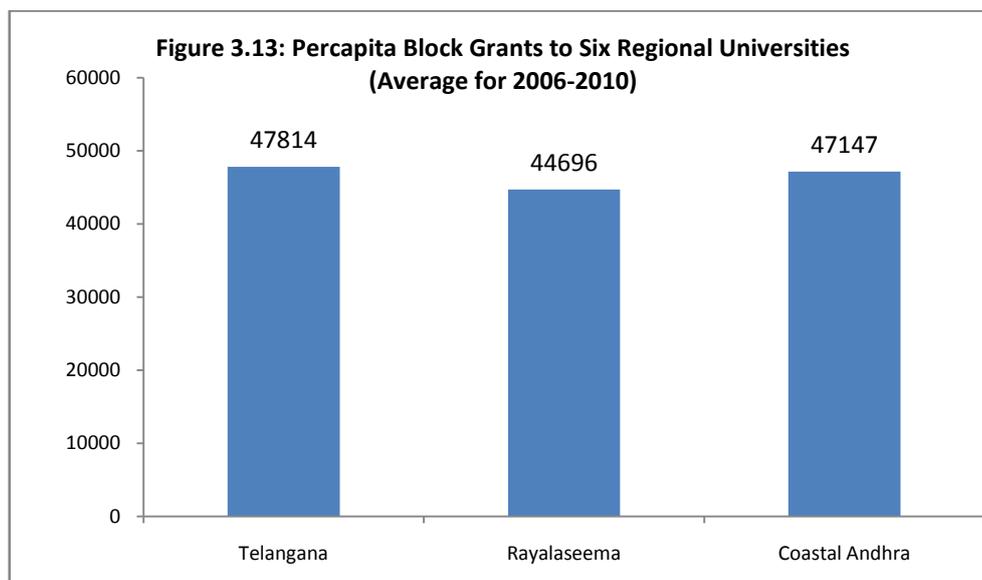
Table 3.6: Block Grants Released to Regional Universities

Sl. No	Name of the University	No. of Students in the University	Block grant released (Rs.Crores)					
			2006-07	2007-08	2008-09	2009-10	Avg. /year	Avg./Capita (Rs.)
1	Osmania	17079	93.00	93.00	49.22	75.00	77.55	45408
2	Andhra	13900	77.26	77.26	40.72	61.08	64.08	46100
3	Kakatiya	3902	23.72	23.72	24.87	18.75	22.77	58344
4	Nagarjuna	2500	14.85	14.85	7.77	15.50	13.24	52968
5	Sri Venkateswara	10500	42.13	42.13	44.75	33.60	40.65	38717
6	Sri Krishnadevaraya	1772	14.83	14.83	15.51	11.63	14.20	80118

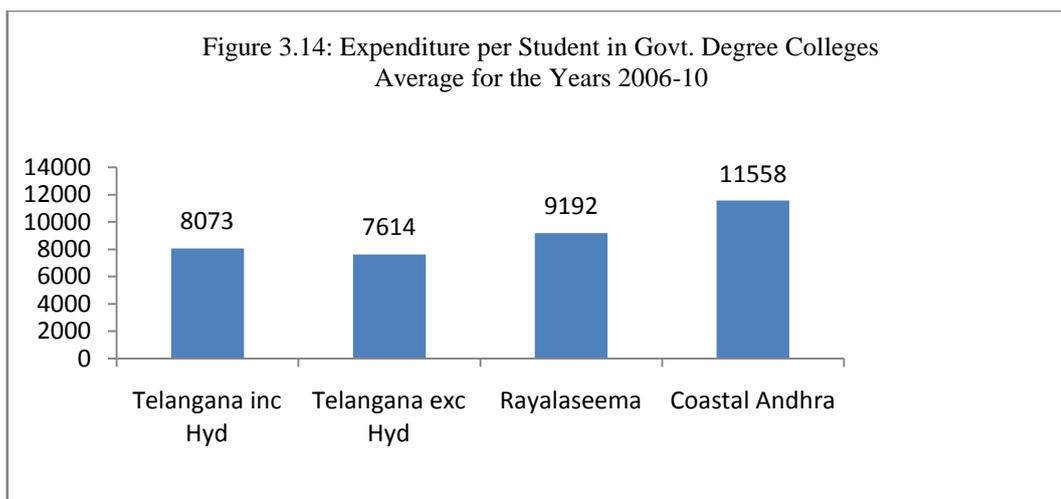
Note: (1) The student strength data pertain only to University Campus and Constituent Colleges.
 (2) It does not include strength of the affiliated colleges and Distance Education Students.
 (3) The Block grant released is towards salaries and pension of the staff working in the University.

Source: Department of Higher Education, GoAP

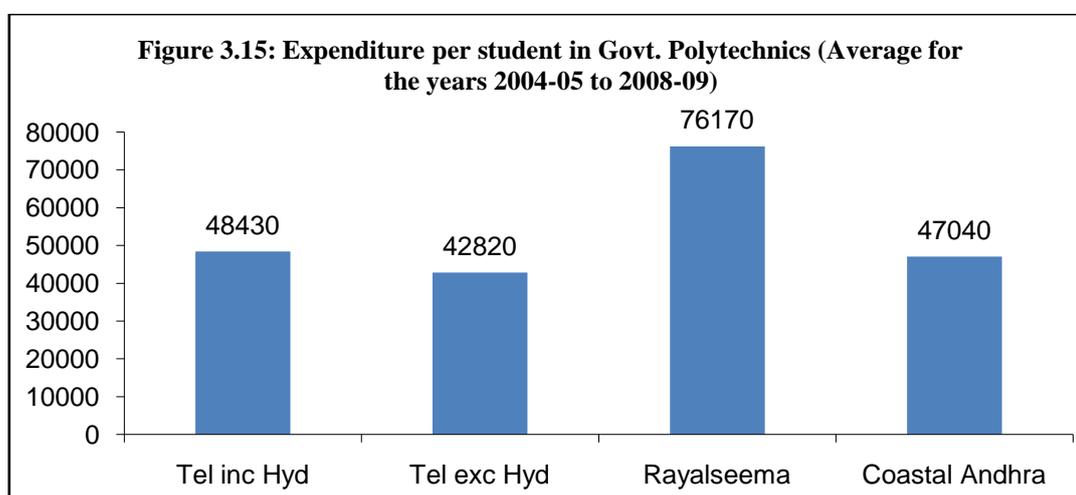
As is clear, the average per capita in the two calculations is very different. It appears that the calculation made by the political groups mentioned above is based on a larger number of students perhaps including students in affiliated colleges etc. The Committee felt that it is not correct to compare block grants to universities in this manner since there are many categories of students in a university - residential, day scholars, PG students and a large number of undergraduate students in constituent and affiliated colleges, and dividing the total grants by the total number of students to calculate per capita grant implies treating all of them as the same. Therefore, the per capita annual grant or expenditure per student was calculated separately for students in six regional universities (including constituent colleges), students in government colleges and students in polytechnics in the three regions and is presented in the figures 3.13, 3.14 and 3.15.



Source: Data received from the Department of Higher Education, GoAP



Source: Data received from the Department of Higher Education, GoAP



Source: Data received from the Commissioner of Technical Education, GoAP

3.7.02 As is clear from the above though the block grants to the six regional universities when calculated per capita and presented region-wise (Figure 3.13) show that it is least in case of Rayalaseema and highest for Telangana, the expenditure per student in case of Government degree colleges (Figure 3.14) and Polytechnics (Figure 3.15) is, however, less in Telangana. The expenditure per student in the Government Polytechnics (Appendix 3.17) shows large inter- district variations as well. District-wise per capita expenditure in most years (from 93-94 to 2008-09) is highest in Anantapur and lowest in Mahbubnagar and the difference is significant with Mahbubnagar getting roughly one-fifth of Anantapur. The basis on which funds are distributed is not entirely clear.

3.7.03 In case of new regional universities also the grants are alleged to be discriminatory. As per TRS document block grants released between 2006-2009 to Telangana University in Nizamabad and Mahatma Gandhi University in Nalgonda respectively were 29.5 crores and 30.5 crores while that released to Yogi Vemana University in Kadapa for the same period was 300 crores. Based on the information received from the State Government and field visit to Yogi Vemanna University, it is concluded that though Yogi Vemana University has been given more grants than the other two universities cited, the figure of 300 crores mentioned is substantially exaggerated.

Allocation of funds to private aided colleges

3.7.04 Many groups argued before the Committee that the government has discriminated against the region by providing a huge chunk of aid to private colleges (Junior as well as Degree) in coastal Andhra and Rayalaseema with very little to the private colleges in Telangana. A clarification was sought by the Committee about the basis for deciding grants to private colleges. The response from the Higher Education Department, Government of Andhra Pradesh is given in Appendix 3.16. It confirms that the aid to the private colleges in Telangana is much less than that in coastal Andhra and Rayalaseema but clarifies that it is a result of historical factors and that there is no intentional discrimination against any particular region. It also brings out that an attempt is being made to restore equity by having more government colleges in the Telangana region. However, the data received from the State Government shows (Appendix 3.16) that the combined amount released to government and aided colleges together is Rs. 93 crores in Telangana while it is 224 crores in coastal Andhra (with college going population similar to that in Telangana) and 91 crores in Rayalaseema (with population share being less than half that in Telangana). There is a strong case therefore to allocate more funds to Telangana colleges. As the scheme of granting aid to private colleges is being phased out and no new colleges are admitted for grants since 1985, this may be done by granting more funds to and opening more government colleges in the underserved districts of the region.

Location of State Universities/Institutions

3.7.05 Another issue brought up before the Committee is regarding the distribution of the above facilities region-wise. While state level institutions are spread out in many districts of coastal Andhra and Rayalaseema, in Telangana region they are located only in the capital city Hyderabad. It is pointed out that JNTU originally proposed to be located in Warangal was shifted to Hyderabad and Dr. B. R. Ambedkar Open University located in Nalgonda district was also shifted within two months to Hyderabad. The reason given was that state level universities should be located in the state capital; however, this principle was not followed in the case of many state level universities/institutions that were started in coastal Andhra and Rayalaseema regions. The new IIT was proposed to be set up in the temple town of Basar in Adilabad district but later shifted to Medak district near Hyderabad. It is asserted that indirect benefits in terms of employment and development of the area around a state level institute/university are denied to the 9 districts of Telangana while 4 state level institutions have been located in one town (Tirupati) of district Chittoor in Rayalaseema region.

3.7.06 First of all, it needs to be clarified that since seats in the state level institutions are allocated to the students in the three regions in a pre-determined ratio (42% to students from Andhra University area, 36% to students from Osmania University area and 22% to students from Sri Venkateswara University area), the location of these does not in any way affect chances of getting admission into these on the basis of residence/schooling of students from any region. Also there are regional universities which are equitably distributed among the three regions and new regional universities have been established in the educationally deprived districts in recent years. The issue of location of a state university is, therefore, significant only in terms of the economic benefits provided by its location in a district.

3.7.07 The state government's reply on the query relating to the above issue clarifies (Appendix 3.16) that "... 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." These seem to be pragmatic reasons and we know that elsewhere in the world certain cities (Oxford, Cambridge etc.) have become the hub for higher education due to many direct and indirect benefits for students as well as institutes which result from such concentration. Therefore, while there is a strong case for dispersal of primary, secondary and high schools as well as junior and degree colleges and to some extent regional universities across villages/towns/districts in a balanced way, one needs to be more pragmatic when it comes to the location of state/national universities. It is also well known that preferences of politicians in power can play an important role in deciding the location of universities. However, the emergence of Hyderabad and Warangal in Telangana, Chittoor and Kadapa in Rayalaseema and Visakhapatnam and Guntur in coastal Andhra as educational hubs seems to indicate that all three regions are currently being served well.

Seats in Professional Colleges

3.7.08 Many groups pointed out in their submissions that seats available to the students in Telangana region in professional colleges, particularly medicine and dentistry are less than in proportion to their population. It is stated that there are four government medical colleges for the four districts in Rayalaseema, whereas there are only two medical colleges for the 9 districts in Telangana (excluding Hyderabad) and as a result, even students with a high rank cannot get a seat. In nursing also, there are several colleges in Rayalaseema whereas Telangana has only one college which was established during the Nizam period.

3.7.09 The growth of professional colleges (Appendix 3.16) clearly brings out that there is a large concentration of professional colleges in Rangareddy district of Telangana. However, as per information received from the state (Appendix 3.18), about 97% of the engineering colleges are unaided private colleges and only 19 out of the 707 (less than 3%) are government colleges. Of these, only 2 colleges are located in 9 districts of Telangana (excluding Hyderabad), 5 are in coastal Andhra, 6 in Rayalaseema and 6 in Hyderabad.

3.7.10 A look at growth of medical colleges and seats over a period of time brings out much slower growth as compared to engineering and MBA colleges. There were two medical colleges in Telangana and two in coastal Andhra up to 1991-92. One medical college was added in Telangana in 1992-93 and another one in 2008-09. During this period, three more colleges have been added in coastal Andhra and four in Rayalaseema. Now, there are four medical colleges for the four districts of Rayalseema, five medical colleges for the nine districts of coastal Andhra and only four (of which two are in Hyderabad) for the ten districts of Telangana. Therefore, there is a strong case for opening of more medical colleges in Telangana region.

Other Issues

Following other issues have been brought before the committee:

Residence qualification and access to educational institutions

3.7.11 That students/groups in Telangana do not go to the other regions for education while many students from the other two regions take admission in the regional institutions located in Telangana, particularly, those located in the capital city by virtue of shorter residency requirement (4 years of schooling under the Presidential order as against 15 years under the earlier 'Mulki' rules) for qualifying as a local. It has been alleged that many admission seekers from other regions simply acquire fake certificates.

Students from coastal Andhra, on the other hand complain that they are considered as non-locals for admission to institutions located in the capital of their own state.

As explained earlier, admission to various educational institutions in Andhra Pradesh is governed by the Presidential Order and subsequent legislation flowing from therein. It is at present beyond the scope of this Committee to evaluate the fairness of these systems and suggest alternatives. However, the claim of fake certificates can be looked into by the State Government and the Right to Information Act can be used by complainants to get justice.

3.7.12 The information provided to the Committee by the Commissioner of Collegiate Education A.P. and the Department of Technical Education A.P. shows that at least 85% (and in a large number of cases 90% and even 98%) students in various professional colleges are local (Appendix 3.18).

3.7.13 It was brought to the notice of the Committee that in case of admission to private engineering colleges G.O. MS. 184, Education Department dated 20/08/1993 and G.O. MS. No 227, dated 22/7/1994 stipulated that all the seats in the private engineering colleges in the state be pooled subject wise and distributed among the regions in the ratio of 42%, 36% and 22%. As a result, the students in Telangana had access to only 36% seats in the private colleges located in Telangana region instead of 85% under the Presidential Order. It is true that they could lay claim to 36% seats in private engineering colleges situated in coastal Andhra and Rayalaseema but very few of them, it is contended, could afford to go to study there. The matter has already been decided by Justice B. Subhashan Reddy and Justice T. Ranga Rao (J. Sameerana *v.* A.P. State Council for Higher Education and Others) who held that "the provisions of Andhra Pradesh Educational Institutions (Regulations of Admissions) Order, 1974, are applicable to all the private Engineering Colleges in the state of Andhra Pradesh including the minority institutions; and that admissions shall be made only in accordance with Para 5(1) of the above Order in reserving 85% of the available seats in the respective local areas mentioned in Para 3 and for the local candidates

mentioned in Para 4 thereof” and that the State Rule, 1993, becomes nonest of Presidential Order overriding the state rule. A matter of complaint has been that during this period of 6 years (1993-98), several students of Telangana region could not pursue Technical Education and the number of such students amounts to more than 1.5 lacs in admissions to Engineering, Agriculture, Pharmacy, and Medical Courses. The committee feels that the said rules have already been made null and void and it is not possible to do anything further in this case.

Pass marks in school leaving examination

3.7.14 Telangana students have complained that pass marks for English are 35 while it is only 18 for Hindi in the school leaving exam. Also, the marks obtained in English are included in calculating the overall percentage, but the Hindi marks are not included. As a result, Telangana students who are more proficient in Hindi suffer while Andhra students are at an advantage. The state government should look into the reasons for the skewed requirements and arrive at a more rational and just set of rules. Equally, efforts must be made to improve English language learning in those areas of the state where students are deficient in the language as it is increasingly tied to future employment prospects.

3.8 Summing Up

3.8.01 The educational and health status of people is an important indicator of their quality of life. We looked at the education dimension in detail by examining a) the educational indicators b) the spread and availability of education infrastructure and c) the funds granted in the three regions of the state. The differences in all these aspects were examined and the issues raised by different groups and people before the Committee were considered and analysed in order to assess if there has been any deliberate neglect or discrimination of Telangana region and what efforts are needed to bring backward areas of the state on par with others.

3.8.02 Andhra Pradesh is doing far better than the average Indian state in respect of physical access to primary schools. In the state, around 90% of the population is served by primary schools within their habitation. Although the literacy rate in Telangana region remains lower than the rest of Andhra Pradesh, it is evident that the gap has been narrowing since 1971 and the growth in literacy rates is highest in Telangana region. Also the differences (across the three regions as well as between districts) in access to schools at all levels are not wide and have in fact been coming down over the past few decades. Having achieved success in physical access to schooling, the state now needs to concentrate more on the quality of schooling (particularly in government schools) and on improving learning outcomes which have been reported to be somewhat deficient. Telangana region in general and the districts of Rangareddy and Hyderabad in particular have the largest number of High Schools and Junior Colleges (including Higher Secondary Schools). An increasing number of parents from all three regions prefer to educate their children in schools in Hyderabad and Rangareddy (Zone 6), as four years of schooling here makes them eligible for admission in institutions of higher and professional education which are concentrated in this Zone.

3.8.03 Telangana (in particular Hyderabad) also has the highest educational attainment levels – this is given by the lowest fraction of “only primary level” achieved and the highest fraction of those with “at least a higher secondary education”. Dropout rates at the primary (and to some extent at the middle school) level remain high in some districts of Telangana which needs to be looked into and addressed. However, at the high school level there is little regional variation and all three regions have a few districts with relatively higher dropout rates. Among facilities for social groups, Telangana region has relatively fewer hostels per lac SC population than the other two regions but the gap is less in 2001 than in 1991. Also, the gap in the number of SC students enrolled in these hostels per lac SC population is quite low in 2001. The number of ST hostels per lac ST population is less in Telangana but the number of ST students enrolled in these per lac ST population is more than in coastal Andhra showing

the high demand for these in Telangana. This reinforces the finding (Chapter VII) that ST students are rapidly gaining from education despite structural barriers.

3.8.04 Students and academics from Telangana brought to the notice of the Committee that pass marks in various subjects (Hindi, English, Urdu and Telugu) were unfavourable to them – lower marks are needed for Hindi and higher for English and Telugu – this is to the disadvantage of Telangana students. It is, therefore, suggested that pass marks in various subjects and subjects which count towards the overall score for admission purposes can be rationalized in such a manner that students from any particular region are not disadvantaged. The state government may also enquire into and deal with the issue of fake domicile certificates, if any, for admissions to educational institutions as local candidates.

3.8.05 It is heartening to note that there is a significant demand for higher and professional education (particularly engineering) in Andhra Pradesh in general and in Telangana region in particular. As a result, the state has witnessed unprecedented growth in the number of institutions (many of them private) imparting engineering education since mid 1990s and in management and computer applications courses in recent years. However, the distribution of institutions is spatially skewed within Telangana region with the largest concentration being in Rangareddy district. (Appendix 3.14) Therefore, though the regional data show that the number of engineering, pharmacy, MBA and MCA colleges in Telangana is more than its share of population, it becomes noticeably smaller if we subtract the colleges located in Rangareddy (Appendix 3.14). Districts like Adilabad are particularly underserved. Similarly, a large number of National and State level educational institutions are concentrated in and around Hyderabad (Appendix 3.15) a reflection of inevitable urban and capital city bias. There is thus a strong case for a more even spread of facilities in higher, technical and professional education among regions and districts of the state.

3.8.06 After a thorough analysis of the issues raised by Telangana groups before the Committee relating to grants to and location of educational institutions (Para 3.7), we reached the conclusion that though some of these are valid, not all are of the claimed magnitude. While the progress of literacy and access to schooling is satisfactory in Telangana, there are some differences in allocation of funds and location of institutions (as explained in sub-Paras 02, 03, 04, 09 and 10 of Para 3.7 above) that need to be rectified. Although some variation in grants and location of major institutions is often a function of political compulsions and may be difficult to avoid in a democratic system based on support of one's own constituency, efforts should be made to ensure that government expenditure is regionally equitable. In recent years, the state has attempted to bring about uniformity by locating new regional universities equitably in all the three regions. However, there is some disparity in medical colleges. At present, there are four medical colleges for the four districts of Rayalseema, five for the nine districts of coastal Andhra and four (of which two are in Hyderabad) for the ten districts of Telangana. The Committee feels that establishing a medical college in North Telangana would redress an important imbalance.

3.8.07 The data received from the State Government shows (Appendix 3.16) that the combined amount released to government and aided colleges together is Rs. 93 crores in Telangana while it is 224 crores in coastal Andhra (with college going population similar to that in Telangana) and 91 crores in Rayalaseema (with population share being less than half that in Telangana). There is a strong case, therefore, to allocate more funds to Telangana colleges. As the scheme of granting aid to private colleges is being phased out and no new colleges are admitted for grants since 1985, this may be done by granting more funds to and opening more government colleges in the underserved districts of the region.

3.8.08 As in the rest of the country, the 'demographic bulge' at present is in favour of the youth population in Andhra Pradesh. One of the most important

findings is that youth literacy rate in Telangana which was behind those of the other two regions in 1983, is ahead of the other two regions in 2007, showing the highest percentage increase over the period. Not only this, the number of years of schooling among the population aged 8-24 increased fastest in Telangana taking it from the third place in 1983 to first place in 2007 among the three regions. This shows that the youth population of Telangana is seeking careers outside agriculture by prioritizing education and once having acquired education they are keen on suitable jobs. Some of their grievances and expectations of change in a separate state of Telangana can be attributed to non-fulfillment of their career hopes.

3.8.09 Most young people in AP have a preference for technical and professional education due to better employment opportunities available in these sectors of a globalizing economy. The state government's policies of providing scholarships/fee reimbursements and hostel facilities to students from socially and economically backward groups/communities have resulted in the positive development of a large number of students from such groups entering professional education. This has also stimulated and sustained the growth of private institutions in these fields. While government jobs are still sought after, many more opportunities are now available in the private sector. The growth of the service sector has been very rapid as discussed in the Chapters on Economic Equity and Hyderabad Metropolis in the Report. Despite this, jobs, as elsewhere, have not kept up with the supply of graduates and at present there appears to be an excess of technically and professionally educated youth in the state. There is also possibly a mismatch between the skills of many graduates with those required by employers. The poor quality of many such private colleges (engineering in particular) and lack of soft skills contributes to the problem whereby students find only low paying or no jobs after graduation. The frustration of the youth when their expectations are not met is exploited by politicians who claim that their inability to get a job commensurate with their degree is due to discrimination against Telangana people thus causing inter-regional and inter-community disaffection.

3.8.10 The Committee feels that the state government must concentrate on providing quality education to students. The Committee noticed (see sub-para 3.7.09) that there are very few government funded engineering colleges (only 3%) and, therefore, recommends that more government engineering colleges may be started in all regions and particularly in Telangana outside of Hyderabad. Suitable emphasis must be laid on quality improvement and skill development. Additionally, education offered by private institutions needs to be better monitored by the state government. In order to develop competitiveness in the market, it may be a good idea to introduce English as a language at an early stage in government schools.

3.8.11 Field visits brought out that many students with higher education qualifications in Telangana are first generation college entrants (from rural families and whose parents are illiterate) and therefore have very high expectations of finding well paying jobs, in particular, in the government/public sector. It seems that it is the inability of such graduates to fulfill their aspirations that is responsible for their disappointment, disillusionment and frustration. Such students are likely to turn to those who promise them a better future. Large scale involvement of students including those from Dalits and Backward Castes in the current movement for Telangana seems to testify to this. A large proportion of student leaders of the movement located in Osmania and Kakatiya Universities is known to be from Dalit/BC background. According to many sources, purported student suicides during the course of the agitation are also largely by Dalit and Backward Caste students. While lack of suitable employment is rarely due to discrimination and more due to lack of adequate training, the perception of neglect or discrimination needs to be addressed in order to bring students back into the mainstream. Improving the quality of education and solving the problem of unemployment among educated youth will have a positive impact on their attitude towards agitations.

PART II: HEALTH

During the interactions of the Committee with various groups in Hyderabad and the field visits to the three regions, health related issues were generally not raised. However, as stated earlier the education and health status of people is an important indicator of their well being and, therefore, this section attempted to look at the regional spread of health facilities and health outcomes.

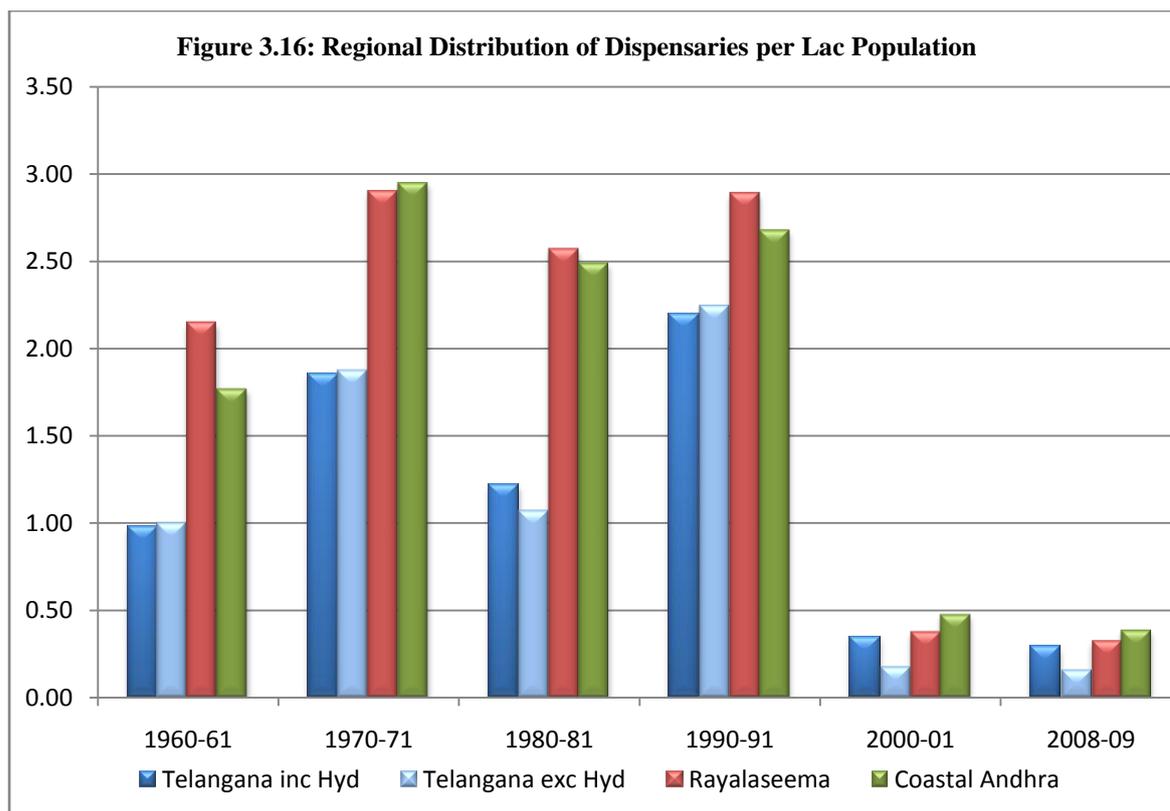
3.9 Health Infrastructure

This Para presents the regional spread of government health facilities i.e. the number of Hospitals, Dispensaries, Primary Health Centres (PHCs), Hospital Beds and Doctors, is analysed per lac population between 1961 and 2009. Though there is considerable data on health facilities in the public sector, there is little information available on the private sector. Para 3.9.01 to 3.9.06 present data relating to government medical facilities in the three regions while Para 3.9.07 and 3.9.08 throw light on the size of the private sector in the state health infrastructure.

Allopathic Dispensaries

3.9.01 The total number of allopathic dispensaries in the state increased from 564 in 1960-61 to 1680 by 1990-91 but thereafter it declined and stood at 289 in 2009. As a result the number of dispensaries per lac population has declined drastically over this period. One of the reasons for the decline is that many dispensaries have been upgraded to Primary Health Centres⁹. Regional distribution of number of dispensaries per lac population (Figure 3.16) brings out that the number of dispensaries per lac population in Telangana including as well as excluding Hyderabad has always been less than in Rayalaseema and coastal Andhra.

⁹ Increase in the number of PHCs (3.5.03) may seem not to reflect this though because a single PHC (along with its sub-centres) serves a larger area than 2 or 3 dispensaries.



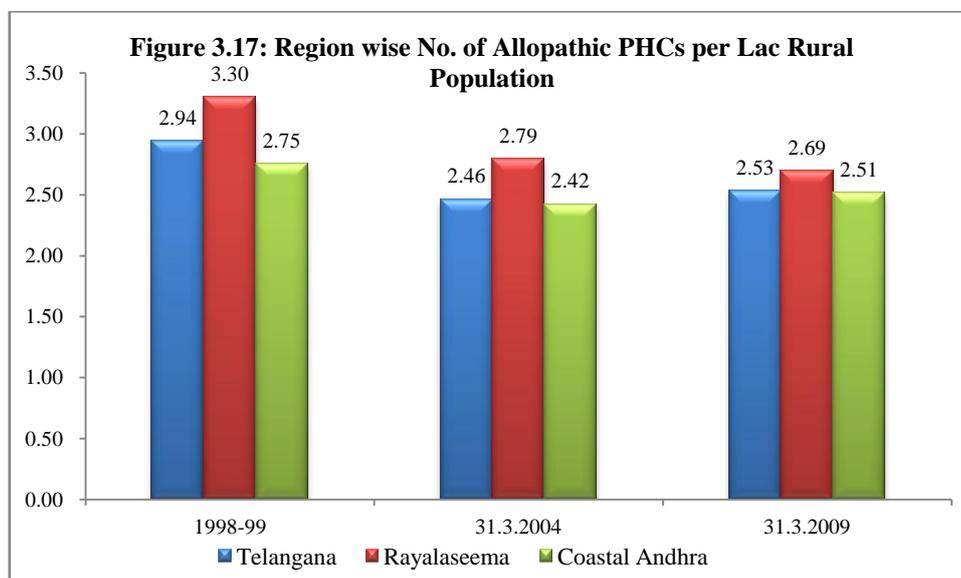
Source: Statistical Abstract of Andhra Pradesh (Various Issues)

However, as dispensaries have been replaced with PHCs in the state, it is better to look at the regional distribution of the latter, of Hospitals and Hospital beds and doctors before arriving at any conclusion about regional distribution of health infrastructure.

Primary Health Centres (PHCs)

3.9.02 The Primary Health Centres are the backbone of the public funded medical and health care infrastructure available in the rural areas and provide a variety of preventive health care at the community as well as individual level including reproductive and child health care. The number of PHCs in the state declined from 1422 during 1998-99 to 1386 in 2004 and thereafter increased to 1581 by 2009. While the hospitals at secondary and tertiary level are over-utilized, the Primary Health Centres (PHCs) are underutilized mainly due to the non-availability of doctors in PHCs. Several studies indicate that 30% of doctors in PHCs are habitually absent. The NSS shows that the share of PHCs in out-patient (6%) and in-patient care (4.8%) was very low in 2004. Since the PHCs

serve the rural population only, the number of PHCs is divided by the rural population to arrive at their availability per lac population.

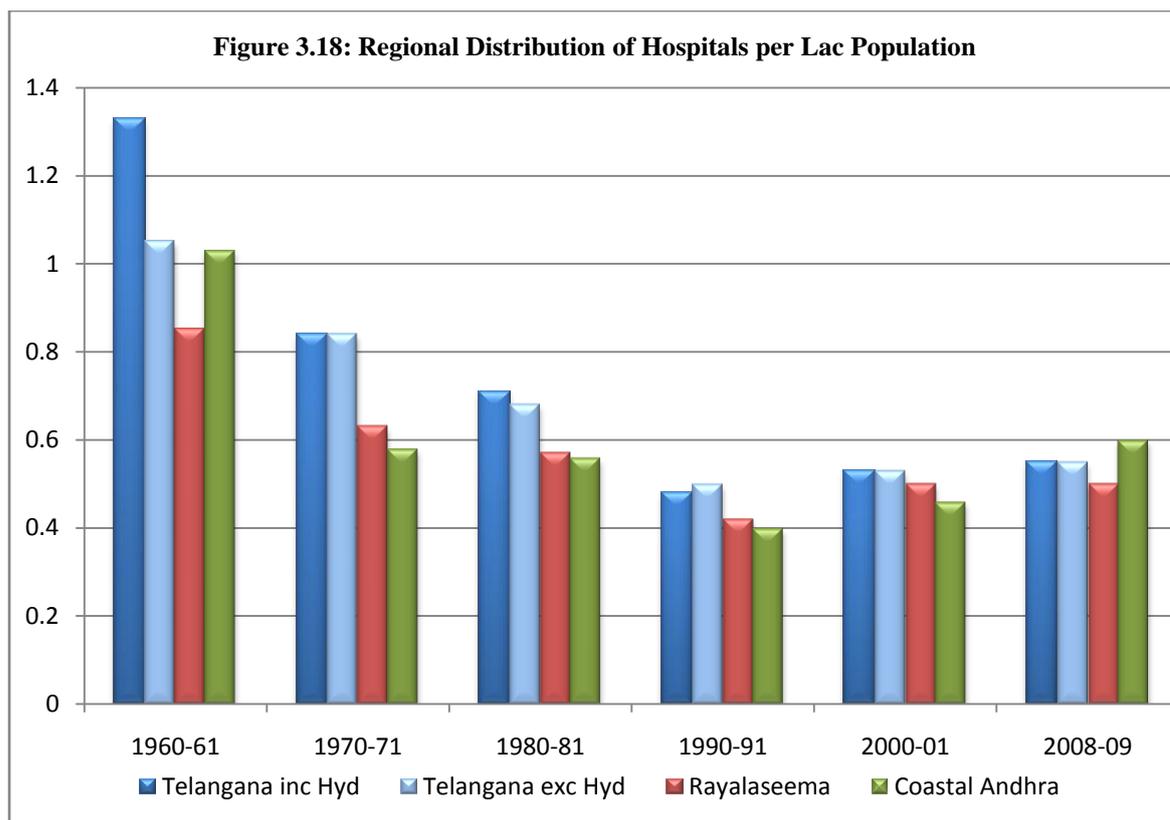


Source: Statistical Abstract of Andhra Pradesh (Various Issues)

The regional availability of PHCs per lac population (Figure 3.17) shows that the gap between the regions is small and is narrowing. The availability of PHCs in Telangana is close to the state average with Rayalaseema a little more and coastal Andhra little less than Telangana as well as the state average.

Number of Allopathic Hospitals

3.9.03 The number of hospitals in Andhra Pradesh fluctuated between 289 and 397 during 1960-61 to 2001 and went up to 481 by 2009. With the population having gone up from 36 million to 76 million during the same period, the availability of hospitals per lac population in the state has gone down from 1.10 to 0.56 over this period. Decrease in budgetary allocations to the health sector has been responsible for the stagnation and deterioration of facilities in public hospitals. Figure 3.18 shows the regional position of government hospitals per lac population since 1960-61.



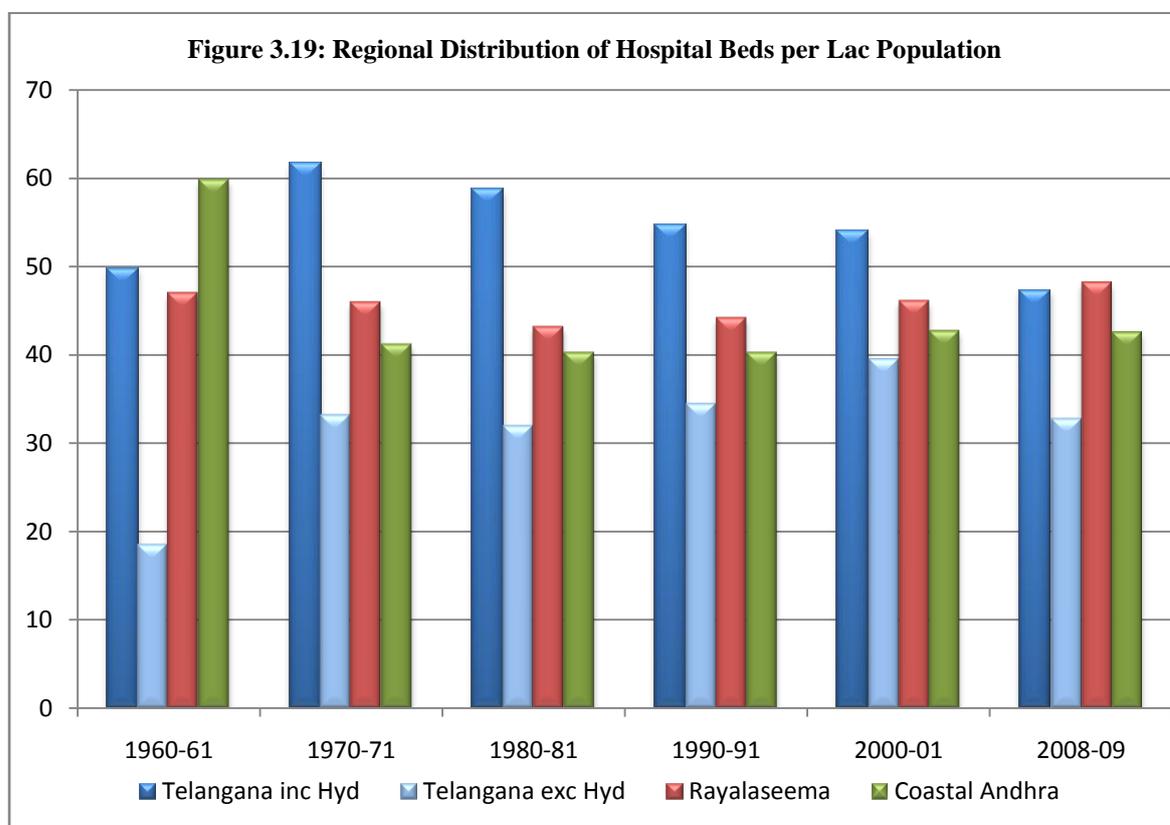
Source: Statistical Abstract of Andhra Pradesh (Various Issues)

Among the regions, Telangana (including Hyderabad) has remained ahead of the state average in all years and Telangana excluding Hyderabad has also been a little higher than the state average except in 1961. Government hospitals per lac population in Hyderabad were more than double the state average in 1960-61 but have come down since then. Coastal Andhra and Rayalaseema have been a little behind the state average while their respective positions have been changing. Overall the gap between the regions has narrowed and was very small in the last decade.

Number of Beds Available in Allopathic Hospitals

3.9.04 The availability of Hospital beds for a certain number of population is a better indicator of health care available than the number of hospitals. As said earlier the total number of government hospitals in the state has increased little resulting in a decline in the per capita availability. In case of hospital beds too, though the number of hospital beds available in the government medical facilities has been steadily rising from over 19 thousand in 1961 to more than 39

thousand in 2009, the increase in population has led to a decline in the availability of beds per lac population from 54 to 46 over the period.



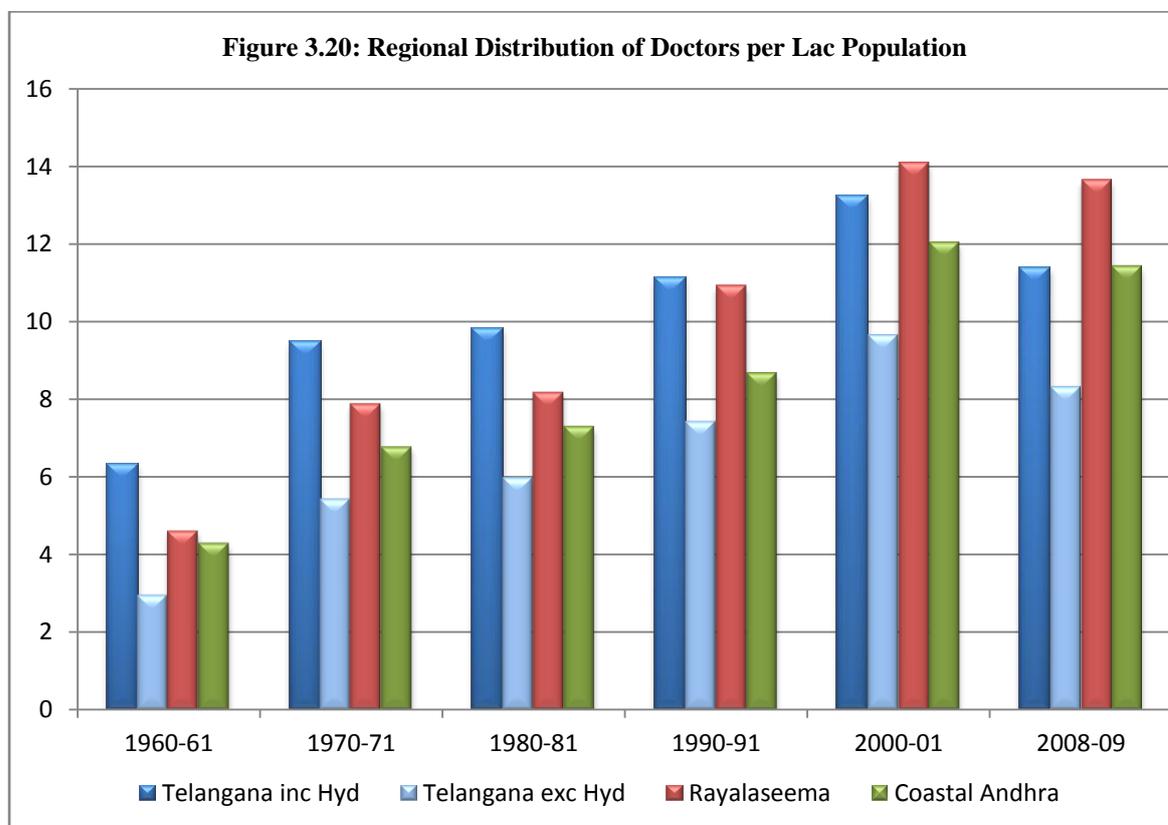
Source: Statistical Abstract of Andhra Pradesh (Various Issues)

Though Telangana including Hyderabad is ahead of other regions, Telangana excluding Hyderabad is far behind (Figure 3.19). District level figures show that the number of hospital beds per lac population is highest in Hyderabad (148 as against state average of 46). As in education, there is a concentration of facilities in Hyderabad, making for a thinner spread in the Telangana region. The gap between Telangana without Hyderabad and the state average shows an increase between 2001 and 2009. Rayalaseema has gained the most, leaving coastal Andhra behind and increasing the gap between them.

Number of Doctors

3.9.05 The number of doctors in the state increased from 1826 in 1960-61 to 10117 (9321 regular and 796 on contract) in 2009. The number of doctors per

lac population also shows an improvement from 5 to 12 over this period. The region wise availability of qualified doctors is given in Figure 3.20.

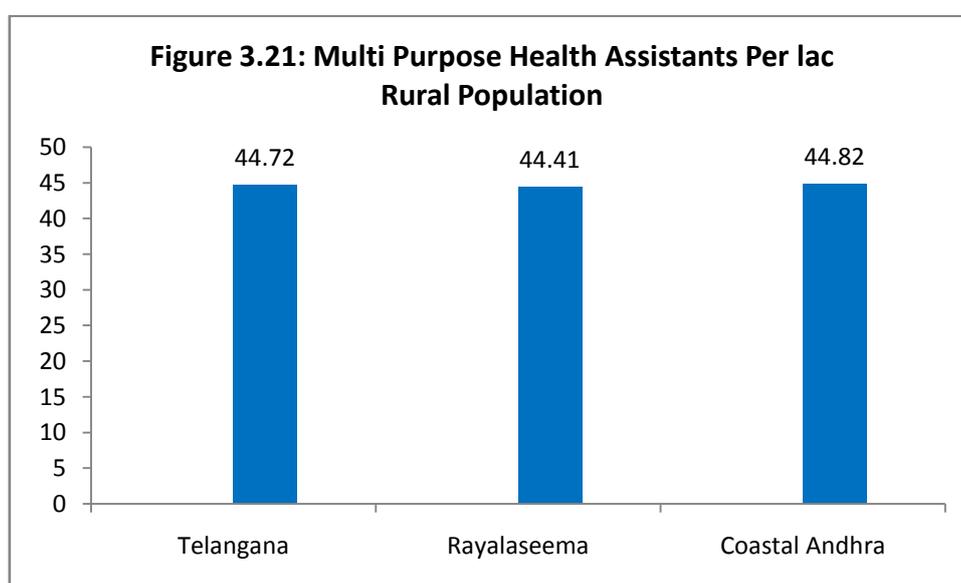


Source: Statistical Abstract of Andhra Pradesh (Various Issues)

Telangana excluding Hyderabad is trailing behind Rayalaseema and coastal Andhra. The high concentration of doctors in Hyderabad makes the average availability in Telangana including Hyderabad a little more than state average but when Hyderabad is excluded from Telangana, it falls behind the state average and the other two regions. Rayalaseema is ahead of coastal Andhra and the gap between them has increased slightly in recent years. Though at first it may appear as if Rayalaseema is being favoured, the region being poorer than the other two, has relatively less people who are able to afford private health care and, therefore, perhaps more in need of public funded health facilities. A look at the health indicators in the next section brings this out more clearly.

Multi Purpose Health Assistants

3.9.06 Besides qualified doctors, the public health care system provides for para medics called ANMs (Ancillary Nurse Midwife) or Multi Purpose Health Assistants. The state at present has 27713 such workers working while 2305 vacancies are still vacant. Region-wise comparison (Figure 3.21) of Number of Multi Purpose Health Assistants per lac rural population shows that there is very little difference.



Source: Information received from State Government through Nodal Officer, CCSAP

Concentration of Medical Facilities in Hyderabad

3.9.07 Medical facilities in the private as well as public sectors are concentrated in Hyderabad metropolitan area. Of the 17000 (government) hospital beds in Telangana in 2009, as many as 6700 were located in Hyderabad. The number of doctors (in government sector) in Hyderabad was more than 1400 of the total around 4000 doctors in Telangana. Thus the availability of hospital beds and doctors per lac population in Hyderabad was approximately three times the state average. As in the education sector, this reflects urban and capital city bias and the concentration of facilities here has a negative effect on

the other districts of Telangana. At the same time, it makes it the preferred destination for health care for people of all three regions.

Privatization of Health Care

3.9.08 In Andhra Pradesh, private sector has been playing a major role in health care particularly hospitals since the 80s¹⁰. The facilities in the public sector have not increased in proportion to the increase in population. The share of the health sector in the state budget declined continuously from 6.5% in the 5th Five Year Plan (1974-78) to 5.4% in the 9th plan (1997-02) and to 4.5% by 2005-06. In per capita terms, public expenditure on health care decreased from Rs 141 in the 7th FY Plan (1985-1990) to Rs 124 in the 8th Plan (1992-97) in constant (1999-00) prices. Public expenditure on health care as a per cent of SDP (State Domestic Product) declined from 1.29% in the 7th FY Plan to 0.96 in the 8th FY Plan and had further declined to 0.76 by 2005-06¹¹. Thus, there was a continuous decline in budget allocation to health services. In hospitals, there is a growing trend towards corporatization. The first corporate hospital in Hyderabad was established in 1988 and by 2004, the number of corporate hospitals increased to 16 accounting for 57% of beds¹². The growth of the private sector, particularly the corporate hospitals, was encouraged directly by the Central and State governments through subsidies in the form of exemptions from custom duties on medical equipment, land grants etc. The lack of government or any other regulation on minimum standards in terms of staff, facilities etc. and on the pricing of services in private hospitals has further widened the scope for profiteering and contributed to the rapid expansion of private medical care¹³. It has been reported that reimbursement facilities under the CGHS and other government programmes were grossly abused by the corporate hospitals.

¹⁰ Narayana K.V. 'Public and Private Mix in Medical Care Changing Patterns in Andhra Pradesh' in Mahendra Dev, C. Ravi and M. Venkatanaryana (eds.) Human Development in Andhra Pradesh: Experiences, Issues and Challenges, 2009, Centre for Economic and Social Studies, Hyderabad.

¹¹ Ibid.: p. 301

¹² Ibid.: p. 300

¹³ Ibid. p. 302

Arogya Sri

3.9.09 Recently, the state government also launched Arogya Sri, a public-private partnership based social insurance scheme. It is fully financed by the state government and covers major surgeries and certain diseases. Eligible patients can avail the services of public as well as private hospitals which are reimbursed through an insurance agency. Though the scheme looks good as it makes quality health care in the private sector available to the poorest sections of the population, it has been pointed out that the scheme has limitations at two levels. First, the past experience with the CGHS and other schemes indicates that private providers could misuse the scheme for their benefit. Second, it has been argued by some experts that it is not a very effective way of spending public funds to mitigate the health problems of people. The argument is that if the same funds are allocated for primary and secondary care through the public health system, the coverage of beneficiaries would be much wider than the Arogya Sri scheme which is primarily aimed at providing tertiary level medical care. Experts also express fear that in the long run, the diversion of funds on such a large scale to the health insurance scheme would lead to further neglect and collapse of the public health care system¹⁴.

3.10 Health Indicators

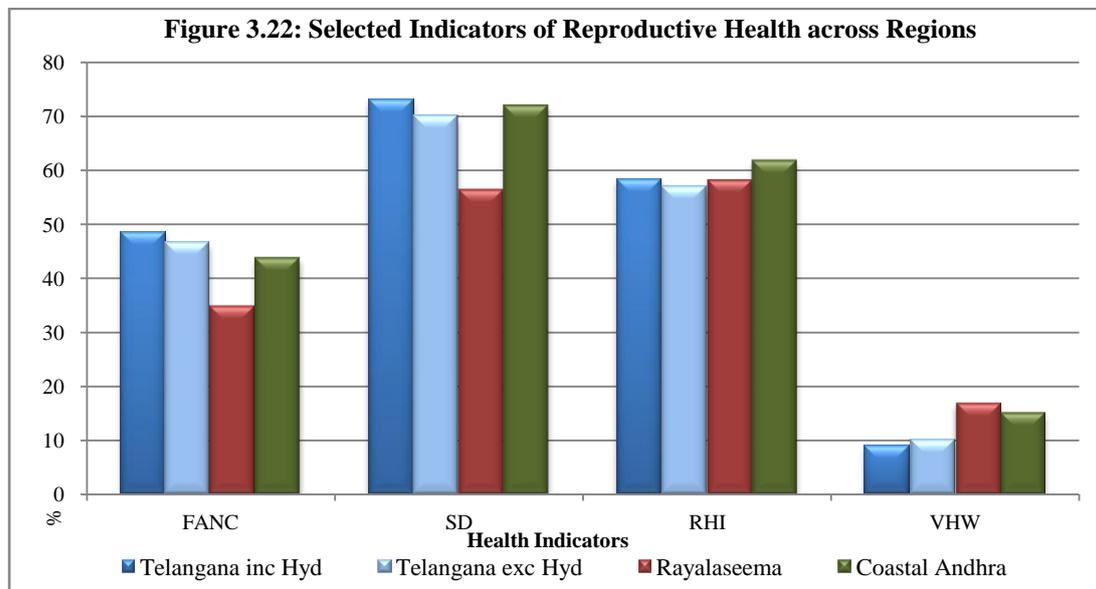
Data relating to reproductive and child health such as extent of institutionalized deliveries and Infant Mortality Rate are important health indicators and are analysed in this section.

Maternal Health Indicators

3.10.01 The estimates of maternal mortality at state/UT levels not being very robust, Maternal Mortality Rate (MMR) can only be used as a rough indicator of the maternal health situation in any given country. Hence, other indicators of

¹⁴ Ibid. p. 307-08

maternal health status like antenatal checkup, institutional delivery and delivery by trained personnel etc. are used for this purpose. These reflect the status of the ongoing programme interventions as well as give a reflection of the maternal health. Figure below gives the region-wise indicators of reproductive health.



Source: Andhra Pradesh Human Development Report, 2007

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)

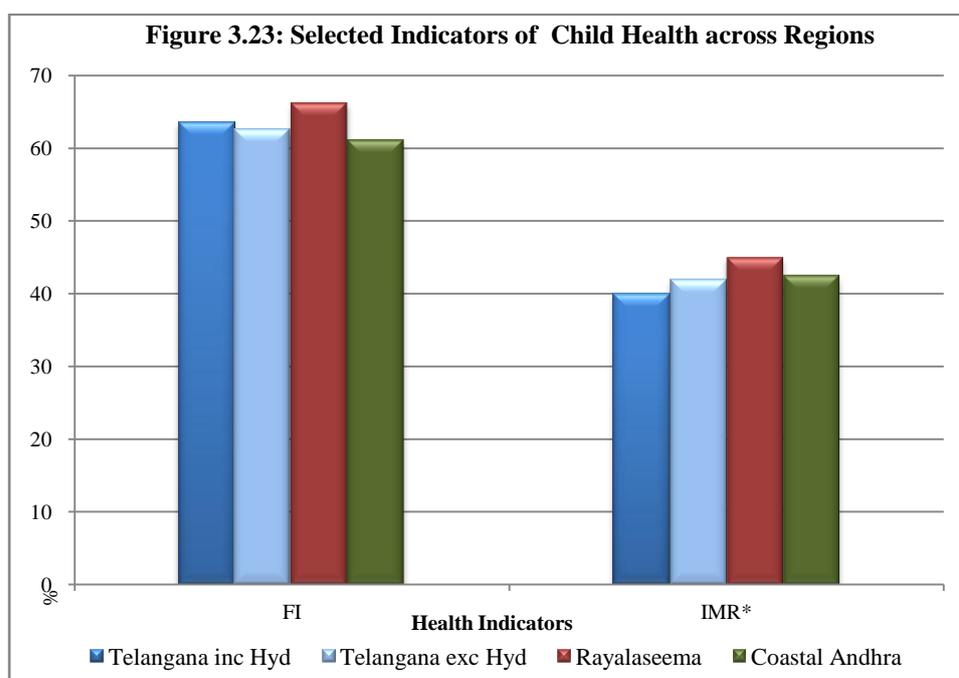
RHI - Reproductive Health Index based on 6 indices, Total Fertility Rate, Birth Order 4+, Skilled attention at the time of birth, IMR, Educational attainment of women, and % Married < 18 years.

VHW - Percentage of Women visited by ANM/Health worker

On the whole, Telangana region seems to be doing well on various indicators of reproductive health (Figure 3.22) and the problem seems to be more at the level of individual districts in each of the three regions with districts in North coastal Andhra appearing to be the worst off (Appendix 3.19). Adilabad in Telangana and Visakhapatnam, Vizianagaram and Srikakulam in coastal Andhra are the worst off districts (institutional delivery less than 60%) while Kurnool in Rayalaseema is also behind in the care received by mothers.

Child Health

3.10.02 Infant Mortality Rate (IMR) is an important indicator of not only the health status but also the economic and human development of a region. Figure 3.23 shows region-wise indicators of child health. District-wise IMR and extent of full immunization is given in the Table in Appendix 3.19.



FI - Percentage of children age 12-35 months received Full Immunisation

IMR – Infant Mortality Rate

Though Rayalaseema is behind the other two regions in terms of IMR which is the most important indicator of child health, differences at the regional level are not large. However, at district level the differences are huge (See Appendix 3.19). Vizianagaram (in North coastal Andhra) is the worst off with IMR as high as 68 while Hyderabad (in Telangana) has achieved a low IMR of 22. Karimnagar in Telangana (IMR 29) and Krishna and Guntur in coastal Andhra (with IMR 28 and 29 respectively) also seem to be doing well and are only slightly behind Hyderabad.

3.11 Summing Up

3.11.01 Health infrastructure in the state has grown at a slow pace and therefore the per capita availability of many facilities has stagnated or increased marginally. The government health facilities (Hospital Beds and Doctors) per lac population are the highest in Rayalaseema region followed by coastal Andhra region. Although Telangana region, particularly excluding Hyderabad, is behind in these respects, if one looks at health indicators rather than infrastructure, a different picture emerges. Most districts in Telangana are doing well on various indicators of reproductive and child health (RCH) as compared to districts of Rayalaseema and coastal Andhra particularly north coastal Andhra. This seems to be due to the better utilization of available public infrastructure as well as greater availability of and more household spending on private health care in Telangana. Private health care provides the edge in Hyderabad and in some towns of coastal Andhra where large corporate hospitals with modern facilities are concentrated. Medical care in the state is increasingly dominated by private players in the secondary and tertiary sectors.

3.11.02 One notices that districts with the worst reproductive and child health indicators (for example, Vizianagaram in coastal Andhra, Kurnool in Rayalaseema and Mahboobnagar in Telangana) happen to be among the poorest in the state where people may not be able to afford private health care. However, the low level of child immunization in Visakhapatnam, Guntur and Nellore and poor reproductive health indicators in Visakhapatnam and Prakasam in coastal Andhra cannot be explained in terms of poverty and the only explanation seems to be lack of awareness and health consciousness in these areas. The solution, therefore, seems to lie in not only expanding government health care infrastructure in the state in general and poorer, rural and backward regions in particular but also creating awareness about reproductive, child and general health, hygiene and nutrition as well as monitoring the private sector to insure quality and reduce malpractices.

CHAPTER 4

WATER RESOURCES, IRRIGATION AND POWER DEVELOPMENT

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4

WATER RESOURCES, IRRIGATION AND POWER DEVELOPMENT

PART I: WATER AND IRRIGATION

4.1 Introduction

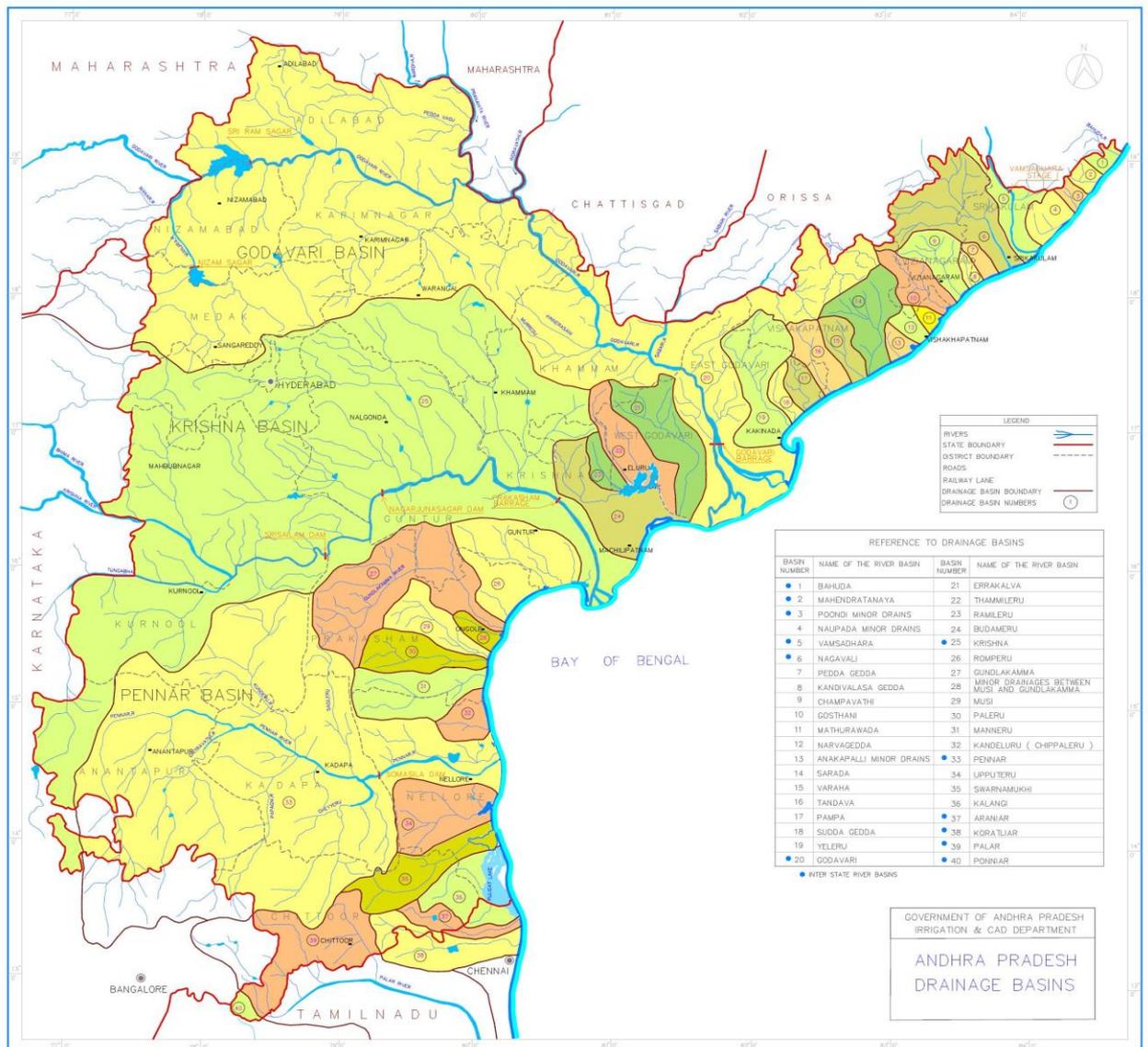
4.1.01 Andhra Pradesh has a total geographical area of 2,75,100 square kilometers with a coastline of 960 kms running from Ichapuram in the north to Srikakulam District to Pulicat Lake in the south in Nellore district. The state comprises three regions, coastal Andhra, Rayalaseema and Telangana with 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 inter-state 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% of the population of Andhra Pradesh depends upon agriculture.

Figure 4.1: Basin Map of Andhra Pradesh



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

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, Pothirepadu Head Regulator, Rajolibanda Canal, Ganapur and Nizampur, Singur Dam, Srisaïlam 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	Geographical Area	Cultural Waste	Other Fallows	Current Fallows	Net Area Sown	Net Irrigated Area (2007-08)	NIA as percentage of NSA	Gross Irrigated Area (2007-08)
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
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
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/bore-well Irrigated Area (hectares) per well
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	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	Nettmpad	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 electro-mechanical 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.

Even the purely technical viability, of water availability, and pumping possibilities, has not been proved through a detailed analysis.

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 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.

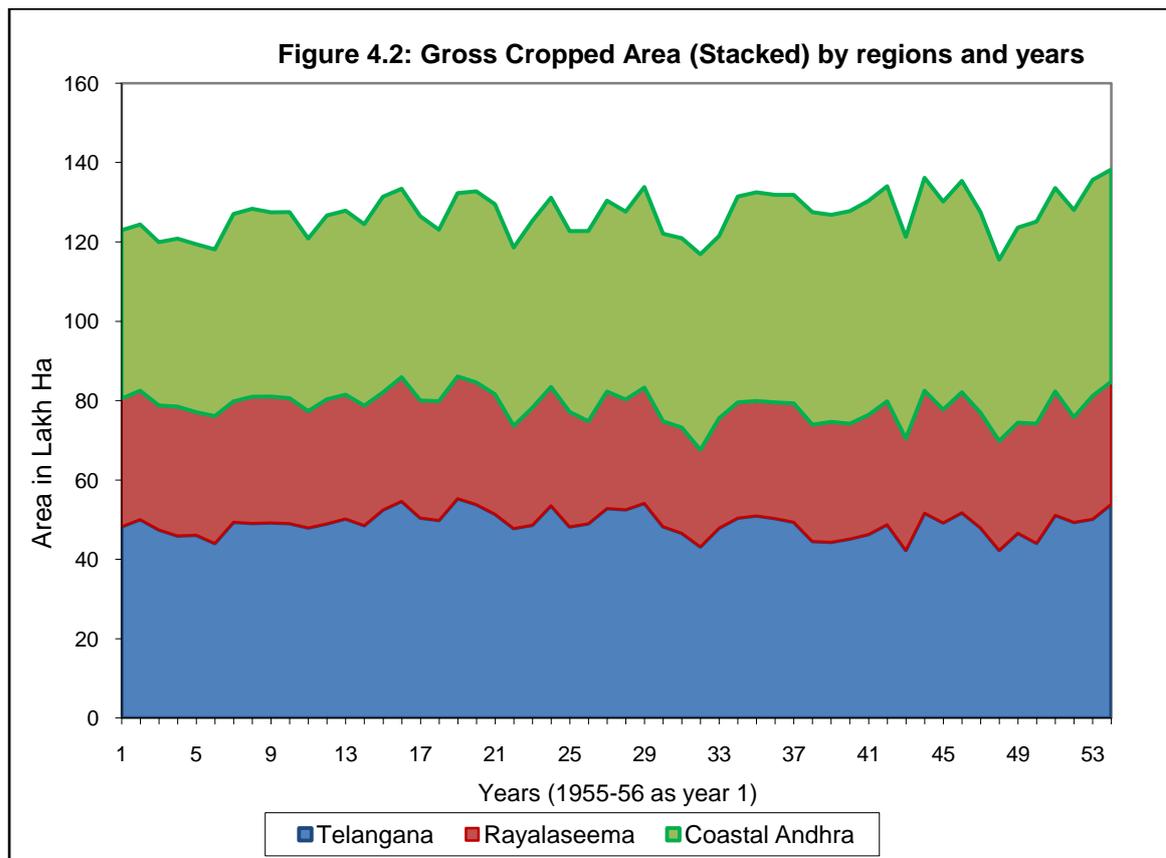
(ii) Between 2004-05 and 2009-10, 12 major and medium projects were completed and water released, while another 20 projects were completed creating partial irrigation potential. Thus new irrigation potential of 6.15 lakh hectares has been created besides stabilization of 1.32 lakh hectares during this 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

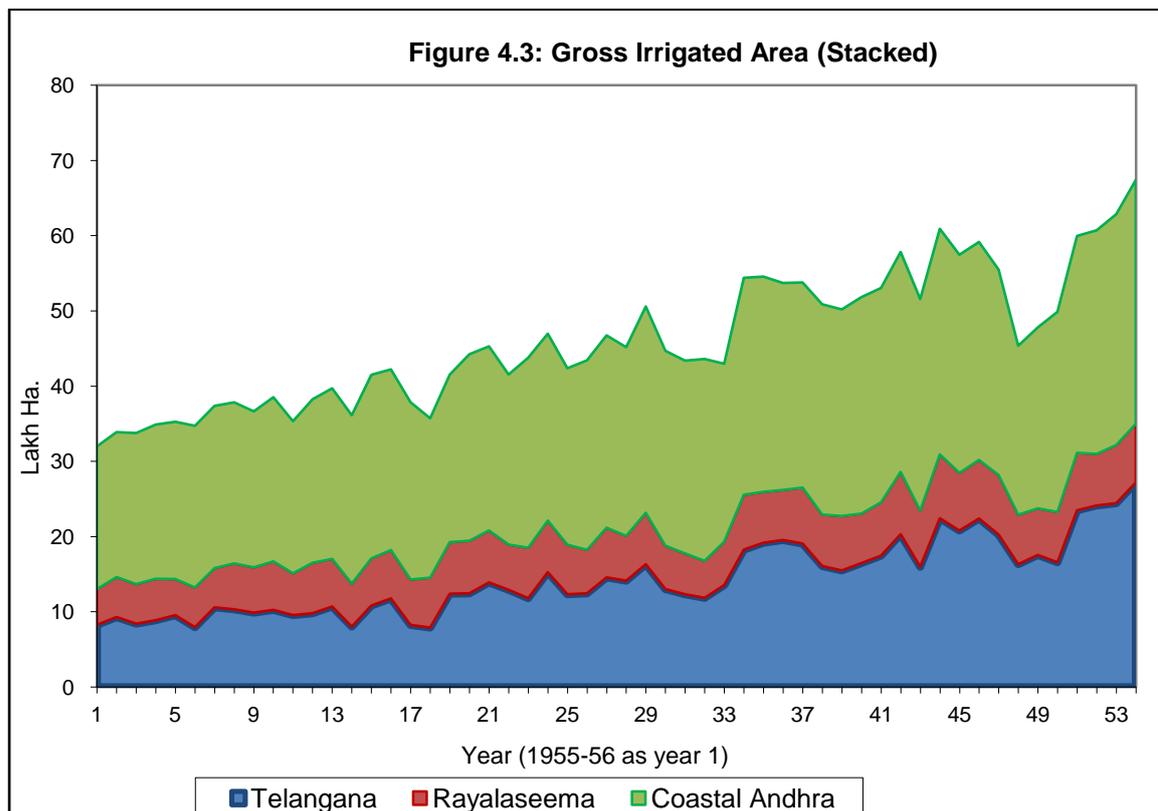
The variations in Gross Cropped Area (GCA) for the three regions are given in Figure 2. It would be seen that the GCA does not indicate any marked increasing trend.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

4.4.07 Gross Irrigated Area

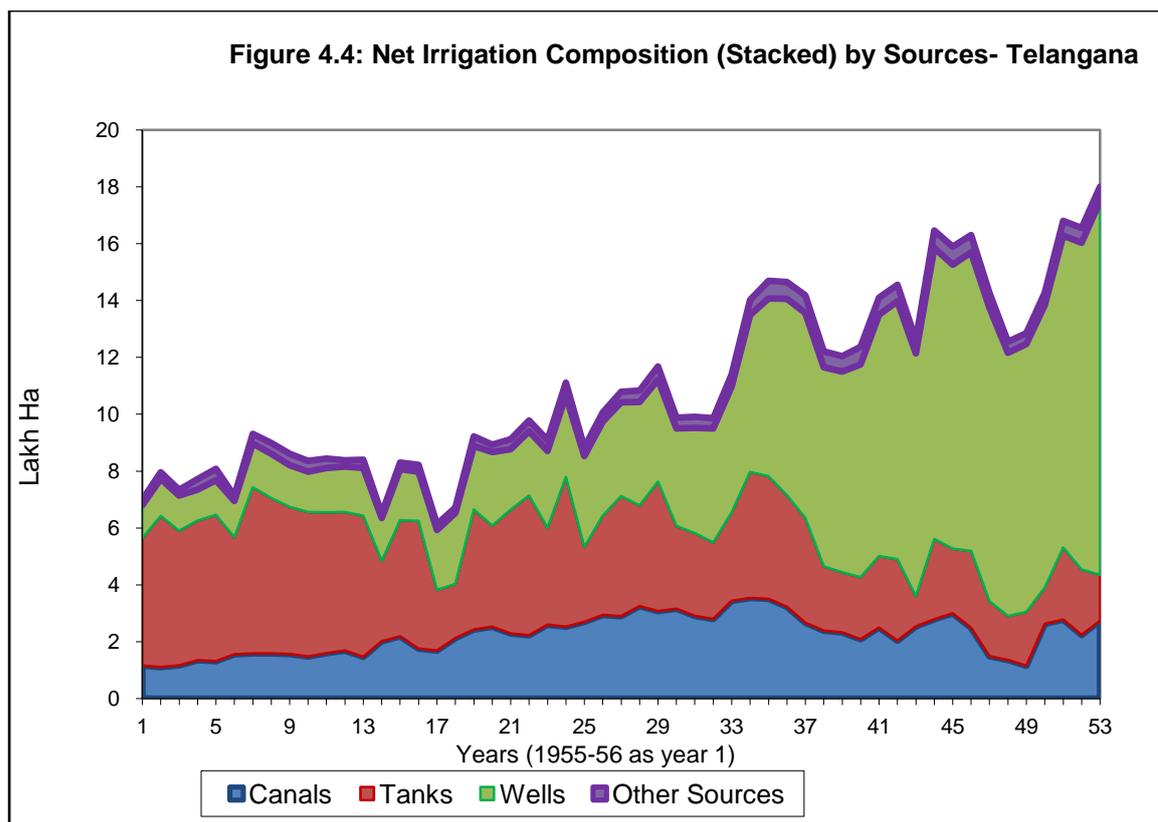
Variations in Gross Irrigated Area (GIA) are given in Figure 3. The figure shows that there is a large increasing trend during this long period in both Telangana and coastal Andhra regions. However, the GIA in Rayalaseema does not exhibit any large increasing or decreasing trend.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

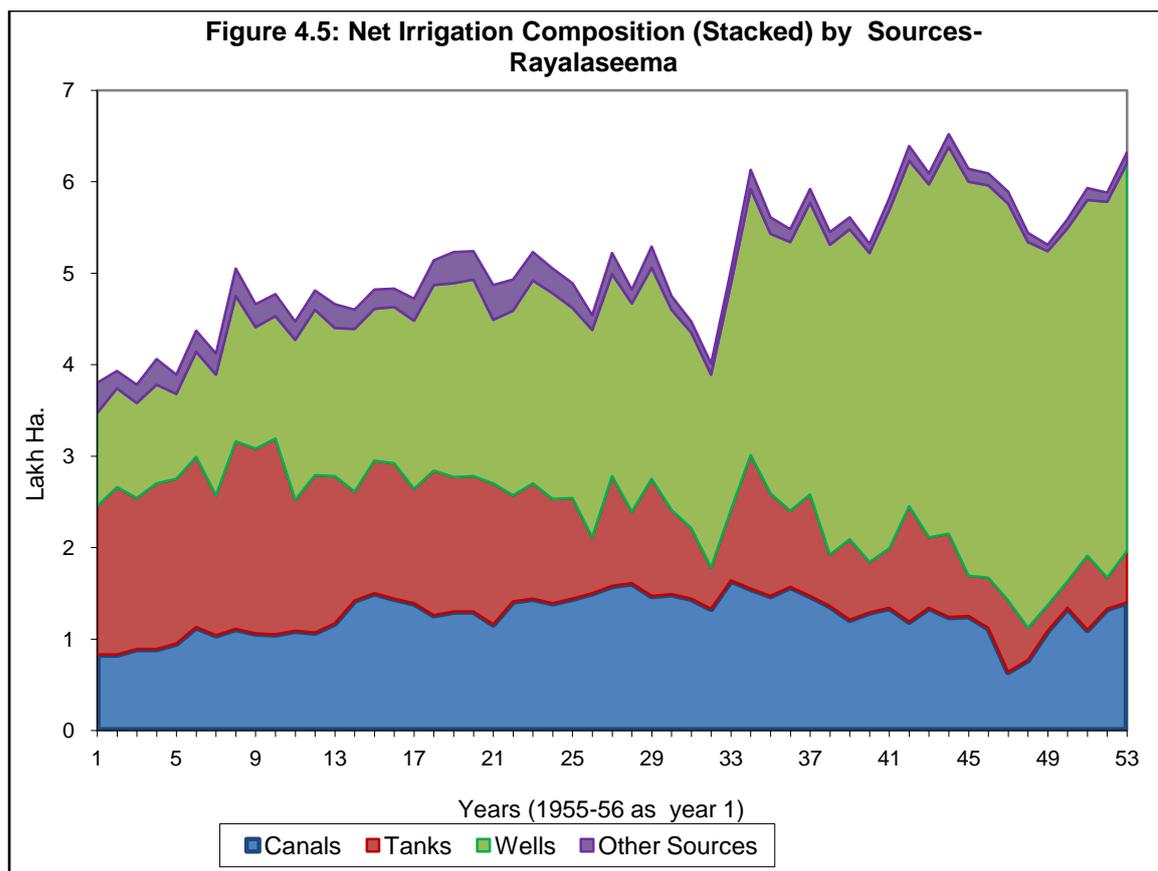
4.4.08 Net Irrigated Area

The variations in Net Irrigated Area (NIA) for the three regions are given below in Figures 4.4, 4.5, 4.6.



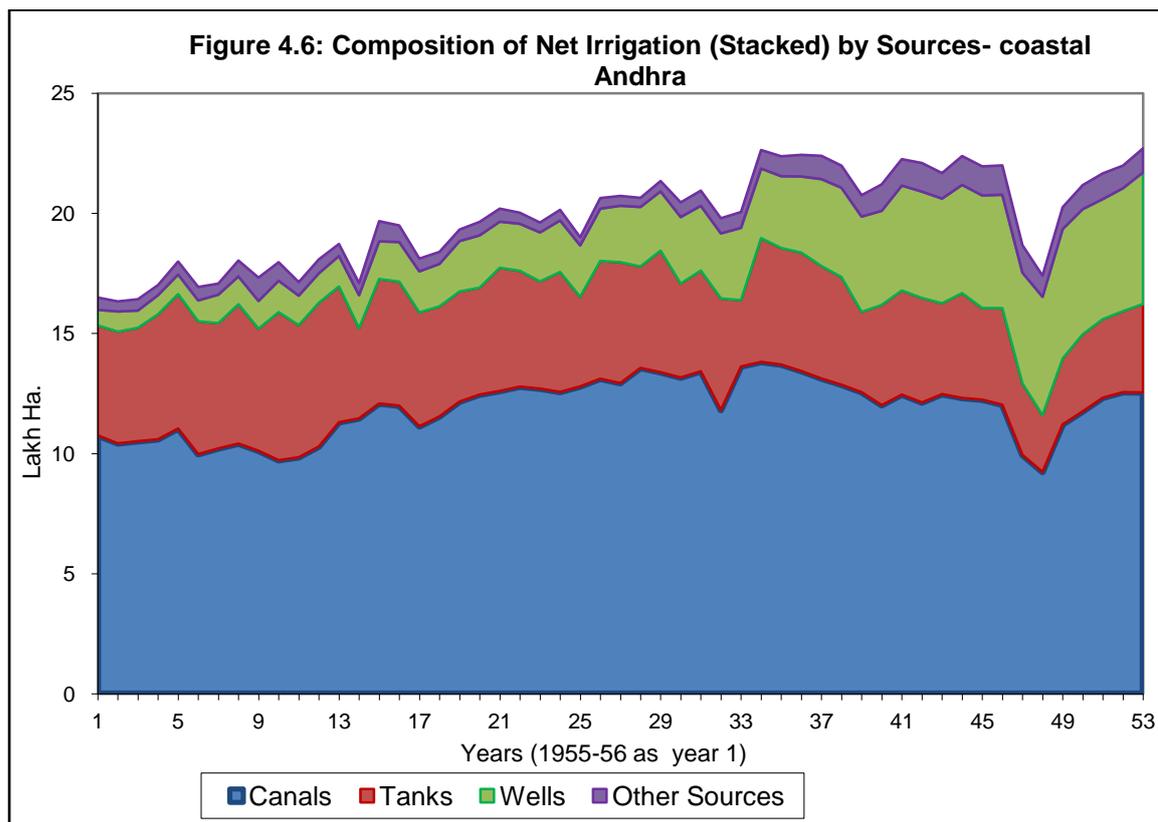
Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

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.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, GoAP

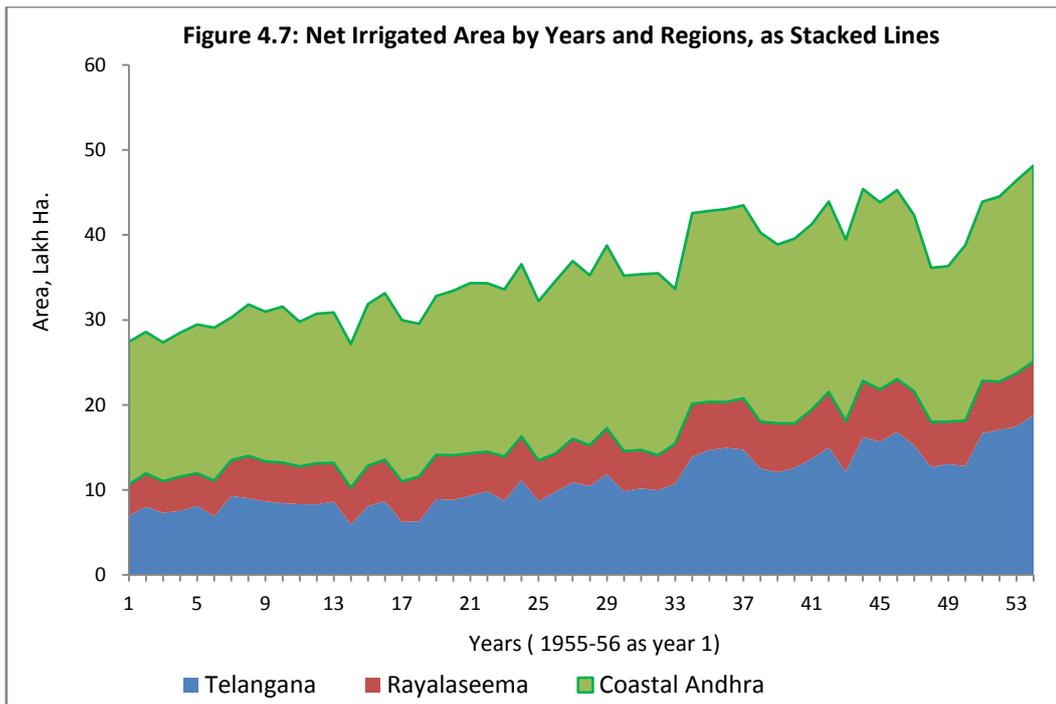
In Rayalaseema, the situation is somewhat similar to Telangana region. Canal irrigation has increased marginally from about 0.8 lakh hectares to about 1.3 lakh hectares. Tank irrigation shows a decrease from 1.7 lakh hectares to around less than 1 lakh hectares. Well irrigation has increased from about 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 considerable 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:

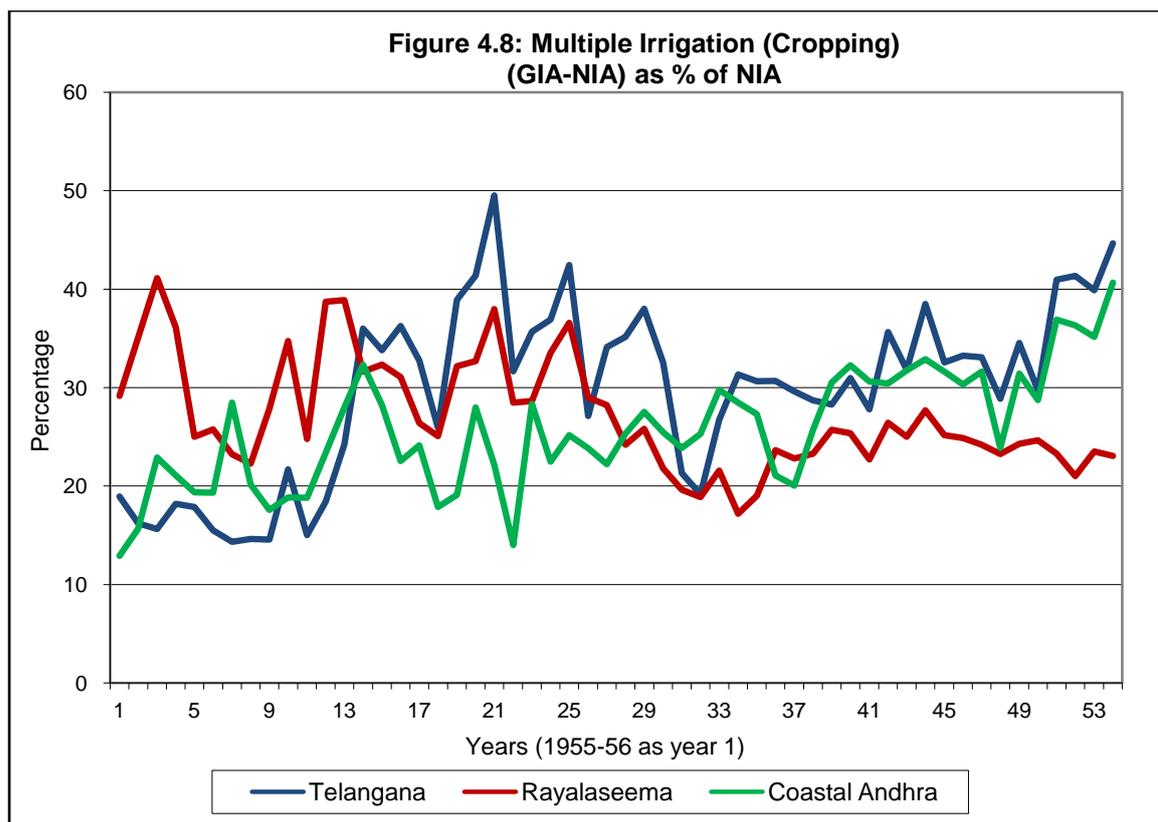


Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

(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.



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

(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%.

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
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
1955-56	4.48	1.62	4.58	10.68
1960-61	4.11	1.86	5.53	11.5
1965-66	4.95	1.43	5.5	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	4.9	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	2.7	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

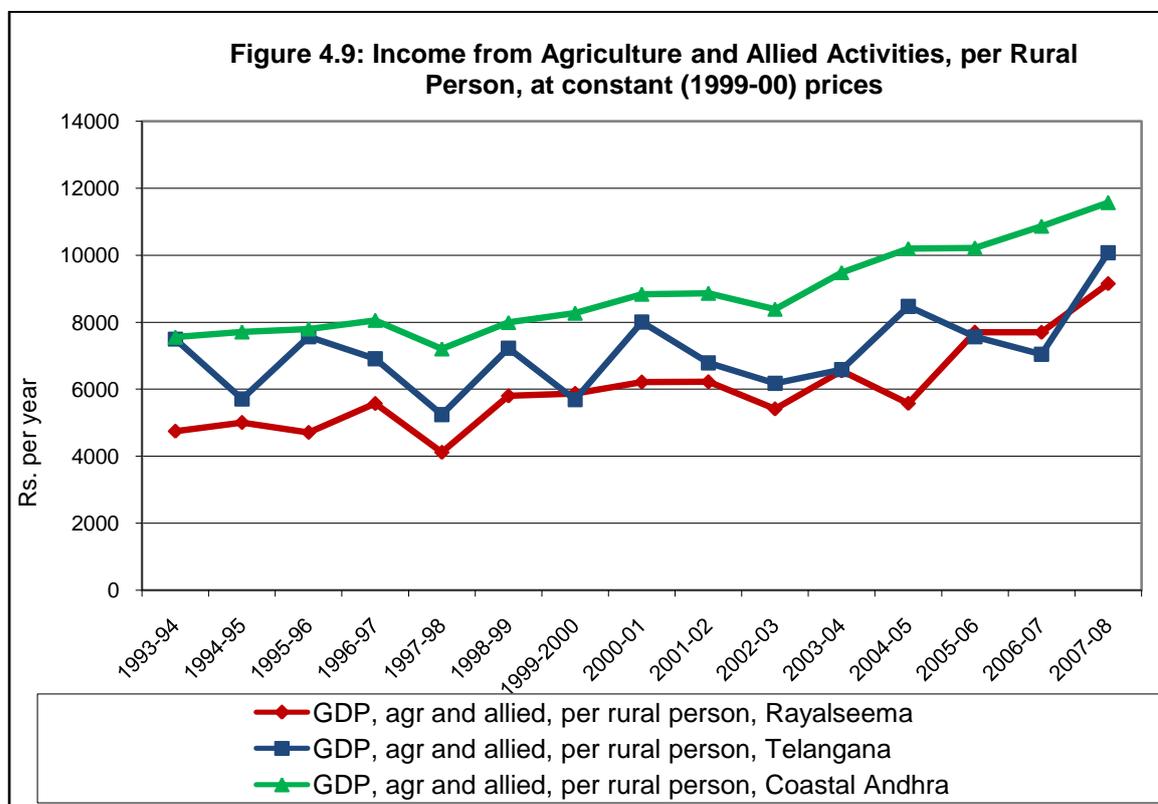
Source: Second Minor Irrigation Census, MoWR

(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 below (Figure 4.9)

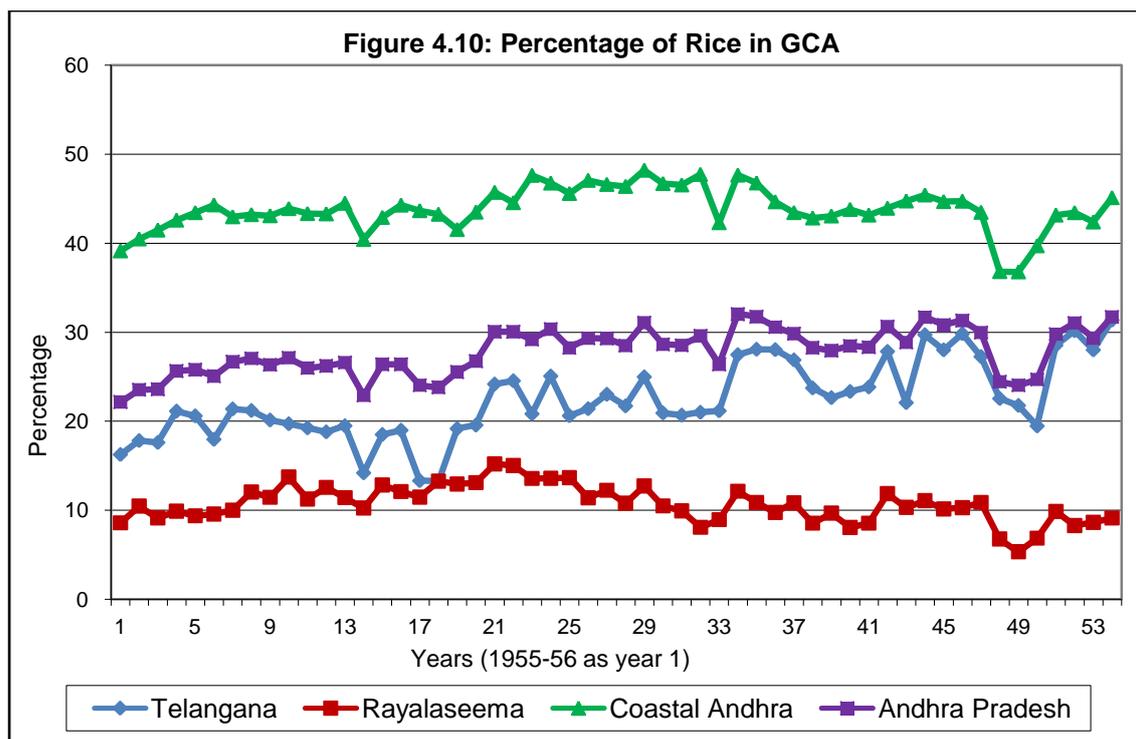


Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

(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

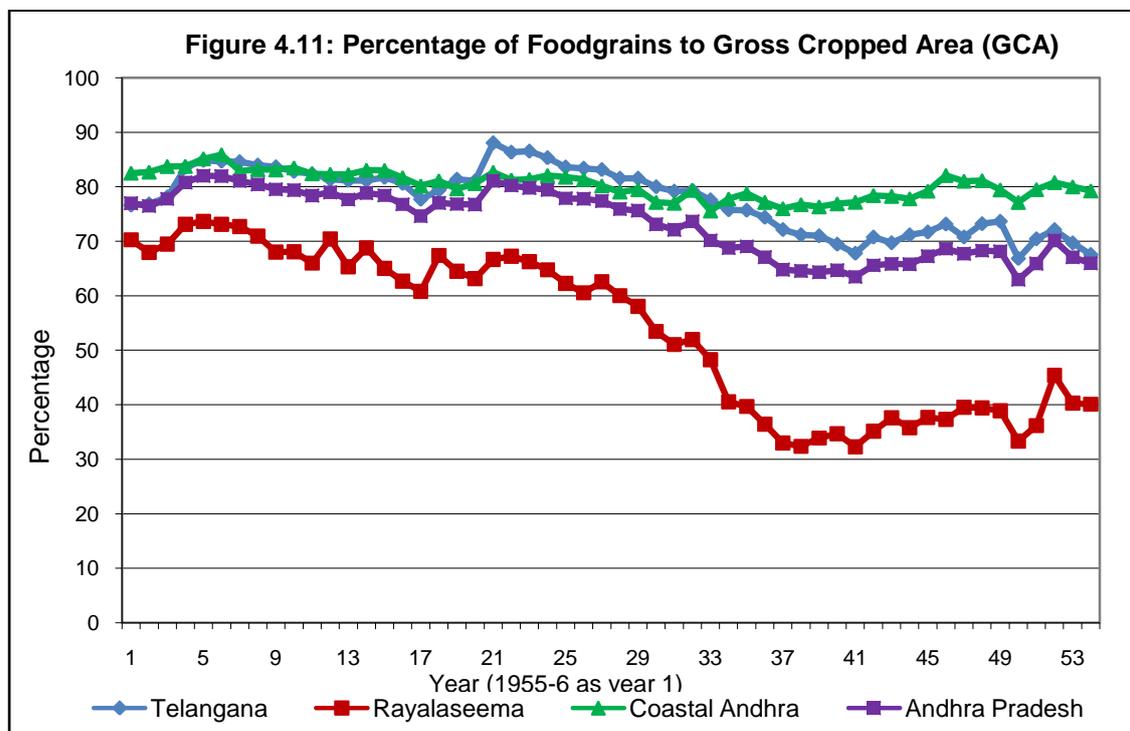
Rice is the main food crop in Andhra Pradesh. It is seen that in coastal Andhra about 40-45% of the gross cropped area is made up of rice. In Telangana, it has increased from 20 to 30%. In Rayalaseema, less than 10% of the crop area is currently devoted to rice, although, the percentage was more in the 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

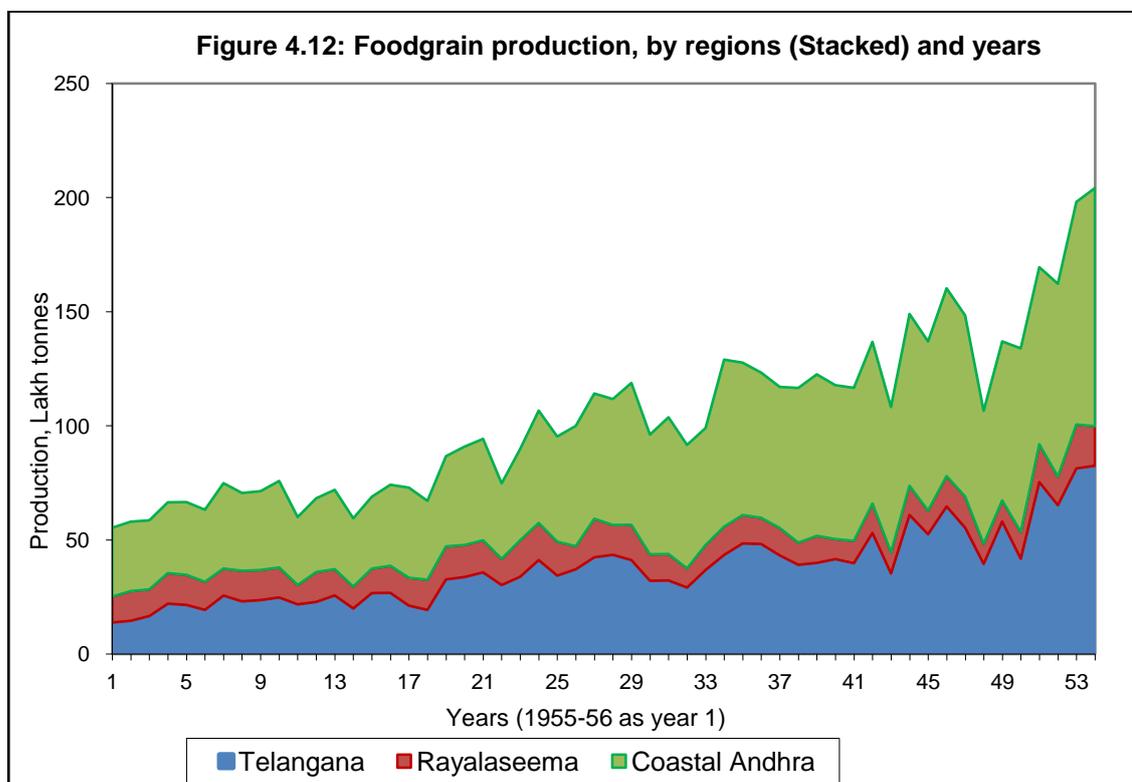
4.4.13 Food grains

(i) The percentage of food grains to gross cropped area may be seen below (Figure 4.11).



Source: Compendium of Area and Land Use Statistics of Andhra Pradesh –Directorate of Economics and Statistics, Government of Andhra Pradesh

(ii) In coastal Andhra, food grains have contributed 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 below:

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
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
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)

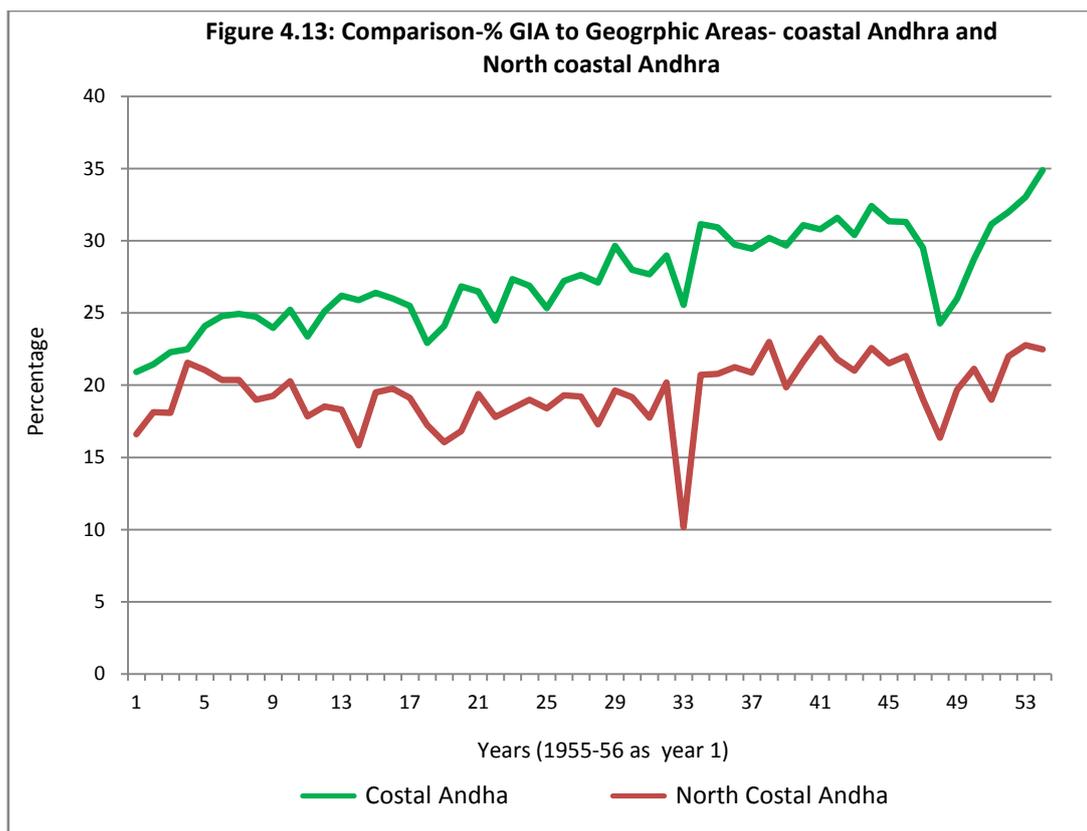
Region	1961	1971	1981	1991	2001
Telangana	24.49	33.21	50.99	78.74	98.53
Rayalaseema	10.71	13.09	19.57	27.07	31.36
coastal Andhra	27.54	37.72	54.31	73.06	78.20
Total	62.75	84.03	124.87	178.87	208.09

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

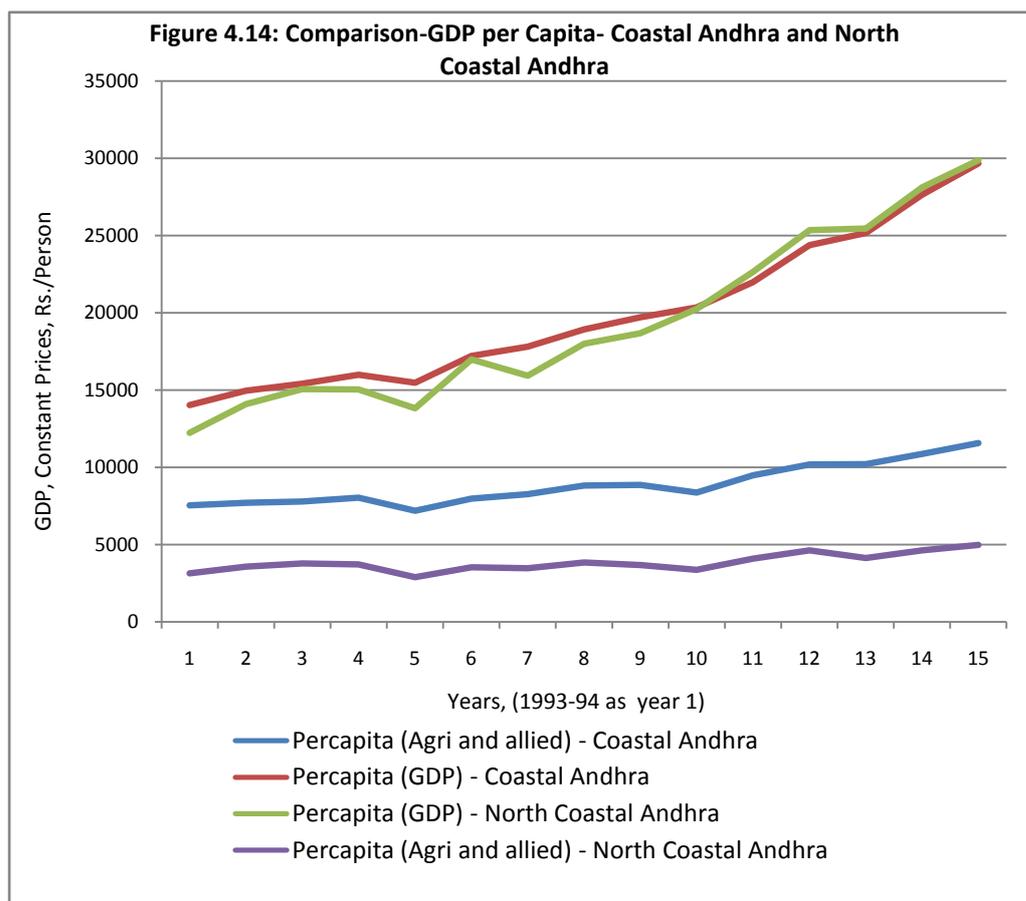
There is a demand from some sections that the northern coastal region of Andhra Pradesh is different from the coastal Andhra Pradesh region and requires a special treatment where irrigation requirements are concerned. This region has the districts of Visakhapatnam, Vizianagaram and Srikakulam. It has 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 Pothereddypaddu regulator and the downstream canals on the right of the Srisailam reservoir have been built very fast. These will irrigate large areas in Rayalaseema and coastal Andhra. The Srisailam 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 techno-economic 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-paras:-

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 non-maintenance 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 Potherreddypaddu 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 Nagararjunsagar 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 Jurala, NLBC, etc., which were not complicated or difficult engineering-wise, were much delayed in execution. Also, that the shares of Karnataka for Jurala 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 Potherreddypaddu 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 techno-economic 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, alongwith 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 Nagarjunsagar 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-paras, it is equally important that the problem is addressed through important structural reforms. Two such reforms are highlighted in the succeeding sub-paras.

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 intra-state 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 Bhakhra 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 region-wise 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 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%).

¹ Source: APtransco/APgenco

² Source: APtransco/APgenco

³ Source: APtransco/APgenco

⁴ Source: Ministry of Power, Central Electricity Authority, Government of India

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

⁵ Source: APtransco/APgenco/AP Government

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 (RGGVY) 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.

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 Tungbhadra 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 non-renewable 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
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	2427	
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 stations 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
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	West Godavari
Kondapalli Power Corporation Ltd.	352	Krishna
M/s. RVK Energy Pvt. Ltd.	20	Krishna
Coastal Andhra	2646	
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:

- i. Lack of sufficient gas transmission infrastructure
- ii. Lack of a coherent legal and regulatory framework for the sector
- iii. 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)	1600	2012-13	Nellore	Andhra
IGCC plant at Dr. Narla Tata Rao TPS(JV)	182	2013-14	Krishna	Andhra
Vodarevu UMPP	5X 800	2015-16	Prakasam	Andhra
Srikakulam TPS (JV)	4X600	Under Investigation	Srikakulam	Andhra
Kakatiya Stage II	1X 600	2012-13	Warangal	Telangana
Kareemnagar Gas Project	1X600	2013-14	Kareemnagar	Telangana
Sattupalli TPS	1X600	Under Investigation	Kareemnagar	Telangana
Rayalaseema TPS Stage IV	1X600	2013-14	Kadapa	Rayalaseema
Hydel				
Lower Jurala (5x40)	200	2013-14	Mahaboobnagar	Telangana
Nuclear				
Kadapa Nuclear Power Plant(JV)	2X1000	Under Investigation	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 an 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
	400KV	220KV	132KV	33KV	11KV	LT	Nos.
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

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 sub-stations 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.

⁶ Source : Volume-I of 'Andhra Pradesh Statistics of Key Indicators

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
Telangana	6007	1797	10674	10144	2324	30949
Rayalseema	1557	382	3030	4349	359	9679
coastal Andhra	5445	1175	7442	3788	578	18430

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
Telangana	3576.13	3576.13	3576.13	3576.13	3576.13	9251.50
Rayalseema	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
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
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
Telangana	30949	30.9	999	45249 MUs	1191 KWH
Telangana+	26327.1	23	1445	-	-
Rayalaseema	9679.1	13.5	716	38545 MUs	777 KWH
coastal Andhra	18430.3	31.7	581		
State	59058.4	76.2	775	-	-

* Source: APtransco / APgenco. Note1: +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)
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
Telangana	30949.03	10674.8	34.49
Rayalaseema	9679.07	3030.66	31.31
Seema-Andhra	28109.33	10472.96	37.25
coastal Andhra	18430.26	7442.3	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
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	865.2

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
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.	%		
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
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	
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	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	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 Dowalaliswaram 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

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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, "Mulk" means a nation and the residents are referred to as "Mulkis". 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 Rules¹, 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.

¹ Appendix N of Article 39

- 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.
- 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 follows²:

- 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

² Rule 7 of Appendix N of Article 39

³ Rule 9 of Appendix N of Article 39

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 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 Vishalandhra⁴.

5.3.02 In their quest for Vishalandhra, the Andhra leaders were prepared to guarantee safeguards to protect the interests of Telangana. The Congress

⁴ *Ibid*; please refer to Chapter-1 for detailed discussion in this respect.

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 Rules⁵. 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 *Ibid*; please refer to Chapter-1 for detailed discussion in this respect.

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 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 requirement⁶.

⁶ *ibid*; discussed under Chapter-1.

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 State⁷. 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

⁷ Definition of "State" as per Article 12 of the Constitution.

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 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, 1957¹⁰. 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.

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.

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 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.

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

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

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 "Mulki" 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 unnecessary¹⁴.

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 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.

¹⁴ *Ibid*; discussed in detail under Chapter-1.

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 areas¹⁵. The six zones are as follows:

Zones	Local Area
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

¹⁵ Second Schedule of G.O.Ms. 674, dated October 20, 1975.

¹⁶ Section 3 (Organization of Local Cadres) of the Presidential Order.

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 cadres¹⁷;
- 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-versa¹⁸;
- Specification of local areas relatable to each such local cadre¹⁹;
- Specification of who should be considered a local candidate in relation to each local area²⁰; and
- Reservations with respect to direct recruitment in favour of local candidates of the local area relatable to such cadre²¹.

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;
 - iii. Separate cadres for the city of Hyderabad for certain posts in specified departments as notified in the notification no. GSR 528E;

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.

- 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 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:

²² Refer G.O. Ms. No. 270, General Administration (SPF.A) Department.

"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-paras 7 to 13 (both inclusive) of Para 5 of G.O. Ms.No. 610 are either complete or do not arise. Sub-paras 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 GoM²³.

²³ G.O. Rt. 1878, G.A.(MC) Department; dated 12.04.2005

- 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 Order²⁴.
- The said Committee submitted its report on August 10, 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 4.10.2006²⁵. 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.

²⁴ G.O. Rt. No. 4173, G.A.(MC) Dept., dated 07-08-2006.

²⁵ G.O. Ms. No. 548, G.A. (MC) Dept., dated 04-10-2006.

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.
- 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
- 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. 610²⁹.
- Repatriation of non-locals appointed in contravention of the Presidential Order to their respective local cadres to which they would have originally belonged³⁰.
- Maintenance of 70% reservation in direct recruitment of locals in respect of posts gazetted after 1975 to protect the interests of the locals³¹.
- 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 cadre³². Such inter-local cadre transfers to be done in public interest.
- Provisions of the Presidential Order to cover all appointments made through outsourcing³³.
- Provisions of the Presidential Order to apply to Public Sector Undertakings³⁴.
- Bringing subordinate judiciary under the purview of the Presidential Order³⁵.

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.

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.

- Proposal sent to Government of India for localization in Town Planning Department³⁶.

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 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.

³⁶ Letter No. 30870/SPF-A2/08-1, dated 26.08.2008

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 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 above-mentioned 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, 1975³⁷. 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:

³⁷ Letter No. 199/Legn./2009-5.

“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.”

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

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 over-emphasised, 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 METROPOLIS

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6

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

¹ Shahid, Sajjad 1998 A city conquers the citadel, in, Akbar, M (ed.) Hyderabad: The power of glory, Hyderabad, Deccan Books.

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 progressively came under British rule, and from outside the sub-continent. This reinforced the city’s cosmopolitan nature.

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

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

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), pp16-18

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 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 Rajasekhar 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 Chandrasekhar 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

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.

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

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 Buwanagiri 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.

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.

Table 6.1 Various Governance Structures in Hyderabad

Organisation	Legislation	Jurisdiction	Functions
1. Greater Hyderabad Municipal Corporation	Hyderabad Municipal Corporation Acr,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

Table 6.1 Various Governance Structures in Hyderabad

Organisation	Legislation	Jurisdiction	Functions
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

Table 6.1 Various Governance Structures in Hyderabad

Organisation	Legislation	Jurisdiction	Functions
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

6.5.06 HMDA, on the other hand, co-ordinates the development activities of the municipal corporations, municipalities and all other 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 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.

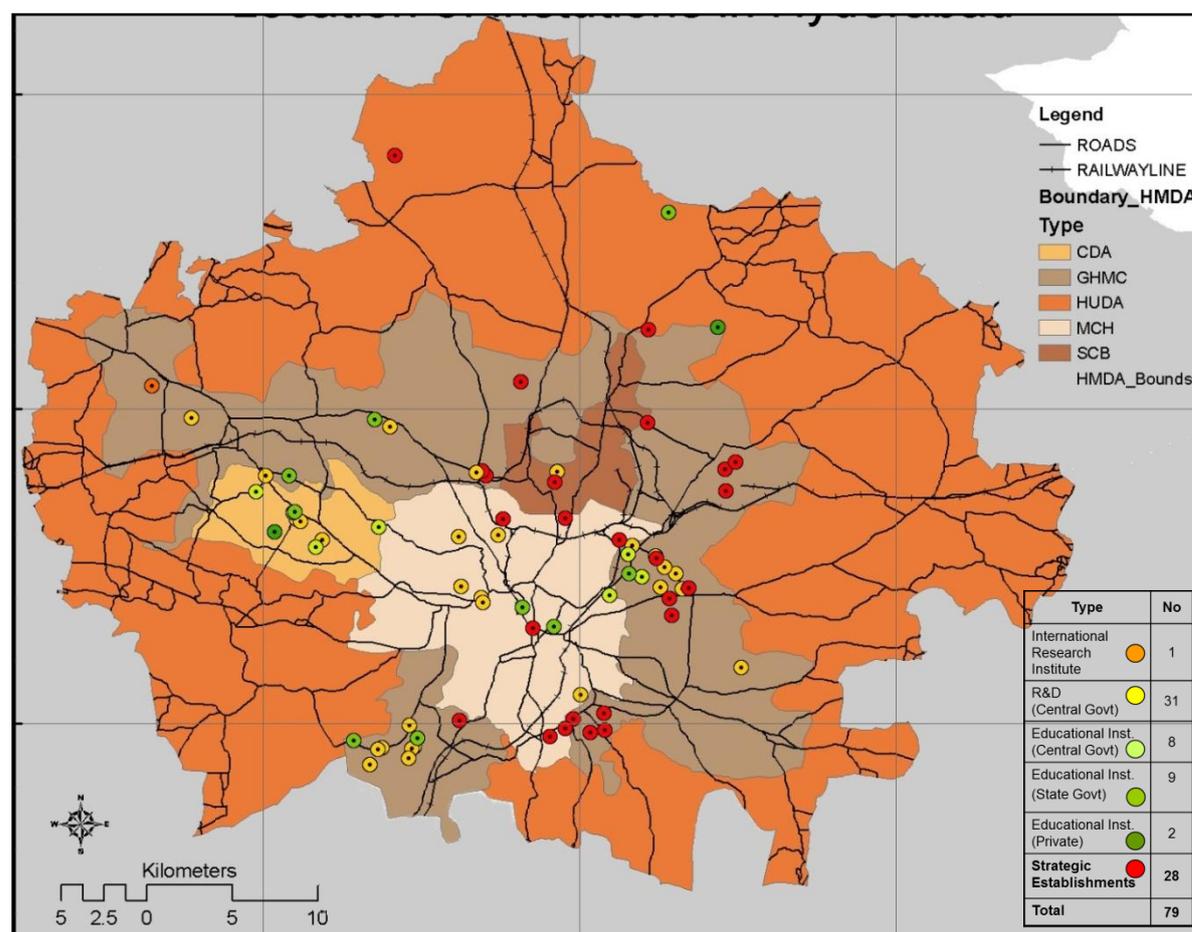
6.5.08 The area under HMDA is comparable to the size of smaller states. HMDA is almost twice the size of Goa, which is only 3702 km² and much larger than the National Capital Territory of Delhi, which is 1483 km². It is much larger than Union Territories like Chandigarh (114 km²) and Puduchery (492 km²). 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.

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.	Un-regd. Mfg.	Constr.	Trpt.	Tradl. Svcs.*	Modern Svcs.†	Public Svcs.
Coastal Andhra	30%	1%	8%	4%	7%	6%	22%	15%	6%
Rayalaseema	30%	3%	2%	6%	9%	5%	23%	16%	7%
Telangana excluding Hyderabad	24%	6%	11%	3%	8%	4%	25%	13%	6%
Hyderabad	1%	0%	6%	1%	8%	19%	16%	39%	10%

Source: Calculated from data provided by Planning Commission (<http://planningcommission.gov.in/plans/stateplan/index.php?state=ssphbody.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

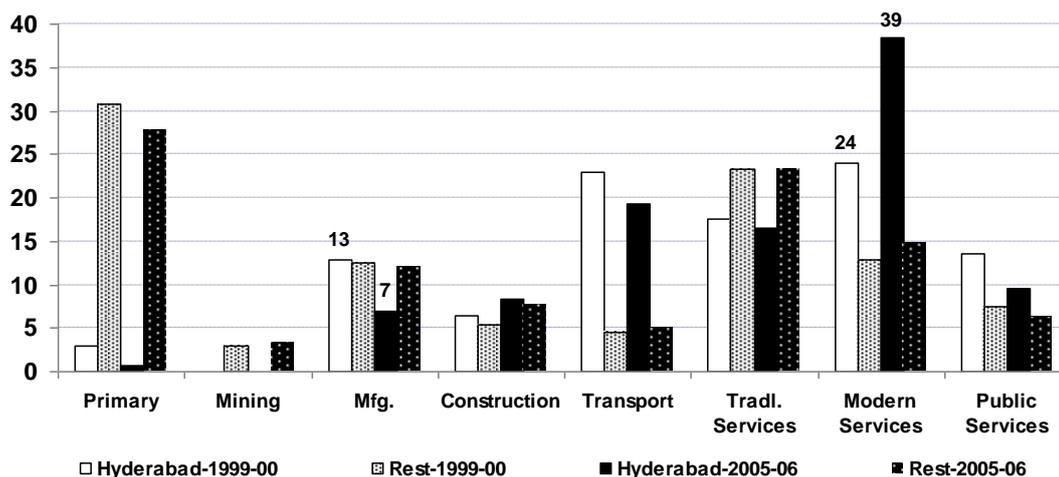
6.8.01 This distinct character of Hyderabad economy is more evident from the structure of the district GDP. A disaggregated analysis of contributions of different sectors in the four regions reveals that Hyderabad's structure differs radically from the other regions. Modern services form 39% of the economic activity in Hyderabad, with transport accounting for another 19%.

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.

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 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



Source: Calculated from data provided by Planning Commission. 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

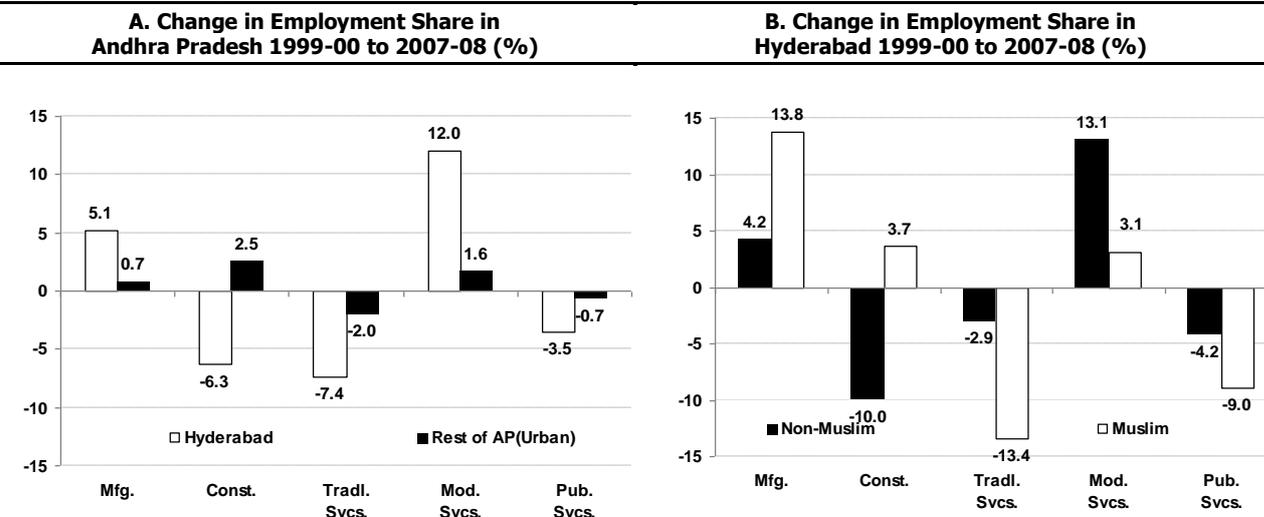
6.9 Structure of Employment

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.

Figure 6.3 Employment share: Andhra Pradesh and Hyderabad



Source: Based on National Sample Survey 64th round and 55th round

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
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.

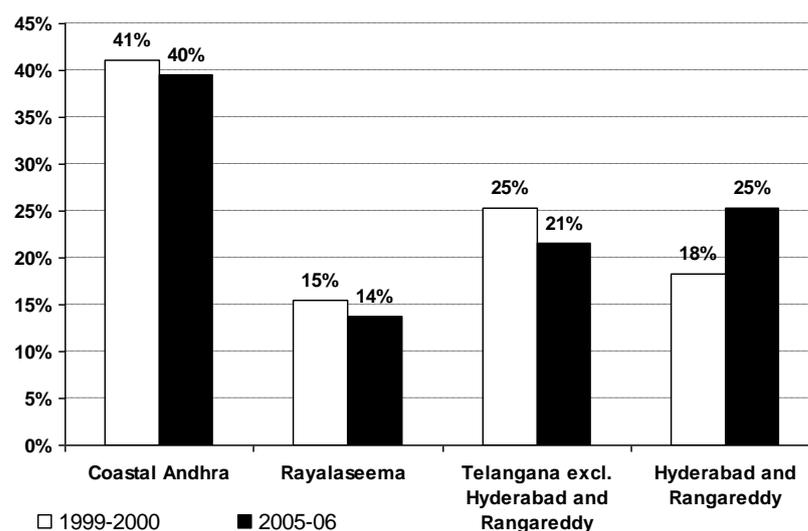
6.9.06 Finally, the Non-Muslim Others or upper castes seem to be moving rapidly into the new economy, and somewhat into construction; shifting away from traditional services and public employment. The change in employment structure in Hyderabad over 1999-2000 to 2007-08 is thus quite a complex story.

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 concentration 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).

Figure 6.4: Regional Share of State GDP from Modern Services



Source: As per Table 6.2

Table 6.4: SEZs in Andhra Pradesh

District/Region	Formally Approved		Notified	
	Number	Area (km ²)	Number	Area (km ²)
Coastal Andhra	28	76.28	22	62.59
<i>Visakhapatnam</i>	12	33.03	10	32.70
Rayalaseema	8	17.06	7	21.44
Telangana	67	27.68	43	21.72
<i>Rangareddy</i>	49	17.64	35	17.78
<i>Medak</i>	5	1.88	3	1.54
<i>Hyderabad</i>	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 ₹ 32,500 crore out of the total of ₹ 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 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

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

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

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 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
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 (₹ 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)
Bangalore	76	59	65
Delhi	130	113	104
Hyderabad	92	81	75
<i>East Zone</i>	<i>93</i>	<i>144</i>	<i>143</i>
<i>Other Zone</i>	<i>186</i>	<i>192</i>	<i>192</i>

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 Intergen, 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 well-functioning 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 inter-connections. 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	Out-Migrants					
	Households reporting in-migrants*	Migrants as % of Population	Female as % of Migrants	Reasons for migration (share of total)			
				Job Search	Employment and Business	Studies	Others
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

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.

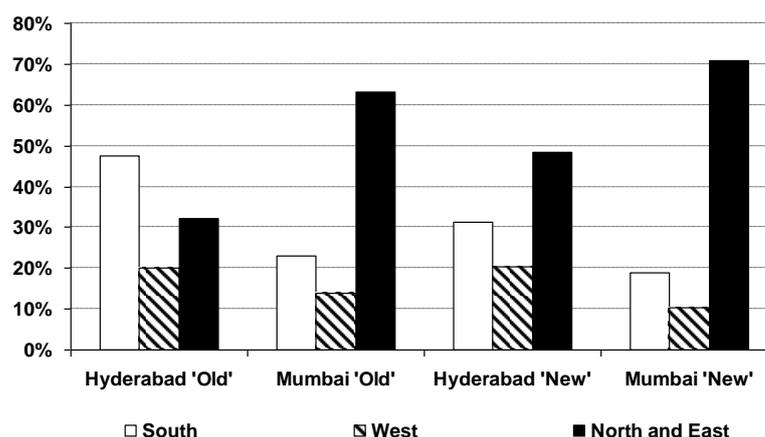
with observations about Hyderabad's greater integration with national and international markets and its growth as a national and global city.

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
Within State	73%	82%	26%	39%
Outside state of which	27%	18%	74%	61%
Andhra Pradesh	6%	3%
<i>Karnataka</i>	14%	25%	6%	9%
Tamil Nadu	11%	13%	3%	5%
Kerala	5%	9%	3%	5%
<i>Maharashtra</i>	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

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.

¹² *Surya* (Telugu Newspaper), 13 January 2010

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

¹³ Maringanti, Anant 2010 Telangana: Righting historical wrongs or getting the future right? Economic and Political Weekly. 45 (4), 33

Upadhya, Carol. B. 1988a. The farmer-capitalists of coastal Andhra Pradesh. Economic and Political Weekly 23 (28), 1433-42

_____. 1988b. The farmer-capitalists of Coastal Andhra Pradesh, Economic and Political Weekly 23 (27), 1376-82

¹⁴ <http://www.deccanchronicle.com/karimnagar/andhra-settlers-active-t-stir-801>

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.

Table 6.9 Population of Hyderabad and Rangareddy by Place of Birth

	Hyderabad		Rangareddy		Hyderabad and Rangareddy	
	Number	%	Number	%	No	%
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 usually 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
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 available
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

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.

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 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

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 ` 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 ` 187,147 crore.

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.

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)
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.

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 ₹ 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 ₹ 38,500 crore Pranahita-Chevella Sujala Sravanthi Irrigation Project.

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.

Table 6.11B: Projects in Hyderabad and Rangareddy (₹ crore)

	2000-04	2005	2006	2007	2008	2009	2010 (part year)
Completed Projects	9168	1094	5005	1166	6970	4575	3290
Projects under Implementation	19603	4272	18105	87911	47841	7701	1714
<i>Private (AP)</i>	<i>1281</i> <i>4</i>	<i>313</i>	<i>10655</i>	<i>29809</i>	<i>5590</i>	<i>3801</i>	<i>540</i>
<i>Private (non AP)</i>	<i>2137</i>	<i>485</i>	<i>3930</i>	<i>13494</i>	<i>39450</i>	<i>3302</i>	<i>665</i>
<i>State Govt.</i>	<i>965</i>	<i>3375</i>	<i>250</i>	<i>42313</i>	<i>2280</i>	<i>50</i>	<i>442</i>
Announced Projects	9174	69	6952	22810	5790	9536	7585
<i>Private (AP)</i>	<i>..</i>	<i>..</i>	<i>1084</i>	<i>1556</i>	<i>3180</i>	<i>950</i>	<i>1925</i>
<i>Private (non AP)</i>	<i>3291</i>	<i>..</i>	<i>5868</i>	<i>17411</i>	<i>2550</i>	<i>6665</i>	<i>4448</i>

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
<p>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.</p> <p>NCA has a peculiar social geography and political economy of caste groups. The traditionally dominant castes of <i>Kshatriya</i> and <i>Brahmins</i> 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 <i>kapu</i> and <i>velama</i>, 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.</p>	

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

²⁰ Upadhya, Carol. B. 1988a. The farmer-capitalists of coastal Andhra Pradesh, *Economic and Political Weekly* 23 (28), 1433-42

1988b. The farmer-capitalists of Coastal Andhra Pradesh, *Economic and Political Weekly* 23 (27), 1376-82

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.

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 socio-cultural 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

²¹ One of the better known industrial houses of the region is that of Amara Raja batteries from Chittoor.

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 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,

²² Nehru, Jawaharlal 1946 *The Discovery of India*, New York, Doubleday

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 in-migration 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 de-stabilization 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 7

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7

SOCIOLOGICAL AND CULTURAL ISSUES

7.1 Introduction

7.1.01 The current demand for a separate state of Telangana has aroused strong sentiments in the three regions of Andhra Pradesh. While the Telangana region has expressed a predominant desire to form a separate state, the other two regions, coastal Andhra and Rayalaseema, have expressed mixed sentiments. A small section of the coastal Andhra population has claimed that it is ready for bifurcation and would be happy with a separate Andhra state, yet the majority sentiment in the region is for keeping the state united. Rayalaseema too has expressed itself in favour of a united state; however, there are sections which believe that if bifurcation is inevitable, then they would prefer a state of their own, separate from Telangana and coastal Andhra, a Greater Rayalaseema.

7.1.02 Chapter 1 has captured the long history of the demand for a separate state of Telangana. Andhra Pradesh was created in 1956 by amalgamating the Telugu speaking areas of the erstwhile Hyderabad state with the newly formed Andhra state. This union was brokered by the 'Gentlemen's Agreement'. A similar agreement between coastal Andhra and Rayalaseema, in 1937, known as the Sri Bagh pact, had earlier ushered in Andhra State in 1953. As pointed out in Chapter 1, the three regions of the state (with the city of Hyderabad nearly counting as a fourth region), Telangana, coastal Andhra and Rayalaseema have distinct regional identities, despite being subsumed within a wider Telugu consciousness and identity from 1956 onwards. The present crisis

points to the continuing disjunctions and fault lines within India's first linguistic state.

7.1.03 The state has seen various separatist agitations (1969 and 1972 being the two prominent ones) that highlighted issues which have remained unresolved between the Telangana and the Andhra sides. The Presidential Order of 1972, ushered in by the then Prime Minister, Smt. Indira Gandhi, effectively put the lid on separatist desires by devising the zonal system which ensured a more equal access to government employment and educational opportunities in the state. The zonal system was a political success (although doubts have been expressed over its administrative soundness) in displacing the regional focus of the discord and once again opening up the space for assertion of a pan-Telugu regional identity. The rise and subsequent long rule of Telugu Desam Party, led/dominated by the Kammas of coastal Andhra, further consolidated Telugu identity, while successfully suppressing the demand for a separate Telangana state.

7.1.04 The present agitation, however, shows that the demand only lay dormant and could get re-ignited under specific circumstances. While the issue of rightful shares in public employment remains the key point of discord even in the current agitation, a new turn has been given to the demand by Telangana region asserting that it has a separate cultural identity which is distinct from that of Andhra and Rayalaseema regions.

7.1.05 Besides alleging suppression of its distinctive culture in united Andhra Pradesh, Telangana has also alleged political domination by the more prosperous and enterprising coastal Andhra side and the politically stronger factionist Rayalaseema region. Telangana leaders and people have argued that political provisions in the Gentlemen's agreement were never adhered to and the region has been granted less space in political representation during the post-merger period.

7.1.06 The preceding chapters of the report have examined various grievances of the Telangana region asserting neglect and/or discrimination on economic, educational, employment, irrigation and other grounds. While the overall trend of economic development in the region has been found to be robust (given the low levels of development at the time of the merger) and in some cases, even surpassing the rate of growth in the traditionally more prosperous Andhra region, some long standing grievances such as share in public employment and development of irrigation and educational facilities (although not educational outcomes) have been found to have some substance. A separate state, however, may not necessarily assure guaranteed and automatic access to water, government jobs and education, as is claimed and promised by Telangana leaders.

7.1.07 However, while well-established methods to address and redress economic and even political imbalances can be brought in, it is much harder to address cultural grievances or even to establish the objective basis of cultural differences. The region, as much as the nation, as Benedict Anderson¹ points out, is an imagined community, brought into existence by means and tools of communication and cultural propagation such as the print media, symbols of representation such as maps, flags, regional or national icons, and an assumed homogeneity in food and festivals, language and ritual while asserting difference from others. If today, Telangana perceives itself as a separate cultural entity, it may be imprudent to quarrel with the way it imagines itself.

7.1.08 The question to be addressed, however, is whether historical experiences and cultural similarities or variations which give rise to feelings of regionalism can form the basis for creating new political units. Is the sentiment of separation merely a negative one, built out of a sense of grievance, neglect or envy or does it have a positive basis for its claim? In what ways would Telangana benefit from being separate?

¹ Anderson, Benedict 1983 *Imagined Communities*, Verso, U.K.

7.1.09 It may help here to revisit the factors examined by the States Reorganisation Commission Report (1956) bearing on reorganisation. The following factors were examined in the SRC: 1) the cost of change 2) unity and security of India 3) language and culture 4) financial viability 5) requirements of national development plans 6) regional planning and a balanced economy 7) smaller vs larger states and 7) other factors. The last included some extremely important factors 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 parlance). This chapter will take on board some of these issues while examining the socio-cultural aspects of the current demand for reorganisation.

7.1.10 Although as a sub-regional movement, the Telangana movement does not pose a threat to national unity, it is important to take into account national implications of the demand; these are dealt with in the concluding Chapter of the report. In its current phase the movement has given rise to several debates – is language no longer the primary consideration in state formation; do small states develop better than large ones; are small states better for minorities than large states; is governance better in small states and finally, how should demands for new states be dealt with? Some of these questions, on which, one may say “the jury is still out”, are dealt with in the concluding part of the Report, in the light of the Andhra Pradesh case.

7.1.11 Although three new states (Uttarakhand, Chhattisgarh and Jharkhand) have recently been created in the Indian Union, and are being cited as a precedent for creating more new states, Telangana may present a very different and unique case. One major difference in AP from the other states is that the apportioning of the capital city is in contention here. While Hyderabad forms a geographical component of Telangana region, it has been the capital of the state since 1956 and all three regions have contributed to its development. A major issue in the present conflict is how the three regions would protect their

rights in and access to Hyderabad. Also, Andhra Pradesh consists of three distinct regions and any proposed division of the state must take into account the repercussions on all three regions. Thus the demand for bifurcation of AP presents a much more complex case requiring a specific and appropriate solution. The case of Andhra Pradesh would probably reveal that demands for autonomy and separate statehood must be considered on a case by case basis while keeping in mind issues of fundamental importance to state formation. Here we agree with the SRC, which recommends against a 'monistic' approach to the problem of reorganisation.²

7.1.12 While examining the various issues outlined above, it is important to highlight the distinctive status and character of the city of Hyderabad. Although historically and geographically a part of the Telangana region, the cultural and demographic composition of the city, with a very substantial Muslim population and migrants from all over the state and indeed the country, makes it, as pointed out in the Chapter 6, quite distinct from the other three regions. Hence the political choices that the city makes and its intervention in the agitation are rather specific to its character. The demand for Telangana does not arouse the same intensity of emotions among most residents of the city; yet it cannot escape the tremors of separatist agitations; Osmania University remains the hub of the student agitation for Telangana and the fate of Hyderabad itself is of central concern to the bifurcation issue. The distinct and more cosmopolitan character of the city and the views of the Muslim minority which constitutes nearly 41% of the population of the District of Hyderabad are taken account of in this Chapter.

7.1.13 The Telangana movement can be characterized as a sub-regional movement (Dhanagare, Forrester, Gray, Haragopal, Reddy etc.)³ and has to be

² SRC p66

³ Dhanagare, D.N. 1988 Subaltern Consciousness and Populism: Two Approaches in the Study of Social Movements in India, *Social Scientist*, Vol.16, No. 11 pp 18-35

examined as such. The well known social scientist Rajni Kothari had suggested that "A large part of such assertions (of ethnic identities demanding more autonomous spaces for themselves) need to be considered as natural concomitants of the democratic struggle for achieving a more participant and decentralized polity and economy".⁴ In the demand for Telangana, while recognizing the unity and the force of the movement, it is important to realize that groups within the movement have their own ideologies and interests which they hope and wish to realize while being part of the movement; the same is true of those opposing separation. The current agitation for a separate Telangana has provided groups an opportunity to voice their particular interests and desires. This is well in keeping with the impulse of democracy.

7.1.14 In this context, this chapter will examine what various socio-cultural groups such as SCs, OBCs, STs, Muslim and other minorities hope to gain or think they might lose from any change in the contours of the state. Upon examination, it is clear that two main vantage points underlie their views. One is the regional view point i.e., people's views can predominantly be explained by the region to which they belong, underpinning the fact of locality - that their lives are rooted and lived in the region and its socio-economic fortunes or misfortunes. The climate and topography, the availability of infrastructure, of irrigation, health and educational facilities and the quality of political governance in the region impact their daily lives most intimately. As a result, region-specific views on the issue of the division of the state mostly cut across social divisions of class, caste, religion and other diversities.

Forrester, Duncan 1970, Subregionalism in India: The case of Telangana, Pacific Affairs, Volume 43, Issue 1, pp 5-21

G. Haragopal 2010 The Telangana People's movement: The Unfolding Political Culture, Economic and Political Weekly, Vol. XLV, No. 42

Gray, Hugh 1971 The Demand for a Separate Telangana State in India, Asian Survey, Vol. 11, No.5, pp463-474

Reddy, Ram 1979 Regionalism in India: A study of Telangana, New Delhi, Concept Publishing Company

⁴ Kothari, R 1989 "Federalism: the problem" in, Seminar, 357 (p12-14)

7.1.15 The second basis of their respective standpoints, especially of the disadvantaged groups, is the specific gains and losses in reservation shares that people perceive as accruing to them if the state is re-configured. Groups are consciously looking at the development benefits, regional and political resources, while assessing whether change will suit them or not. This chapter will also examine the argument put forth by Telangana proponents that they have a history and culture that is radically distinct from that of the Andhra region; they argue that the latter region has dominated culturally and a separate state will give them self-rule and self-respect.

7.1.16 The chapter is based on the consultations of the Committee with over a hundred groups in the state; visits to villages, towns, tribal hamlets, colleges and universities in all three regions, and to the neighbourhoods of Hyderabad city. Individuals and groups from all walks of life and covering various social categories – from different castes, classes, occupations, gender, religious and tribal groups etc. were consulted regarding the issue. Representations sent to the Committee have also been thoroughly perused besides detailed conversations with academics, intellectuals and eminent persons conversant with the state. Additionally, secondary sources on Andhra Pradesh and especially Telangana have been consulted extensively.

7.2 Sociological Issues

7.2.01 Sentiment and “wishes of the people”

Underlining the importance of sentiment, two famous Committees – the SRC and the JVP - had this to say:

“The wishes of the people, to the extent they are objectively ascertainable and do not come into conflict with larger national interests, should be an important consideration in readjusting territories of the States.”⁵

“However, if public sentiment is insistent and overwhelming, we, as democrats, have to submit to it, but subject to certain limitations in regard to the good of India as a whole and certain conditions, which we have specified above. Public sentiment must clearly realize the consequence of any further division so that it may fully appreciate what will flow from their demand.”⁶

7.2.02 The Telangana region has consistently argued that “emotional and psychological integration” between the two regions – Telangana and Seema-Andhra has not been achieved even after 54 years of having been together. Regional sentiment for and against bifurcation has been evocatively expressed in terms of the metaphor of the family. During the field visits of the Committee, Telangana natives spoke in favour of the “small family” arguing that it was better for growth and development than a “joint family”; also, “it was better to separate than let discord fester”. The other two regions, conversely, emphasized the benefits of a joint family and of staying together. According to them, “quarrels between brothers should be settled amicably”. Another strong metaphor heard was that of the State as one human body, underlining the importance of Hyderabad to the entire state. Thus, while Rayalaseema spoke of Hyderabad as its head, Telangana does not wish to lose its heart. All three regions feel that they have contributed their labour and capital to building the city and their educational and employment dreams are tied up with Hyderabad.

7.2.03 The Telangana region is able to revive the demand for separation every now and then. The current sentiment for a separate Telangana and against

⁵ SRC p 63, para 221

⁶JVP Committee Report, April 1, 1949 J.Nehru, V.Patel and P. Sitaramaiah

it in different parts of the state has to be seen in the context of the present movement which was triggered off after the fast-unto-death of Mr. Chandrashekhar Rao (29th November 2009). The declaration by the Home Minister on 9th December 2010 that the Centre would initiate the process of the formation of the separate state of Telangana set off a series of events which led to an emotionally charged atmosphere in the state. The Andhra and Rayalaseema regions protested against the proposed bifurcation of the state, as a result of which the Home Ministry set up the CCSAP to look into the demands for separate Telangana and united Andhra Pradesh.

7.2.04 The events preceding the setting up of the Committee and since have given rise to large scale political mobilization by TRS, the main political party spearheading the demand for a separate Telangana state, and by some other smaller groups. In response, there has been a counter mobilization in the Andhra and Rayalaseema regions. The mobilization has been pervasive in the Telangana region and among students of Osmania University in Hyderabad and Kakatiya University in Warangal district.

7.2.05 During this period, numerous Joint Action Committees (JACs) have been formed, the most prominent among them being the one at Osmania University led by Prof. Kodandaram. Initially, all political parties were members of this JAC but subsequently most parties including the TRS left the fold. However, JACs have spread to the district, mandal and village level in Telangana resulting in a groundswell of demand for a separate state. The main grievances of Telangana people that the political organisers are capitalising upon are water, education and jobs. These demands represent the aspirations of three main constituencies most heavily invested in the demand for a separate state – farmers needing irrigation water in rain-fed areas; students demanding greater access to quality education to enable them to compete for jobs, and government employees seeking promotions and a fair share of representation in administration.

7.2.06 The protests, in various forms – relay hunger strikes, demonstrations, meetings, signboards, distribution of literature highlighting grievances, organising representations both in writing (in response to the Public Notice issued by the Committee) and in person, have been taking place at the mandal and even the panchayat level. In several villages that Committee Members visited, large printed banners welcomed the Members. In one village, at the venue of the meeting where people of the village and many others from neighbouring villages and town had gathered, there was a large banner listing the grievances of Telangana region together with numbers documenting discrimination against the region in jobs, irrigation and education. During the Committee's visits to various Telangana districts, school children and college students were lined up along the route, holding placards demanding Telangana. The sentiment among students and employees in colleges and universities was emotionally charged but the heartening aspect was that there was still room for dialogue and debate.

7.2.07 During the Committee Members' visit to the tribal areas of Khammam, where the Koya tribals of Bhadrachalam had little idea of the demand or the agitation, a crowd of people shouting 'Jai Telangana' followed members into the villages.⁷ In Khammam town, a district lying between Telangana and coastal Andhra, the opinions on separate statehood for Telangana were found to be mixed. A teacher whose parents had been in government service and who had lived all over the state felt that she couldn't really call any particular district or region her "native" place. Young students, however, totally identified with the idea of Telangana, in the belief that all problems would be solved in a separate state. During the Committee's visit to a village in Khammam district, located close to the border of Krishna district in coastal Andhra, with a large percentage of settler population from the coastal side, the Committee was surprised to know on

⁷ At the meeting organised to meet tribal leaders of the area in which the latter once again presented the demand for Many Seema (tribal state within Andhra Pradesh), organised Telangana supporters entered the venue with shouts of Jai Telangana.

enquiry that not a single person from among the settlers was present among the two hundred odd gathering that had come to make representations before the Committee. On further enquiry, the Sarpanch reluctantly informed the Committee that the settlers had been asked not to come and were too afraid to share their views. In Adilabad, which borders Maharashtra, a substantial Marathi-speaking population was more interested in the demand for Vidarbha as a separate state. In Nizamabad district, where the Committee visited a settler's village, the locals were overwhelmed by TRS party supporters who surrounded the venue. The settlers themselves were muted and hesitant in expressing their opinions. These are villages of migrants of long standing from the Godavari delta who were initially invited by the Nizam to carry out irrigated agriculture after the construction of the Nizamsagar dam. The local people's grouse against these "settlers" is that they tend to hold themselves aloof and have not really become integrated with the local population. Their prosperity often sets them apart from the local population, leading to a certain amount of envy and a reinforcement of the belief that they have deprived the Telangana locals of resources and opportunities.

7.2.08 Although many participants and especially young persons in various districts all over the state were not aware of the earlier Telangana or Jai Andhra movements, mobilization around the pertinent issues in the current phase was found to be highly pro-Telangana. However, in interior areas or among poorer people when one made unscheduled stops and enquired about the movement and participation in it, people were often unaware or non-committal.

7.2.09 The bye-elections (discussed in Chapter 1) that took place in Telangana for the twelve seats from which Telangana MLAs had resigned, and which were all won back by the TRS (including one by the BJP with TRS support), revealed a high degree of pro-Telangana and pro-separation sentiment prevailing in the state during the period.

7.2.10 Hence, while 'organised sentiment' was nevertheless highly visible, the grievances of people were often of a general nature. These have been objectively investigated by the Committee and found to have substance on some counts but not all. The developmental progress of Telangana region has generally been found to be robust especially for the last three decades (see details in Chapter 2). However, objective investigation does not easily take care of emotion and sentiment. The present movement has provided people the space to articulate many grievances which are a result of recent development trajectories that have led to greater Hyderabad-centric development as well as deepening of some inter and intra-regional inequalities during the process of growth. Political inequities and the desire for a greater share in political power, combined with the feeling that the historic Gentlemen's Agreement was violated, feed into the movement. Popular sentiment easily latches onto well defined 'enemies' (in this case the 'Andhras') and magical solutions – a separate state of Telangana, which would automatically provide water, jobs and education.

7.2.11 The movement has also successfully performed the function of educating the people about Telangana's grievances to the extent that even school children have now been made conversant with issues around the demand for a separate state. Equally helpful to this cause have been NRI Telanganites (NRIs from the opposite side have participated by opposing formation of Telangana) who are known to be supporting the movement in several ways and who have also represented to the Committee. The present movement is considered to be much more extensive than the one in 1969 (which was mostly confined to urban locations), a process in which modern technologies of communication and modern ways of conducting politics have surely helped.

7.2.12 The Committee, while giving due consideration to the "wishes of the people" feels that sentiment has to be seen in the context of other equally important factors. To begin with, the Committee also had to take into account the sentiment against the bifurcation of the state in the Rayalaseema and coastal

Andhra regions. Being the most backward region of the state, Rayalseema is apprehensive of its fate in case an autonomous Telangana state is formed. The sentiment in this region, therefore, has been vehemently against the division of the state. There is a feeling that it would have been cheated twice over – after amalgamation in 1956, “the water went to coastal Andhra and the money for a capital city went to Hyderabad”, while it sacrificed everything for the Telugu speaking united Andhra Pradesh. Now, it would stand to lose access to Hyderabad, the capital city being important to the people as a source of employment, education, trade and commerce. The region equally fears the loss of irrigation water, for which it is dependent on Telangana region. A strong undercurrent also exists in Rayalaseema of not wanting to remain with the Andhra region in a post-division scenario.

7.2.13 The sentiment in coastal Andhra is against the bifurcation of the state with a few voices willing for separation. Coastal Andhra groups raised concerns about losing access to irrigation water and to the city of Hyderabad, to the growth of which they feel they have contributed much. While some in the delta districts are relatively confident of managing on their own in case of bifurcation (or trifurcation as the case may be), the north coastal Andhra region, being far less developed than south coastal is chary of losing its access to Hyderabad which it sees as a destination for education and work. Many economically marginal households in north coastal Andhra described how they were dependent on agricultural labour in their native villages for part of the year while for part of the year they migrated, often to Hyderabad, as manual labourers.

7.2.14 Given the above first hand observations of the Committee during its tours of the regions, the Committee feels that the issue of sentiment has to be considered only as one among several factors to be evaluated. While not discounting people’s wishes or sentiments, the overall implications of bifurcation

(or trifurcation as the case may be) have to be carefully delineated to arrive at a responsible recommendation.

7.3 Understanding regional sentiment

7.3.01 Very presciently, the SRC says:

“Even after a State is reconstituted on a linguistic basis, there is no reason to suppose that all areas will receive equal attention and there will not develop an equally strong sense of frustration and neglect in areas which feel their claims are not receiving adequate attention. The remedy for redressing such grievances lies in the fulfilment of the aspirations of the various groups by positive measures based on the merits of each case, and not in the wholesale reorganisation of States on the basis of language” (SRC:39).

7.3.02 Regional sentiment or identity is not a “given” and comes into play only when a region (which may be part of a larger unit, a state, or spread over several states) experiences feelings of neglect or discrimination in relation to other regions of the political unit of which it is a part. At the root of this feeling usually lies a sense of being marginalized by other groups or regions which seem to dominate either culturally, economically or politically. There may be a sense that the dominant region, due to greater economic or political power receives greater attention or a larger share of resources and benefits from government. It may also have political power to enable it to divert a greater share of resources and benefits towards itself. As seen in the preceding Chapters, some of this is true in the case of Telangana, which perceives domination by the coastal Andhra region.

7.3.03 As Duncan Forrester⁸ famously said “The tragedy of Telangana is that so little was done to identify or deal with the legitimate grievances of the

⁸ Forrester, Duncan, 1970, Subregionalism in India: The Case of Telangana, Pacific Affairs, Volume 43, Issue , pp5-21

area for so many years. The consequences, we may hope, may be a new sensitivity to similar situations developing in other states". While Forrester may have been right when he wrote in 1970 and no doubt what he said remains important as a lesson even in the current context, the fortunes of Telangana have changed substantially since then, as documented in the present chapter and in the chapter on economic development. Therefore, at this point, we may offer a different reading of the feeling of neglect and discrimination being experienced by Telangana region while reiterating that the Committee's task was not only to understand sentiment but also to establish the evidence for real or actual discrimination. It is also clear that the sense of discrimination is not experienced equally by all groups. Thus Hanumantha Rao⁹ says in the context of Telangana, "The feeling of injustice is greater among the educated classes, i.e., students, teachers, NGOs and professionals in general. This is explained by the increasing awareness leading to greater sensitivity to 'discrimination' among such classes in respect of employment and promotions or career prospects, especially because of the rising importance of the services sector at higher levels of development. It is not surprising, therefore, that the separatist movement has gathered momentum in the post reform period when the opportunities for such classes have proliferated in the services sector and the role of the state in influencing development and regional equity has vastly increased. For the same reasons, it should not come as a surprise that the separatist sentiments are stronger in the relatively developed areas like North Telangana. Therefore, it can be concluded that far from 'development programmes – more precisely, welfare measures currently being implemented – countering separatist sentiments, the movement for separation may become stronger with the spread of development as long as the perception of injustices due to discrimination in development within the integrated state persists". The Committee's findings on various allegations and grievances have been presented in the preceding chapters; it considers it important that the demand and sentiment for separation has to be

⁹ Rao, Hanumantha, 2010 Regional Disparities, Smaller States and Statehood for Telangana, New Delhi, Academic Foundation, pp125

dealt with by rectifying not only the actual discrimination but also the sense of discrimination.

7.3.04 As documented in our analysis in this chapter, regional movements provide diverse groups and sections of society comprising the region with an opportunity to voice grievances and demands which may be particular to them. Thus while a regional movement may present an external unity and a common goal, various groups join it to express their particular needs from their own vantage points.¹⁰ Here one has to remember that although Andhra Pradesh became the first state to be formed on the basis of language, new linguistic units which were subsequently carved out (including AP), often fractured ecological-cultural regions which continue to spread over several states. Thus the closer connections of Ananthapur in Rayalaseema with Bangalore and Tirupati with Chennai; Adilabad, Khammam, Vizianagaram and Srikakulam's shared concerns with tribal areas of Maharashtra, Madhya Pradesh, Chhattisgarh and Orissa reveal that regions within the territorial boundaries of linguistic states do not necessarily perceive themselves only with reference to the state and its capital. Intra-state regional homogeneity can thus be quite frayed at the edges and show fault lines even within due to development disparities or envied prosperous groups of migrants.

7.4 Understanding regionalism today

7.4.01 Paul Brass, a well known political scientist and long term student of India's political history, notes that regional groups are pushing for greater access to political power and control over Government purse, not cultural or linguistic separation.¹¹ Regionalism or sub-regionalism should thus be seen as the desire for greater democracy and empowerment within a political unit. In fact, sub-

¹⁰ See Atul Kohli 1988 "The NTR phenomenon in Andhra Pradesh: Political Change in a South Indian State"

¹¹ Paul Brass 1994 *The Politics of India Since Independence* (Second Edition), Cambridge, Cambridge University Press.

regionalism is a movement which is not based on more fundamental primordial identities such as caste or language but is essentially modern – in the direction of a balanced and equitable modernization. Our analysis will show that cutting across caste, religion, gender and other divisions, the Telangana movement brings a focus on the development of the region as a whole, a focus on rights and access to regional resources and further, it pitches for a rights-based development perspective whereby groups and communities put forth their agendas within a larger vision of equitable development.

7.4.02 Contemporary regional movements should thus be interpreted in the context of “rights based development”. This by no means should be taken to imply that people wish to monopolise regional resources and go back to autarkic economies. It does, however, mean that local people wish to assert “first right” on decisions over resources in their region, exercise a say in their exploitation and debate the impact of particular modes of resource exploitation on their well-being. In this context, it would be germane to remember that even the Chipko movement was first a movement for local rights over regional resources and only subsequently did it turn into an environmental movement.¹² It was no different in the case of the Sardar Sarovar Dam on the Narmada, where the crucial issue was the need to respect the rights of native tribal and other communities and ensure their proper rehabilitation, resettlement and future livelihood. Thus various kinds of assertions, whether caste-based or environment based have had the merit of drawing attention to various inequities and setting society on a corrective path. As M.N. Srinivas, the respected sociologist said, much of the churning in contemporary India is part of a silent revolution brought about by the very nature of democracy which willy-nilly places power through the vote in the hands of people.

¹² Guha, Ramachandra, 1989 *The Unquiet Woods : Ecological Change and Peasant Resistance in the Himalaya s*, New Delhi, Oxford University Press

7.4.03 It would thus be a mistake to interpret regional movements merely as a “sons of the soil” policy or what the SRC called the “homeland” concept. These are surely not very democratic or liberal constructs and go against the Constitutional rights of individuals in a nation state. In the case of Andhra Pradesh, the zonal system, ushered in by the Presidential Order of 1975 may indeed have strengthened such a “homeland” policy by reserving rights to education and jobs on a regional basis. The demand for greater equity, in our view, has to be separated from the demand for further parochial reservations.

7.4.04 The field of development studies shows us that there is no magic formula for rapidly reducing socio-economic disparities which prevail within both large and small political units or within cultural regions; the redressing of such disparities is through a process of local struggles, state policy responses and many fortuitous circumstances. Telangana as a region, notwithstanding some genuine grievances, is showing rapid development along most parameters; the regional sentiment for a separate state should thus be seen as a demand for greater political space, power and a stronger say in the affairs of the region and of the state. As the political space has expanded at various levels of governance, the aspiration for higher offices has grown. At a pragmatic level, a new state can often provide the fastest route to high political offices. In the following sections, an attempt is made to highlight the small and large struggles and grievances of residents of the state in the context of the current demand for separate statehood by Telangana region.

7.5 Social Composition of AP and its regions

7.5.01 Andhra Pradesh, like any other large Indian state is heterogeneous in its socio-cultural makeup with a diversity of castes, tribes, linguistic and religious communities. The population thus tends to divide along these lines while uniting on the basis of region at other times. The involvement of various groups in the current movement and counter-movement has been intense with a new organisational form springing up and literally mushrooming since February

2010. Thus groups have formed into Joint Action Committees (JACs) to push either the demand for Telangana or express the need to keep the state united. These groups span the entire spectrum of civil society – social groups such as SCs, STs, OBCs, minorities including Christians but mainly Muslims, professionals such as engineers, teachers, lawyers, farmers; groups such as students, NGOs, cultural groups and many others. While the JACs have sprung up in all the three regions, the most vibrant and numerous are in Telangana region with their reach going down to Mandal and even village level. The JACs have successfully mobilized the common people who have articulated their particular interests through the movement. An understanding of the views of important groups allows us to understand their aspirations and assess reasons behind the sentiment for Telangana as well as the opposition to it.

7.5.02 In this section, therefore, we take up the social profile of the state and provide an understanding of the region-wise population strength of different socio-religious groups which may have a bearing on their views on the issue. Socio-economic indicators of the groups and their progress in the three regions are also provided, derived from NSSO data between 1983 and 2007/2008, to understand the development trajectories of the various groups; the latter help in giving a dynamic understanding of their aspirations and viewpoints.

7.5.03 Table 7.1 gives the basic distribution of population shares of socio-cultural communities in the state. Andhra Pradesh state has very nearly the same distribution of SC and ST populations as the rest of the country. In the state, together these groups account for 22.8% of the population. The Backward Caste groups – same as OBCs elsewhere in the country – constitute almost half of the population of the state at a little more than 45%. The upper castes constitute about 22% of the population although their importance and influence remains disproportionate to their share of population. With a significant population of religious minorities (Muslims and others) at about 11%, social groups as political constituencies are thus fairly well defined and organized. While SCs are more or less evenly distributed among the three regions, the proportion of STs is higher

in Telangana. OBCs again are greatest in number in Telangana followed by Rayalaseema and coastal Andhra. High castes take the lead in coastal Andhra followed by Rayalaseema with the lowest presence in Telangana. Muslims have the highest concentration in the city of Hyderabad, followed by Rayalaseema and Telangana excluding Hyderabad. The different strengths of these communities also affect the social character of regional and sub-regional spaces. The paragraphs below give brief details about each group, followed by a) their development indicators and b) a discussion of their standpoint on the issue.

Table 7.1
Distribution of social groups by state and region (percentage)

Region	SCs	STs	Muslims	Other Minorities	OBCs	High Castes
Andhra Pradesh	16.2	6.6	9.2	1.7	44.5	22
Telangana inc Hyderabad	15.8	8.9	12.4	1.5	50.7	10.7
Telangana exc Hyderabad	16.9	10.0	8.4	1.2	53	10.5
Hyderabad	8.0	0.9	41.2	3.2	35	11.8
Rayalaseema	16.7	2.9	12.5	0.9	43	24.2
coastal Andhra	16.3	6.0	4.5	2.2	39	32

Source : Census 2001 and NSSO 64th round

Note : 1. The figures are in percentages and may not add to 100 due to rounding.

2. Note: * - the OBC proportions were estimated using the NSSO survey data. The proportion of High castes is arrived by deducting the proportions of the rest.

7.6 Developmental changes among social groups of the three regions of Andhra Pradesh

Using NSSO data, the progress of communities is examined during 1983 to 2007/08 on four parameters – real monthly per capita consumption (MPCE, 2004/5 prices), youth literacy (ages 8-24), average years of educational attainment (ages 8-24) and poverty as the head count ratio of the population. Table 7A contains figures for MPCE and Poverty (Tendulkar) Head Count Ratio; Tables 7B and 7C shows region-wise literacy data for different socio-cultural groups and female to male literacy ratios. Tables 7D and 7E contain the data on years of educational attainment for different socio-cultural groups and female to male ratios region-wise. The 1983 and 1999/00 figures are based on large sample NSSO surveys each containing about 8500 households in AP; the 2007/8 thin sample survey has about 3500 households in AP. The results for the large

sample NSSO 2004/5 survey are not reported, but the results are consistent with the thin sample NSSO survey of 2007/8.

As sample sizes for various social groups may not be large enough for detailed analysis, two groups have been created – SCs, STs and Muslims and Others. The first group covers the traditionally disadvantaged groups (also referred to as MSCST in the text) while the second group contains non-Muslim minorities, upper castes and OBCs. The progress of these groups is examined over the 1983-2007 period. The tables have been attached at the end of the chapter.

Findings

7.6.01 *Consumption:* Andhra Pradesh has made important gains in consumption growth and poverty reduction since 1983. This growth has been broadly even; the average gain over close to 25 years was 64 percent with the non SC/ST's and non Muslim group (henceforth "Others") recording a somewhat higher percentage growth of 71 percent. The average growth for minorities was 57 percent. In terms of annual rates of growth, the "Others" category consumption grew at 2.1 percent per annum; the minorities' annual growth rate was slightly lower at 1.8 percent per annum.

Between regions, the rate of growth in Telangana was the fastest at 71 percent, while Rayalaseema grew at 58 percent and coastal Andhra at 61 percent.

7.6.02 *Poverty:* Poverty has been calculated according to the new Tendulkar poverty line, a line some 20 percent higher than the official poverty line. Even according to this higher line, Andhra Pradesh has made considerable progress in poverty reduction among all the regions and social groups. The overall poverty decline between 1983 and 2007 was very large - 42 percentage points. The decline was highest for Muslims at 50 percentage points, with SCs following at 47, Upper castes at 41, STs at 38. Figures for OBC are not available for any year prior to 1999/2000; such data were not collected previously for OBCs. Hence, all the data on rates of change for OBCs are for the shorter 8 year period 1999/00 to 2007/8 and as such these data are ***not comparable*** with

other rates of change which are for a longer 25 year period. With that note, the OBCs show a large poverty decline during just the recent eight years – 25 percentage points.

In terms of regional comparison, the SC/ST/Muslim group in Telangana experienced a 48 percentage point decline in poverty, with Rayalaseema at 52 and coastal Andhra at 41. The non-SC/ST/Muslim group's decline in poverty stood at 44 percentage points in Telangana, 38 in Rayalaseema and 39 in coastal Andhra. Thus both groups in Telangana have experienced considerable decline in poverty. Across the regions, Telangana has experienced the most decline, testifying to its catch-up in economic indicators.

7.6.03 *Education:* Even more remarkable than poverty reduction is the highly inclusive growth pattern revealed by educational achievements in AP. Data are presented for both the entire population (age at least eight) and youth (the age group 8 to 24 years). Literacy is defined as at least two years of schooling. The discussion below pertains to only the youth. There has been a large improvement in youth literacy in Andhra Pradesh – amongst the MSCST group, the improvement is from an average literacy level of only 41 percent in 1983 to a level more than twice – 85 percent! There is also less disparity across regions in the literacy among the various socio-cultural groups. In 1983, literacy rates ranged from a low of 23 percent for STs to a high of 59 percent for the Muslims. In 2007/8, the range is from 70 percent for STs to 90 percent for the SCs (See Table 7B). Note that the youth with the highest rate of literacy in the state in 2007/8 are the SCs – 90 percent.

7.6.04 The other striking development story for Andhra Pradesh, and Telangana, is the absolute and relative achievement of female youth. In 1983, for every 100 boys who were literate in AP, only 64 girls were literate; within Telangana, this ratio was 55 and for the MSCST group was a 54 percent. In 2007/8, the girls have caught up. The state average is 89 percent, and 92 percent in Telangana and 87 percent among Telangana MSCSTs (See Table 7c).

The results are the same if instead of youth literacy, the achievements are compared for average years of schooling. In this instance, the Telangana average of 6.9 years is the *highest* among all the regions in 2007/8, with the state average being 6.6 years (Table 7D). Relative educational attainment (girls to boys) again comes out the best for Telangana, 89 percent – the state average is 86 percent.

7.6.05 Telangana socio- cultural groups

Due to the presence of very small sample sizes in some cases, data are reported below for individual categories within Telangana but are not reported in the tables. *These data should be treated with extreme caution and are only indicative.*

SCs and STs

There is considerable improvement in youth literacy for all socio-economic groups in Telangana. Tribals here have shown even better *improvements* in youth literacy than their SC counterparts, twice that of the state average and much higher than coastal tribals. Similarly, in improvements in percentage change in years of education, they have done almost as well as the SCs and much better than the other groups. They are also better off than the tribals in coastal Andhra.

However, the ratio of girl to boy youth literacy shows the sharpest and extra large improvement for the STs. While the state average is an increase of 40 percent between 1983 and 2007/8, the ST average is 277 percent for girl to boy literacy and 224 percent according to the years of education. Telangana ST girls were way behind their male counterparts in 1983 – only 15 girls were literate compared to 100 ST boys. In 2007/8, 61 Telangana ST girls are literate compared to 100 ST boys.

Muslims

The Muslims in Telangana, contrary to common belief, are doing well on consumption (improvement by 76%) and poverty reduction levels (33 points).

Where they appear to do badly in is education, with youth literacy having changed only by 39% compared to 200% and 228% among SCs and STs. However, this lack of improvement is deceptive, since the average Muslim education in the base year, 1983, was a “high” 3.6 years in 1983 compared to 1.6 years and 0.9 years for SCs and STs, respectively. What has happened is catch-up – the SCs and STs have caught up with the rest of the population in education.

OBCs

Data for OBC communities were gathered by the NSS only since the 1999/00 survey year. The percentage change for OBCs in youth literacy in Telangana between 1999/00 and 2007/8 at 29% was marginally lower than the state average of 31%. Years of education show an even better improvement (after SCs and STs) with the improvement being the highest in Telangana among the three regions and higher than the state average. OBC female literacy improved the most in Telangana followed by Rayalaseema and coastal Andhra. Thus overall, there have been good improvements in literacy and years of education for the OBCs.

Given that levels of poverty were low for OBCs in 1999/00 (16 percent and equal to the state average), the decline in poverty levels for this group is impressive. At 4 percent poor, the level is the lowest for OBCs, and also equal to the state average. Across regions, Telangana OBCs have the lowest poverty levels and the highest (along with coastal Andhra) per capita consumption levels. Among all social groups in Telangana, OBCs are above the SCs and STs and equal to Muslims, both in terms of consumption and poverty levels. In terms of consumption *growth* between 1999 and 2007, OBCs have a lower than average growth – 35 percent versus a state average of 41 percent.

The findings from the quantitative data pertaining to progress of various socio-cultural groups show evenness in educational progress accompanied by some unevenness in progress of economic well-being. While disadvantaged groups such as SCs and STs in Telangana have improved literacy and education, they have not comparatively done as well on economic indicators – hence the “revolution of rising expectations” among SC/ST youth fuels their current sense of deprivation.

7.7 Intra-regional disparities: North coastal Andhra

Chapters 2 and 3 have highlighted that on many parameters, it is Rayalaseema that is the most backward of the three regions. Similarly, in consultations, representations and field visits, questions of intra-regional inequities and disparities were raised with Mahbubnagar and Adilabad districts being pointed out as being more backward than other Telangana districts. In coastal Andhra, similarly, apart from the industrialized district of Vishakapatnam, the other two districts, Srikakulam and Vizianagaram, dominated by SC and tribal populations, remain extremely backward. On many indicators - education, per capita consumption, and especially on maternal and child health, north coastal Andhra districts are the most deprived. According to people in these districts, the rural and tribal areas have been neglected in matters of health facilities and numerous tribals die every year due to malaria, diarrhoea and other such diseases in Vishakhapatnam, Srikakulam and Vizianagaram agency areas. North coastal Andhra has represented that it be considered as a separate region and be given a special development package. It will not be out of place to mention here what the Prime Minister, Dr. Manmohan Singh has often highlighted that unless the benefits of the country's economic development are carried to the poor and growth is made inclusive the issue of social unrest cannot be dealt with. The Committee feels that addressing the backward regions and sub-regions of the state in a timely manner is of utmost importance to prevent further fissures and discontent.

7.8 Agrarian distress and suicides, region-wise

A long term contributory factor to the sense of economic deprivation has been agrarian or rural distress which has led to suicides in the state. Due to drought, failure of new varieties of cotton and loss of livelihood among weavers, between May 2004 and November 2005, Telangana reported 663 suicides while Rayalaseema reported 231 and coastal Andhra stood at 174 out of a total of 1068 reported suicides. Based on analysis of one district from each region, Prakasam from coastal Andhra, Medak from Telangana and Ananthapur from Rayalaseema, coastal Andhra and Rayalaseema showed greater number of suicides among the forward castes while Telangana showed a distribution across Forward, OBC and SC castes.¹³ The causes of farmer suicides have to do with drought, higher investments in agriculture, failure of new crops such as Bt cotton leading to indebtedness with social repercussions. Difficulties in wresting a livelihood from agriculture, especially in the dry areas of Telangana and Rayalaseema, have contributed to a general sense of dissatisfaction which, in Telangana, is a contributory, if not a direct factor in the present movement.

7.9 Socio-cultural groups and their views on the Telangana agitation¹⁴

As mandated by the Terms of Reference, this section examines the impact of recent events on different stake holders. It provides a sense of the heterogeneity of location and viewpoints of various socio-cultural groups and their attitude towards and role in the demand for separate statehood by Telangana region.

7.9.01 Views of Scheduled Castes

AP occupies the fourth position in terms of SC population among 32 states/UTs with SC population. As seen in Table 7.1, the state has a homogenous regional

¹³ Various reports on farmer suicides

¹⁴ Although difficult, one may attempt to differentiate between a 'movement' and an 'agitation'. The former could be termed as an attempt by non-institutionalized/institutionalized groups to change parts of the system; an agitation could be termed as a movement seeking more radical change and employing 'agitational' methods which may be violent or non-violent.

distribution of SC communities in the state, apart from Hyderabad which has a smaller proportion at 8%. A total of 60 SC communities have been identified in the state by the Scheduled Castes and Scheduled Tribes Order (Amendment) Act of 1976.

(i) Telangana Citing historical reasons for their backwardness under the Nizam's rule and raising current issues of deprivation in education and employment opportunities, the SCs of Telangana have argued for a separate state. They feel that their counterparts from coastal Andhra benefited under the British rule and have achieved high positions in IAS, IPS, IFS and other higher ranks in government services, while Telangana SCs are victims of unemployment. Their grievance is that the Malas who are more numerous in the Andhra region have cornered all the benefits of development and of reservations while the Madigas, whose numbers are greater in Telangana, have been left out.

(ii) Coastal Andhra The SCs of coastal Andhra differ in their stance on the issue of separation. While the Malas of this region seem divided in their outlook, the Madigas are consistent in their demand for a separate state. Madigas have demanded that as with the OBCs, the SC people should be categorized as A,B,C and D in order to have equitable access to reservation benefits¹⁵. Thus Madigas from Telangana and coastal Andhra prefer separate states, reflecting a regional and reservation oriented perspective. The Bahujan Samaj Party has raised the issue of the state being ruled by leaders belonging to upper castes. Some prominent SC organizations, particularly those from North coastal Andhra, in addition to their demand for a united state, have demanded a special economic package as they feel they are extremely backward.

(iii) Rayalseema SCs of Rayalaseema are in favour of a united AP fearing that if division of the state takes place, they will lose access to education and job

¹⁵ As discussed below, sub-categorization is in terms of relative backwardness, favouring more backward castes.

opportunities present in Hyderabad. However, there are differences in their views too. Some feel that smaller states are better for SCs as they could not progress even in 54 years of united AP.

7.9.02 Analysis: Ambedkar and small states: Summing up, two kinds of reasoning underlie the standpoint of the Dalit communities. Some have favoured smaller states, citing the view point of Ambedkar that “minorities”—among whom he counted the SCs/STs and religious minorities – would be better off in smaller states as they could make their voice heard and have better access to political power and governance.¹⁶ Taking this logic forward, groups like the Andhra Dalita Mahasabha (formed post- Karamchedu incident in coastal Andhra) led by Katti Padmarao, are demanding Telangana state arguing that splitting of the state would break the domination of upper castes and provide opportunities for the SC, ST and OBC communities in both the states. That Dalits and other disadvantaged groups would gain in smaller states was a viewpoint articulated by some Dalit groups or representatives in the other two regions as well.

7.9.03 Reservation benefits and intra-category competition: The second reasoning reveals the schism between the two large communities, the Malas and Madigas, with regard to reservation benefits.¹⁷ As per the Census 2001, the SC group in Andhra Pradesh is dominated mainly by two castes, the Mala and Madiga, accounting for 42% and 49% of the total SC population respectively. As seen in Figure 7.1, these two groups are unevenly distributed geographically with Malas having a higher proportion in coastal Andhra and Madigas being somewhat higher in number in Telangana and Rayalaseema. This unevenness and the inequitable accrual of reservation benefits have influenced their view point on the current conflict.

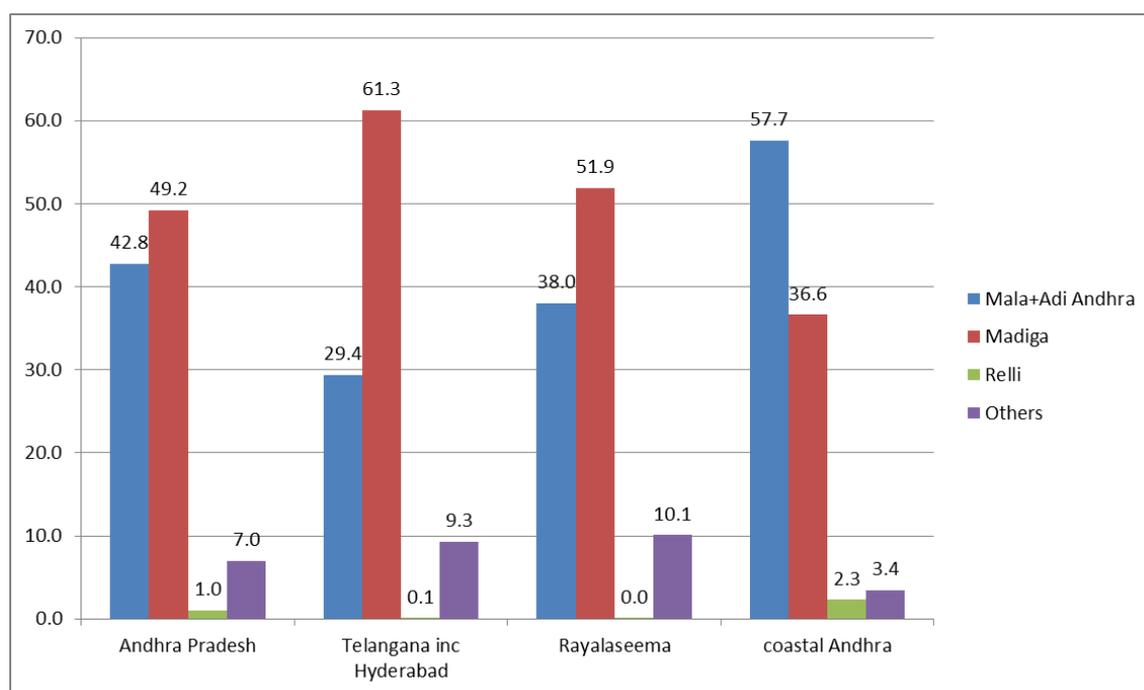
Mala and Adi Andhra communities have greater presence (57.7%) compared to Madiga community (36.6%) in coastal Andhra; whereas the share of the Madiga

¹⁶ B.R. Ambedkar 1955 Thoughts on Linguistic States <http://www.ambedkar.org>

¹⁷ Madiga Reservation Porata Samiti (MRPS) has led the demand for sub-categorization

community is larger (61.3%) in Telangana. Rayalaseema also has a larger presence of Madiga community. But in the united Andhra Pradesh scenario, the Madiga community strength is somewhat larger (49.2%) compared to Mala and Adi Andhra taken together (42.8%). The Relli group, considered to be the most backward among the SC communities, is present mainly in the coastal Andhra districts only.

Figure 7.1 Regional distribution of SC caste groups



Source: Generated using Census of India 2001

7.9.04 Developmental differences have emerged among the Malas of coastal Andhra and the Madigas of Telangana due to the separate pre-independence trajectories of the two regions. The Malas shared in the educational development and prosperity brought to the region under British rule (especially through the introduction of education in standard Telugu or in English language) and also from later capitalist development of the region brought about mainly by Kamma castes. Among Malas, those who embraced Christianity (about 60%) are able to avail of reservations by calling themselves Adi-Andhras or declaring themselves under other Dalit categories. The Madigas, especially those

in Telangana region suffered economically and educationally under the Nizams and hence remained backward. They are therefore less able to compete with Malas for positions in education and employment. Given the better educational infrastructure in coastal Andhra earlier, the Madigas feel that the Malas have access to much better opportunities in employment and education and are thus able to corner most of the reservation benefits.

7.9.05 The Madigas have been demanding a resumption of the sub-categorization of the SC category, which had been recommended by the Justice Ramachandra Raju Committee and implemented by the state from 2000-2004, during which time the reservation shares of non-Mala castes went up.¹⁸ The Supreme Court upon appeal had overturned the sub-categorization stating that the SC category was an “indivisible homogenous entity”.¹⁹ More recently, the Usha Mehra Commission (2007) has again recommended sub-categorization underlining that it is not unconstitutional and that it would ensure better distribution of reservation benefits. This remains one of the demands of Madigas during the current agitation.

7.9.06 The zonal rules under the Presidential Order apply to Dalit communities and hence Dalits benefit in their own region as far as zonal reservations in employment and education apply. Despite this provision, Malas, Adi Andhra and Adi Dravidas of coastal Andhra, as shown by the Usha Mehra Commission, are well established politically and economically and have received a disproportionate share of reservation benefits. The report concluded that “In the state of Andhra Pradesh, Relli and Madiga together form 50.21% of the Scheduled Castes whereas Mala and its allied castes form 42.78% of the Scheduled Castes, but Mala and its allied castes are enjoying 70% representation in Class I and Class III posts in the State Services.” (para 22)

¹⁸ In 2000 the state passed an Act known as the Andhra Pradesh Scheduled Castes (Rationalization of Reservations) Act based on the report by Justice Ramachandra Raju which sub-categorized SCs into four categories – A,B,C,D.

¹⁹ Usha Mehra Committee Report (2007) shows that the presence of Malas was greater in educational institutions and in public employment and that Madigas and others were behind. Malas of coastal Andhra benefited from education during British rule and though many of them (about 60%) converted to Christianity they avail of reservations under the Adi Andhra category.

7.9.07 Analysis

The Madiga community's greater presence in Telangana appears to be critical in the context of the Telangana movement. In the absence of sub-categorization, the Madiga community may be able to exert its strength to negotiate better benefits for the community within the new state of Telangana. But on the other hand, the community would lose out on its position as the largest SC community and strength to negotiate in the Seema-Andhra state. Mala community would be in an advantageous position in Seema-Andhra state. Despite uncertain advantage, Dalit leaders feel that separate states would resolve the Madiga/Mala dispute and at the same time increase political representation of the Dalits and allow them to exercise greater political power. As reservation quotas continue to be seen as the most reliable way of accessing education and state level public employment, these calculations are of immense importance to beneficiary communities. The slower economic gains among Telangana Dalits, both in comparison with non-disadvantaged groups in Telangana and in comparison with Seema-Andhra Dalits add to the disaffection.

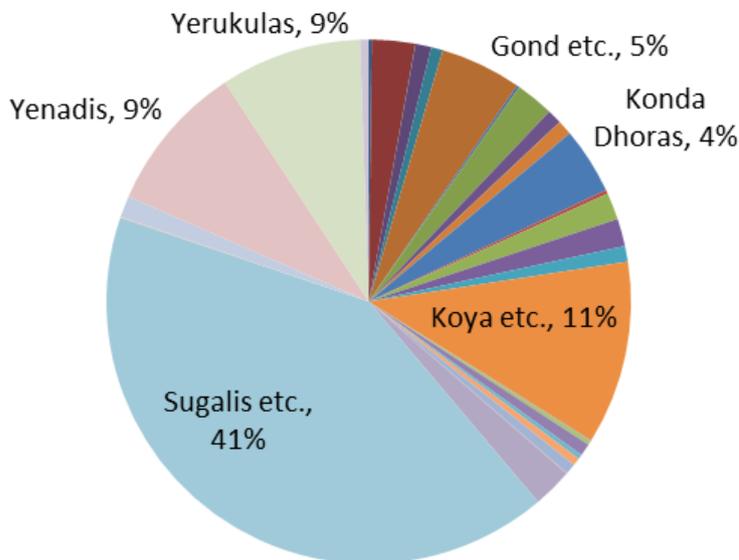
7.9.08 Views of Scheduled Tribe Communities: As per the 2001 Census, 6.6 per cent of the total population of AP consists of Scheduled Tribes (STs). The Scheduled Castes and Scheduled Tribes Orders (Amendment) Act, 1976, notified 33 STs in the state.²⁰ The ST population is heterogeneously distributed across Andhra Pradesh. The major tribes are Sugalis etc, Koya etc,

²⁰ Out of the 33 STs, five namely, Goudu, Malis, Nayaks, Thoti and Valmiki have been notified with an area restriction. Goudu, Nayaks and Valmiki have been notified in the Agency tracts area, which comprises Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari and Khammam districts. Malis have been notified in the state excluding Adilabad, Hyderabad, Karimnagar, Khammam, Mahbubnagar, Medak, Nalgonda, Nizamabad and Warangal districts. Thoti have been notified in the Adilabad, Hyderabad, Karimnagar, Khammam, Mahbubnagar, Medak, Nalgonda, Nizamabad and Warangal districts.

Twelve tribes namely, Bodo Gadaba, Gutob Gadaba, Bondo Poraja, Khond Poroja, Parangiperja, Chenchu, Dongaria Khonds, Kuttiya Kondhs, Kolam, Kondareddis, Konda Savaras, and Thoti have been recognized as Primitive Tribal Groups (PTGs). Except Kondareddis and Thoti, populations on other PTGs are not available separately as these are notified as sub-groups/sections of main communities. The population of Kondareddis and Thoti is 83,096 and 2,074 respectively, as per the 2001 Census.

Yenadis, Yerukulas, Gond etc, and Konda Dhoras in that order. Some of these tribes are concentrated in specific districts and sparsely distributed in other districts. For example, 80% of the Gond etc are concentrated in Adilabad district. This unevenness is seen even in the distribution of major tribal groups across the regions. Sugalis etc, the largest tribal group (41.4% of total tribal population in Andhra Pradesh) are located in Telangana. They account for 64.2% of total tribal population in Telangana.

Figure 7.2: Population distribution of major tribal communities in the state



Source: Generated from Census of India, 2001

7.9.09 The regional distribution of tribal communities in Andhra Pradesh is as follows: 6.6% for the state, 9% in Telangana (including Hyderabad), 3% in Rayalaseema and 6% in coastal Andhra. Thus Telangana has a higher proportion of tribal communities and both Adivasi and other tribal groups have expressed strong opinions on the demand for Telangana.

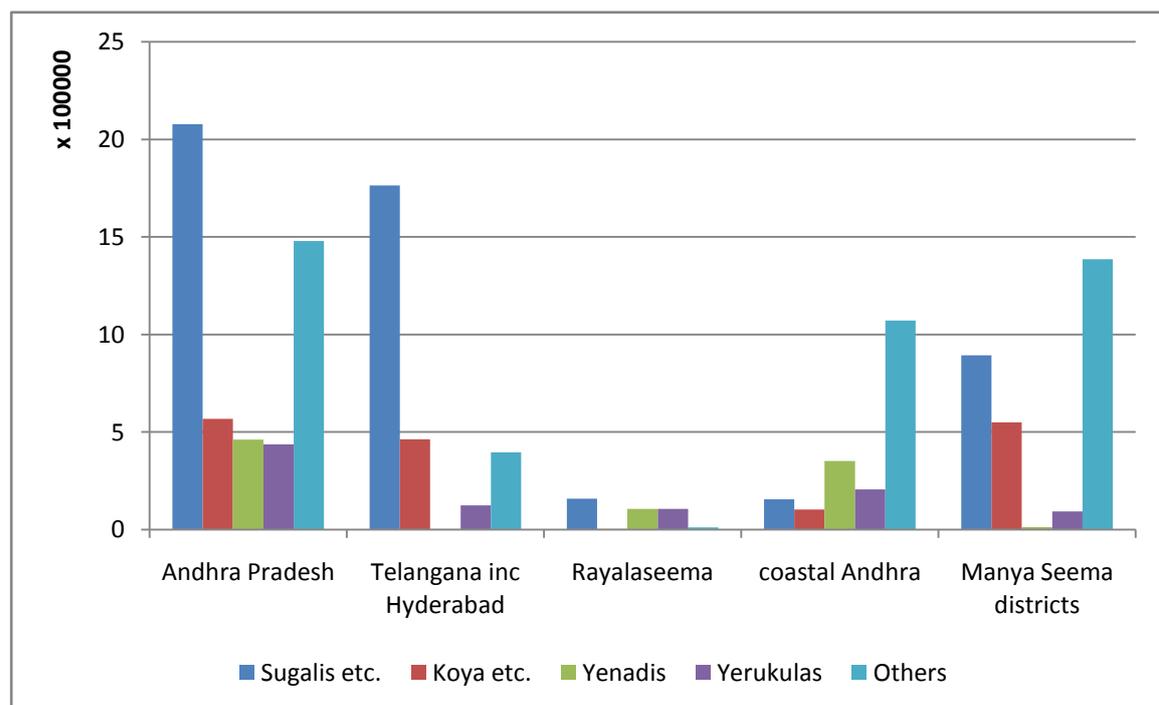
7.9.10 Telangana: The All India Banjara Seva Sangh, a key body representing some of the nomadic tribes, has demanded a separate Telangana state. Their point of view is that the Lambadas (Sugalis) and Yerukalas in coastal Andhra have long been enjoying reservation benefits as STs, while those from Telangana suffered as they were not recognized as STs until 1976. Even after getting ST status, they have not been given adequate reservation in proportion to their population. Reservation benefits are an important reason behind their demand for separation as they hope to get 12% reservation in a separate state as against 6% in a united state. Lambada tribals also raised the demand for separate panchayats for tribal hamlets. As discussed in detail later in this section, Adivasis residing in districts of Telangana prefer to remain in united Andhra or have their own state of Manya Seema.

7.9.11 Rayalaseema: Rayalaseema tribals have generally argued for a united Andhra Pradesh. A representation by the Lambadas claims backwardness as compared to those in Telangana, reflecting a regional perspective. The Yerukala Hakkula Porata Sangam (from Kadapa) has argued that the STs have not seen any development in a united AP and recommend a "Greater Rayalaseema". In keeping with the findings in the rest of the report of the comparative backwardness of the Rayalaseema region, the tribals here lag behind those of the other two regions. The adivasi tribe here is the Chenchus, who live in the Nallamalla forests and have not voiced their views.

7.9.12 Coastal Andhra: In representations, coastal Adivasis have stated that the tribal population is spread over the entire state and the state should remain united. If bifurcation takes place, then they demand a separate state for the tribal people. They have raised the issue of backwardness and discrimination as reasons for needing a separate state. As pointed out earlier in the section of north coastal Andhra, coastal Andhra tribals suffer from the highest deprivation and would benefit from dedicated attention to their uplift.

7.9.13 Nomadic/Adivasi tribals schism: Among tribal communities, there is a divide between two groups, broadly classified as Adivasi tribes (Koyas, Gonds, Konda Dhoras etc.) and some nomadic tribes. In the Telangana region, non-Telugu tribes such as Lambadas, Banjaras (a common surname among them being Naik), Sugalis etc. were incorporated into the ST list only in 1976 through GO Ms No. 149. Since then, their numbers have swelled consequent to migration from neighbouring states where they are classified in the OBC category. Sugalis now constitute 41% of the tribal population in the state and 64% in Telangana. As discussed later in this section, the appropriation of the lion's share of reservation benefits by the more numerous and better developed nomadic tribes in comparison with the more backward Adivasis has influenced their respective stands on the bifurcation issue. While the Adivasis are demanding a separate tribal state called Manya Seema or the retention of united AP, the nomadic tribes of Telangana are pitching strongly for separate Telangana. The figure below gives the population shares of the major tribal groups. It is seen that the Adivasi tribes (Gond, Konda Dhora, Koyas etc.) are overwhelmed by the nomadic tribes such as Sugalis, Yerukulas and Yenadis.

Figure 7.3 Distribution of Tribal groups across regions and in proposed Manya Seema



Source: Generated from Census of India, 2001

7.9.14 Adivasis and the Manya Seema demand: The Adivasi tribals, who after the 1976 inclusion of nomadic tribes in the ST list have been reduced to a minority in the state, have raised several issues in their demand for a separate tribal state, Manya Seema. The first is domination by non-tribals. They argue that they have lost their culture, language, resources and self respect because of non tribal rulers. Unless they are given strong protection, they will continue to be ruthlessly exploited in united AP. They are unsure of the likelihood of their prosperity in a separate Telangana state either. They feel that only a separate tribal state, encompassing the contiguous stretch of tribal areas from Srikakulam to Adilabad, can ensure their development. Also, special provisions should be made for those tribals living in the non agency areas.²¹ Secondly, if the state is bifurcated, then many groups like Koyas, Kondareddys will be in danger of becoming extinct due to the new geographical demarcations. The Koya tribe in Khammam and Warangal explained that they have suffered earlier during the reorganization of the states as they were split between four states, which diminished their cultural and traditional unity. The situation of Adivasi Gonds is also the same as after the reorganization they were divided between Maharashtra, Madhya Pradesh and AP. There is a demand that the agency areas of AP inhabited by the tribals should be made into a separate state or a single administrative zone. Thirdly, "original" (or Adivasi) tribals have suffered from the inclusion of other groups (nomadic tribes – Sugalis, Lambadas and others) into the ST list who are procuring nearly ninety percent of the welfare schemes/jobs/education and political positions. The latter are not recognized as STs in other states, and to benefit from the reservation arrangement, they have migrated into AP. This community is now posing a threat to the real Adivasi tribals in questions of land, employment and reserved seats for MLAs and MPs.

²¹ The Girijana Samkshema Parishath (Khammam) has demanded a separate tribal state called "Dandakaranya State" (covering parts of AP, Orissa and Chattisgarh) by unifying all the tribal areas.

The Adivasi tribals have put forward a demand to remove these nomadic tribal groups from the ST list. Their inclusion in the ST list is seen as a move to attract votes by political parties.

7.9.15 Proposed Manya Seema State The demand for a separate tribal state is based on the argument that nine districts in Andhra Pradesh have predominant tribal populations and these have to be carved out to form a separate tribal state. These districts are Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Khammam, Warangal, Nizamabad and Adilabad.²² However, if the ST population figures alone are considered for these districts; they would account for around 10 percent of the total population. Though this is a slightly higher proportion of STs, which will enable them to access greater reservation benefits (presently at 6%) it would be unlikely to help them realize 'self-rule' in their own tribal state. Also, the Chenchu tribal region mainly comprising the districts of Mahabubnagar, Kurnool and Prakasam gets left out of the Manya Seema proposal.

7.9.16 The development of STs in the state and especially the Adivasi tribals who are demanding greater coverage under Schedule V (at present only 10% of the population is covered)²³ needs to be paid greater attention to as their overall human development indicators remain behind those of other communities. The acceptance of a radical demand like Manya Seema does not seem likely or viable at present; instead, the state government should see it as a pointer towards better implementation of policies meant for tribals, especially the Adivasis. In the area of education, it is very important to encourage hiring of tribal teachers and to fill vacancies in schools and other educational institutions. It is equally important to protect their land-related entitlements. As pointed out in the Chapter on irrigation, many tribal villages, mainly of Koyas and Konda

²² Manya Seema proposal by Manya Seema Rashtra Sadhana Samiti includes Mahabubnagar in the proposal, leaving out Nizamabad. In their proposal, the tribal percentage would be 10.45%. Mahabubnagar, however, is not contiguous with the other 8 districts.

²³ Andhra Pradesh is covered under the provisions of Schedule V of Constitution of India. In the state the scheduled areas extend over 31485.34 Sq.Kms. in (9) districts of Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Khammam, Warangal, Adilabad and Mahabubnagar covering (5,968) villages. Under the Vth Schedule, the District Collector of the district acts as the Agent to the Government for ensuring peace and good governance in tribal areas.

Reddys, will face submergence due to the Polavaram project (see Chapter on irrigation); under the circumstances, their rehabilitation and livelihoods have to be properly ensured.

7.9.17 Backward Castes or OBCs (Other Backward Classes) or BCs as they are popularly known in the South constitute nearly half the population of the state at 44.5%. 93 caste groups are included in the OBC category and they have been accorded 29% share in reservations in the following proportions: Group A, 7%, Group B 10%, Group C 1%, Group D 7% and Group E 4%.²⁴ The last category is the most recent addition, affording 4% reservation to OBC Muslims. Regionally, OBC presence is highest in Telangana at 53% (excluding Hyderabad) and lowest in the city itself at 35%. Rayalaseema and coastal Andhra proportions stand at 43 and 40% respectively. The OBC category is extremely heterogeneous with numerous caste groups having varied positions in the socio-economic hierarchy. Some of these are Munnurukapu, Turpukapu, Yadav, Goud/Setti Baliya, Padmasali, Mudiraj, Kalinga, Kuruma etc. Occupying the middle rungs of the caste hierarchy (between upper castes such as Brahmins, Reddys, Velamas, Kammas, Kapus etc. and lower castes such as Malas and Madigas), they are generally occupational groups or traditional service castes such as toddy tappers, weavers and small agriculturists. Some of the OBC castes are becoming economically, socially and politically more influential with economic growth taking place while others remain quite backward. The OBCs, especially in Telangana were brought into the political ambit by N.T.Ramarao (NTR) to cultivate a wider base for the TDP. Equally, as a result of the restructuring of the administrative system with the insertion of mandal level (also a TDP initiative) better placed OBC castes have begun to play an increasingly influential role in local and state level economies and politics.

7.9.18 Telangana: The OBCs of Telangana have reiterated the issue of discrimination in the employment and education sectors and have unanimously

²⁴ http://planningcommission.gov.in/reports/genrep/resedu/rpresedu_a10.pdf

demanded a separate state. They have claimed that the artisans and the handicrafts of Telangana are disappearing. The village and cotton industries are vanishing resulting in unemployment and unrest which has driven people towards Naxalism. Even the educated people are compelled to do menial jobs. As the proportion of OBCs is higher in Telangana, they expect to gain a higher proportion of reservation benefits in a separate state without having to compete with coastal Andhra and Rayalaseema OBCs. On the other hand, if the new state of Telangana were to abide by the constitutional cap of 50% on reservations, then, with a higher percentage of tribals and Muslims, the share of OBC quota may actually go down. Aspiring educated and professional OBCs have been most vocal and vociferous in their demand for a separate Telangana state. As presented in the socio-economic analysis, Telangana OBCs have the lowest poverty levels and along with coastal Andhra OBCs have the highest per capita consumption levels; this large group which is politically very active and forms an aspiring class expects greater gains in a separate Telangana.

7.9.19 Rayalaseema: Given the relative backwardness of their region, as substantiated by many indicators assessed in earlier chapters, the views of Rayalaseema OBCs are more concerned with obtaining facilities for development rather than separation. They feel that an overall development of their region can take place in an integrated state. The OBC Mahasabha has stated that the allocation of budget for the development of OBCs, which should be in proportion to their population, is not being implemented as a result of which they are still backward. They feel that OBCs would not have any economic and political security in a smaller state. They have pointed out that students from the OBC communities are getting scholarships and fee reimbursements from the government as part of a bigger state. They would miss out on such benefits if the state is bifurcated.

7.9.20 Coastal Andhra: The OBCs of coastal Andhra support a united AP. According to them, the agitation for separate statehood is politically motivated and, if successful, would lead to numerous internal problems. The OBCs of this

region would face loss of employment opportunities if separation takes place. Those from north coastal Andhra have stated that they are extremely backward and a special economic package should be allotted for their welfare, rather than separation. One OBC welfare representative from East Godavari, on the other hand, has suggested that OBCs would win reservation benefits in a smaller state and thus a new state that combines the districts from Prakasam to Srikakulam would ensure political empowerment for the OBCs.

7.9.21 Analysis: Thus we find that rather than caste-based unanimity, OBC viewpoints reflect regional perspectives. Reservations remain an important issue for this group and there is a demand that they be given benefits in proportion to their presence in the population rather than be restricted to 25% or 29% (including Muslims) under the 50% Constitutional cap. Equally important is retaining access to Hyderabad for education and employment opportunities. While Rayalaseema and coastal Andhra OBCs don't wish to lose access to Hyderabad, the Telangana OBCs are looking for greater economic gains from land and business related development in districts surrounding Hyderabad. They are also looking for a more prominent role in politics which to them appears more attainable in a separate state.

7.9.22 Although popularly included in 'disadvantaged' and backward groups, the OBC caste groups are extremely heterogeneous in their economic and social standing as well as access to political power. At nearly half of the population, they form a decisive chunk of society. Given their recent economic progress (OBCs in Telangana have gained from reforms in agriculture and irrigation – see Chapter 2) and political gains, it would be inaccurate to include the entire category in the disadvantaged group. They can more accurately be characterized as the aspiring class,²⁵ desirous of greater political

²⁵ Dhanagare (1988) states that movements like the Vidharbha and Telangana movements come close to what has been called 'the revolution of rising expectations' which are often unleashed by developmental imbalances resulting from the modernization process.

Dhangare, D.N. 1988 "Subaltern Consciousness and Populism: Two approaches in the Study of Social Movements in India" *Social Scientist*, Vol. 16, No.11, pp18-35

and economic access. OBC communities such as the Munnur Kapu, the Gowdas and the Yadavas realize that political power and access to economic resources are closely tied in India's current political economy.

7.9.23 Upper Castes Upper castes (known as OC or open category in reservation parlance) constitute around 22% of the state's population and have been economically, politically and socially influential. However, the regional distribution of upper castes varies with coastal Andhra having the highest proportion at 32%, followed by Rayalaseema at 24% and Telangana having the smallest proportion at only 11%. The Telangana upper castes have thrown in their lot with the rest of the region in their demand for separate Telangana as they see greater political and economic opportunities for themselves in a separate state. The leadership of the movement remains with the upper caste while the mass following is provided by the SCs and OBCs.

The dominant upper castes, the Reddys, Kammas, Velamas and Kapus, continue to hold the reins of power in the state. The Brahmins are much less influential politically due to smaller numbers; however, coastal Andhra Brahmins played a historic role in forging a Telugu identity through their writings, eventually leading to the birth of Andhra state. They were equally important in intellectual articulation of the cause of economically oppressed social groups and contributed to the extreme left movement to which major support was provided by coastal Kammas. Kammas (predominant in the four coastal districts of Krishna, Guntur and East and West Godavari) prospered under British rule with the coming of Green Revolution,²⁶ and a Kamma, N.T. Ramarao, was instrumental in ushering in a two party system in the state by setting up the Telugu Desam Party (see Chapter 1 for more details). The Reddys and Kammas continue to hold economic and political power and are likely to continue to play an influential role in future decisions regarding the state. At the same time, Velamas and Kapus are struggling to improve their position and clout and hence some of the power play

²⁶ Upadhyay, Carol, The Farmer Capitalists of Coastal Andhra Pradesh, Economic and Political Weekly July 2, 1988 and Economic and Political Weekly July 9, 1988

over the bifurcation issue can be attributed to these non Reddy-Kamma upper castes and richer OBC castes attempting to gain greater political power. Increasingly, political power is the route to small and large economic gains and Andhra Pradesh shows deep politicization down to the panchayat level.²⁷

7.10 Religious Communities

7.10.01 Though the population is predominantly Hindu (89%), Muslims also account for a good proportion at 9.2%, followed by 1.6% Christians as per the 2001 Census. Other smaller religious groups include Buddhists, Jains and Sikhs. The pattern of distribution of these groups is not highly uneven with the exception of Muslims who are largely concentrated in Telangana and Rayalaseema. Muslims also constitute 41% of the population of the district of Hyderabad making the city's complexion somewhat different from the surrounding areas. This historically rooted feature gives an important dimension to the politics of the city as well as the state.

Table 7.2
Region-wise distribution of religious groups 2001

Region	Hindus	Muslims	Christians	Others
Andhra Pradesh	89.0	9.2	1.6	0.3
Telangana inc Hyderabad	86.0	12.4	1.2	0.4
Telangana exc Hyderabad	90.0	8.4	1.1	0.3
Hyderabad	55.4	41.2	2.4	1.0
Rayalaseema	86.4	12.5	0.9	0.2
Coastal Andhra	93.1	4.5	2.1	0.2

Source : AP Statistical Abstract 2009, based on Census 2001

Note : The figures are in percentages and may not add to 100 due to rounding off

²⁷ Powis, Benjamin 2003 Grass Roots Politics and the 'Second Wave of Decentralisation' in Andhra Pradesh, Economic and Political Weekly, Vol. 38, No. 26 (Jun. 28 - Jul. 4, 2003), pp. 2617-2622

7.10.02 Besides Hindus at 89%, Muslims, at 9.2% are the only other religious group with significant numbers in the state. Muslims account for about 12.4% in Telangana and Rayalaseema regions and 4.6% in coastal Andhra districts. Within the regions, Rayalaseema has a well-distributed Muslim population with all the four districts having 10-16% of Muslim population. In Telangana, the Muslim population is mainly concentrated in Hyderabad (above 40 percent) and it varies in the other four districts: Nizamabad, Medak, Ranga Reddy and Adilabad districts have about 10-15 percent of Muslim population. In coastal Andhra, only two districts, Guntur and Nellore have Muslim population above 10 percent.

7.10.03 Views of Muslims

The issues raised by Muslims of the various regions in support of their views are described below:

Telangana: The Muslim representations from Telangana, outside of Hyderabad, support a separate Telangana state. They have stressed the need for a separate Telangana to access educational and employment opportunities since they feel they have remained backward in a united state. Expectation of an increase in reservation benefits (to 12%) in the new state is one of the major reasons for their demand for separation. At present they receive 4% reservation benefits under the OBC (E) category. In united AP, they have grievances like lack of jobs, non implementation of Urdu as the second language, lack of Urdu teachers and funds for Urdu medium schools and absence of scholarships for minorities and the loss of waqf lands. Many have complained that they are forced to migrate to Gulf countries and are living in deplorable conditions. They argue that there is no communal or cultural divide between the Hindus and Muslims in Telangana and they can live in harmony in a separate state. According to them, Telangana will not be unsafe for minorities. During field visits, however, a more nuanced viewpoint came out with people being unsure of the benefits of a separate state and articulating some apprehensions about their security in a separate Telangana.

Rayalaseema: The Muslim community in Rayalaseema is in favour of a united state. They believe that they should live together and share the resources of the state equitably. Creation of a separate state would put them at a disadvantage in utilization of river waters and other benefits. Some have represented that if a division of the state is inevitable, then Rayalaseema should be carved out as a separate state.

Coastal Andhra: The Muslim representations from coastal Andhra reveal a preference for united AP as according to them many Muslims are working in Hyderabad. They have developed an economic as well as an emotional attachment with Hyderabad. They argue that Telangana region is not backward as it has more infrastructure, industries and jobs. The creation of a separate state would deny them the benefits that exist in Telangana, particularly in Hyderabad. One Muslim forum however sided with the demand for a separate Andhra.

Hyderabad: Muslims constitute 41% of the population of the city of Hyderabad making the city's complexion somewhat different from the surrounding areas. As discussed in the chapter on Hyderabad, most Muslims of the city identify with the AIMIM as their political representative. They identify primarily with the city and not necessarily with the region of Telangana. Most of them reside in the old city and do not speak Telugu. Residents of Muslims mohallas were found to be the most disengaged from the Telangana issue. However, the concentration of Muslims in Hyderabad and their homogenous distribution in Rayalaseema districts can explain their preferences which are mainly articulated by political groups and in Hyderabad city by the party. AIMIM prefers United Andhra to Telangana state; in case of an inevitable separation, a Rayala-Telangana state is preferred with Hyderabad as the capital. In a Telangana state, the Muslim population would account for about 12.5 percent, but when Hyderabad is excluded, this goes down to 8.4 percent. In a Rayala-Telangana state, Muslims would remain with similar strength at about 12.5%, whereas in United Andhra, Muslims are just above 9%. Pragmatic political expediencies could be the reasons for these preferences of

AIMIM. A separate Telangana state could expose them to communally sensitive Hyderabad and Hindu-biased rural population of the region.²⁸

Analysis –For various reasons, the main political party of Hyderabad Muslims, the AIMIM, prefers a united Andhra. Muslims would feel more secure in the larger state and being largely a business/small trader/artisan community with urban concentration, Muslims of Hyderabad look towards a larger market as being more beneficial to them. Their next option is a Telangana state with Hyderabad as the capital or a Greater Telangana (or Rayala-Telangana) which would include Telangana and Rayalaseema; in both options their population share would increase. Hence the prospects of both greater political representation and educational and job reservations would improve. They are keen to retain the 4% reservation share recently granted to them and expect the proportion to go up in a bifurcated state. Outside of Hyderabad, Muslims in Telangana have strategically joined others to demand separate statehood, while those in coastal Andhra and Rayalseema would prefer the state to remain united.

7.10.04 Christians and other minorities

Christians are the next largest group and are evenly distributed across the regions. A large proportion of Dalits in the coastal areas (Mala subdivision) happen to be Christian. The other religious groups, Sikhs, Buddhists and Jains form a very small percentage of the state's population. A representation, however, has been received from Dakhani Sikhs from Telangana region who have joined the demand for a separate state and who are keen on receiving reservation benefits.

Views of Christians:

Telangana Christians from Telangana have demanded a separate state, arguing that most development benefits in the state have gone to coastal Andhra

²⁸ Political histories can be traced to Razakar's dominance in Hyderabad city and Communist Party led Andhra Maha Sabha's dominance in the rural Telangana. For more on this nature of constituency distribution, see Forrester (1970) and Sundarayya (1973).

Christians. Reservations are the issue here as coastal Andhra Christians (mostly Malas) have done better than Telangana and Rayalaseema Christians.

Coastal Andhra Coastal Andhra Christians want AP to remain united. They contend that they have all contributed to the progress in Hyderabad by investing a large section of their man power (labour force) and capital to an extent. They feel that the culture and customs in the two regions are similar.

Rayalseema Representatives of the Christian minority from the region have stated that all Telugu speaking people should remain united in one state.

A regional perspective is thus reflected in the views of the Christian community.

7.11 Women's perspective on the issue

7.11.01 The views expressed by the female population were found to be generally region specific. A common strand was that most women focused on issues of human development and general welfare. AP has had strong women's movements (the anti-arrack movement being a prominent one) due to which women are quite vocal on most issues; it has also had an impressive spread of micro-credit through the Mahila Samakhya and other such programs. Women's groups brought health issues such as fluorosis in some districts and social issues such as trafficking of girls in AP and sale of girl children among the Lambadas to the attention of the Committee. Despite their common focus on development issues and household well-being, women were also regionally divided on this political issue.

7.11.02 Telangana Most women from Telangana region favour a separate Telangana with a belief that a separate state would bring their children education and jobs. They feel that their children will no longer have to compete with Andhra students and youth. While women participated in the agitation, they felt it was disruptive, leading to setbacks in education and employment and increase in migration. Girl students in Telangana, who have gained most from

educational progress, were vociferous in their demand for a separate state, cutting across caste, class, tribe and religion. Muslim students in Hyderabad however felt that the agitation had caused unnecessary disruption in studies and that Telangana students from outside their colleges had forced the shutdown of classes and disrupted examinations.

7.11.03 Coastal Andhra Women of this region would prefer the state to remain united; they feel that instead of separation, the focus should be on development of all backward areas, even within regions. They feel that the region would lose out on Hyderabad and on development opportunities if the state is bifurcated.

7.11.04 Rayalaseema Women representatives from Rayalseema demanded a united AP. They feel secure in a united state and consider the movement for separate statehood to be politically motivated. Separation of Telangana would also mean loss of jobs and other opportunities present in Telangana, particularly in Hyderabad. In Kurnool, even Muslim women strongly advocated a united AP as members from many families have close links with Hyderabad. According to them, inter-regional marriage proposals were on a hold during the agitation.

7.12 Students

7.12.01 Students are a constituency for whom education and future employment are of utmost importance. Hence, students have formed themselves into JACs in all regions of the state to put forward their respective viewpoints on the issue.

7.12.02 Telangana Telangana students have been the most vocal and active in their demand for a separate state; many of them have assumed leadership of the student movement. As discussed in the chapter on Education, a large number of students from disadvantaged groups are first generation

entrants into higher education and the appeal of a new state being able to give them better education and jobs has drawn them into the movement. They feel that compared to coastal Andhra, Telangana is educationally backward and that this will only be rectified in an autonomous state. A sense of discrimination has arisen from differential pass marks required for Hindi and English which tend to place coastal Andhra students in an advantageous position. Students have been part of earlier movements for separate statehood and each time some have sacrificed their lives to agitate for the goal of Telangana. Students of Osmania and Kakatiya universities are heavily involved in the movement, believing that the region has been neglected and discriminated against. The oratory of TRS leader KC Rao has made them believe that a secure future for them lies only in a separate state. There were a purported 313 suicides in Telangana between 30th November and 27th February, many of them in Warangal, Karimnagar and Medak with fewer numbers in Nalgonda, Adilabad, Nizamabad, Mahbubnagar, Khammam, Rangareddy and Hyderabad. About 60 of these were by persons between the ages of 18 and 25. About 158 were by persons between the ages of 25 and 50. While the majority of those who were supposed to have committed suicide were male, about 8% females are also reported to have committed suicide. About 10% were attempted suicides. 45% of these persons died of heart attack, while the rest were reported to have died by various means such as consuming poison, hanging, jumping before a running train, jumping from a building and self-immolation.²⁹ There were a few highly publicized cases of suicides in Osmania University. Irrespective of the veracity of the above data, the news of deaths reported as suicides and attempted suicides has tended to contribute to Telangana sentiment for a separate state.

7.12.03 Coastal Andhra Students from coastal Andhra are against bifurcation of the state. They feel that if the state is divided they would be deprived of the educational facilities present in and around Hyderabad. Hyderabad is the hub of all the good educational institutions. In Telangana state,

²⁹ Information on these suicides has been compiled from various Telangana sources but not from police sources.

students from coastal Andhra would become non-locals and consequently would not get seats in reputed institutions. Some have mentioned that, separation would adversely affect the development of their region. The government has made provisions for backward groups, which could stop if the state is divided.

7.12.04 Rayalaseema Students from Rayalaseema do not support bifurcation of the state. They feel that everyone from the state should have an equal opportunity to have access to better educational facilities that are present in Hyderabad. There is a fear that funding of universities in the region would be badly affected in case of separation. According to a student JAC of the region, formation of a separate Telangana would be a breeding ground for casteism and feudalism and democracy would suffer.

7.12.05 Analysis It is obvious that students' views are along regional lines. With educational progress taking place, especially in Telangana, some of their grievances will get addressed. At present, it is employment aspirations of these students and the competition they face in accessing desired jobs which is adding fuel to the demand for Telangana. Additionally, students of non-professional courses are more fearful of not finding adequate employment. In Telangana and Rayalaseema, agriculture is not as attractive as in coastal Andhra; hence, those with a modicum of education prefer to move into non-agricultural employment. This is seen in the chapter on economic inequities. For those in professional courses, the competition is between those with less and more soft skills. Here, coastal Andhra students with better cultural capital tend to score over students from the other two regions. As concluded in the chapter on education, for Telangana and Rayalaseema students and those from disadvantaged social groups to be able to compete better, the quality of education needs to be improved.

7.13 Caste, Tribe, Religion, Region and the argument for 'socially inclusive' Telangana

7.13.01 In conclusion of this section, we examine the argument of Telangana separatists that since it has a higher proportion of 'disadvantaged social groups' – SCs, STs, OBCs and Minorities (89%), which gives it a social character that is different from that of coastal Andhra and Rayalaseema; it will be a more socially, economically and politically equitable and inclusive state on its own. It is argued that reservation benefits would go up for all these social groups in proportion to their population and they will not have to compete, mainly, with better endowed coastal Andhra groups and individuals in the separate state. Finally, their argument is that this distinctive social composition will enable them to escape upper caste hegemony and create a more just society in which lower castes and minorities will have greater access to political power and economic benefits.

7.13.02 Echoing this logic, C.H. Hanumantha Rao³⁰ says "Thus, the weaker sections constituting a large majority of population in Telangana and, for that matter, in Andhra, would be better able to articulate their problems and politically assert themselves in separate, smaller and relatively homogenous states. The formation of Telangana state would thus strengthen the forces of social inclusion and secularism in both the states".

7.13.03 Considering the SC and ST groups along with the Muslims as marginalized groups, the total population of these groups would be 32% in united Andhra Pradesh. In the event of separation of Telangana, these groups together may gain because they would account for 37% of the population; but they would lose out in the other state of Seema-Andhra as their strength will go down to 28.4%. Telangana has a large proportion of OBC population at 50.7%. Together, the OBCs and the SC and STs and Muslims account for about 89% of population in Telangana, which otherwise would be 76.4% in united Andhra.

³⁰ C.H. Hanumantha Rao (ibid:127)

7.13.04 Given the above configuration, the lower castes and minorities feel they can overwhelm the upper castes in a separate Telangana as higher numbers will give them a larger share in political power. But as scholars of the AP scene have often remarked, the state tends to practice a “politics of accommodation” and upper castes have retained their hegemony by negotiating with and giving space to other rising castes while retaining power in their own hands.³¹ The upper castes in Rayalaseema and coastal Andhra are vehemently against the idea of dividing the state; their greatest fear being the loss of Hyderabad. The accommodation between these two regions has been in terms of political domination by Rayalaseema and economic domination by coastal Andhra. Together the two regions have ruled the state through Congress and TDP political formations. Telangana feels dominated by the upper castes of these regions and its struggle is primarily to shake off their yoke.

7.13.05 Such an argument also premises unity among the internally heterogeneous SC, ST, OBC and Muslim and groups, even within Telangana. As preceding paras have elaborated there are internal divisions (Mala and Madiga among SC, Nomadic and Adivasi among tribals and Hyderabad and non-Hyderabad among Muslims and regional divide among OBCs) among these communities, resulting in different perspectives on the division issue. Interestingly, region overwhelms most caste and religion divisions apart from the tribal group. Thus while OBCs, SCs and Muslims of Telangana (outside Hyderabad) have overwhelmingly expressed a view in favour of a separate state, the Adivasi tribals have not done so. Also, separation will lead to these groups accounting for a much lower proportion at 68.6% in the Seema-Andhra state. From the perspective of the disadvantaged groups in Andhra Pradesh, the separation may provide gains in one state, but will reduce their strength in the other state.

³¹ Reddy, Ram 1989 *The Politics of Accommodation: Caste, Class and Dominance in Andhra Pradesh* in Francine Frankel and M.S.A. Rao, *Dominance and Stratification in Modern India: Decline of a Social Order*, New Delhi, OUP

7.14 Cultural Issues

7.14.01 In this section, we examine reasons strongly put forth by the Telangana region for demanding a separate state - a strong regional identity based on a distinctive culture. Distinctiveness is asserted on the basis of a cultural self formed through 1) historical experience common to the people of the region - especially during the Nizam period which binds them together while distinguishing them from coastal Andhra and Rayalaseema people 2) a distinctive dialect born out of the synthesis of several languages – primarily Telugu and Urdu but further enriched by languages such as Marathi and Gondi, and presently being called Telangana Telugu 3) other distinct cultural forms which are moulded by a specific regional topography, climatic and other factors, resulting in a separate cuisine or diet, region specific festivals etc. 4) the social composition of the region comprising higher percentages of what may be called disadvantaged or non-upper caste groups – SCs, OBCs, STs, Muslims, leading to 5) a Telangana 'self' which sees itself as being more diverse and cosmopolitan than Andhra-Seema Telugus. Below, we look at the various facets of cultural identity.

7.14.02 Linguistic diversity

"The question that has caused the greatest controversy is the position to be accorded to language in the reorganisation of the States of the Indian Union"
(SRC: 35)

The SRC discussed thoroughly the pros and cons of linguistic states, arriving at the following conclusion: "to recognise linguistic homogeneity as an important factor conducive to administrative convenience and efficiency but not to consider it as an exclusive and binding principle, over-riding all other considerations, administrative, financial or political".³² It also rejected the theory of "one language one state" arguing that there could be more than one State speaking the same language without offending the linguistic principle. The idea of linguistic

³² SRC p46

states received strong support from many quarters including Dr. B.R. Ambedkar who underlined the importance of a common language in fostering a sense of unity and belongingness among people of a state. There was also consensus that administration and education should be in the regional language to ensure the healthy development of people of a state and to allow for effective communication with those who governed them.

What the SRC strongly repudiated, however, was the “home land” concept, which, according to it, negated one of the fundamental principles of the Indian Constitution, namely, “equal opportunities and equal rights for all citizens throughout the length and breadth of the Union”.³³ It thus warned against exclusivity on the basis of any primordial identity – whether of birth, language, caste, region or religion. A “sons of the soil” policy cannot really work in a socially diverse society in which the histories of migration are also multi-layered.

While considering the merits of regional assertion we must also consider the ways in which such assertion can be counter-productive. When couched in terms of cultural difference, such a demand can create division and also spur numerous other demands. When couched as self-determination there are implications for the unity and integrity of the nation state. These issues are examined in the following section.

7.14.03 The Telangana Movement and Language It is important to look at the linguistic diversity of the state as AP was the first linguistic state to be formed in the country, as a consequence of the demand for a separate state by the Telugu speaking population of the erstwhile Madras Presidency. In the current movement for Telangana, language has again become a contentious issue with coastal Andhra and Rayalaseema claiming that the Telugu language underpins the fundamental unity of the three regions and for this reason the state needs to be preserved as it is. Telangana people, on the other hand, have argued that their dialect, if not language, differs substantially from that of Andhra region, connoting a separate cultural identity. The table below provides a picture

³³ ibid

of the distribution of linguistic communities across the regions of the state. The complexities of the language issue are examined more exhaustively later in the section on cultural issues.

Table 7.3
Language spoken by regional distribution

Region	Telugu	Urdu	Tamil	Marathi	Others
Andhra Pradesh	85	8	1	1	5
Telangana inc Hyderabad	77	12	1	2	9
Telangana exc Hyderabad	81	8	0	2	8
Hyderabad	47	39	2	2	10
Rayalaseema	80	12	4	0	4
Coastal Andhra	93	4	1	0	2

Source : AP Statistical Abstract 2009, based on Census 1991

Note : The figures are in percentages and may not add to 100 due to rounding off

7.14.04 Telugu is the most widely spoken language in Andhra Pradesh. 85% of the population speaks it followed by 8% of the population who speak Urdu. While Telugu is spoken overwhelmingly by 94% of the population in coastal Andhra, 80% of the population in Rayalaseema speaks Telugu, as compared to 77% in Telangana. Telangana and Rayalaseema have about 12% Urdu speaking population while in coastal Andhra only 4% speak Urdu. But Hyderabad alone has a large proportion of Urdu speaking population – 39%, clearly because of the concentration of the Muslim population in the city. This data is for the year 1991, but it is unlikely that these compositions will be significantly different for regions at present. For Hyderabad, the proportion speaking both Urdu and Telugu may have come down somewhat as a larger number of migrants is now from other parts of the country (see chapter on Hyderabad) signalling its increasing cosmopolitan nature.

7.14.05 The history of the state is reflected in its linguistic diversity. The Nizam period in Telangana contributed 8% of Urdu speaking population and about 1% of Marathi speaking population. British rule of coastal Andhra and

Rayalaseema contributed to 1% of Tamil speaking population. There are small minorities speaking Marathi and Tamil and Gondi, a tribal language which is spoken in the Adivasi tribal areas of Telangana and words from which have entered the spoken language. To give an idea of the diversity of some Telangana districts, Adilabad has a population speaking several languages – Telugu, Urdu, Marathi, Hindi and Kannada. ³⁴

7.14.06 How does this diversity affect relations between the two regions – Telangana and Seema-Andhra? Following are the grievances of the Telangana region: “People from coastal Andhra ridicule the Telangana Telugu as inferior and pass derogatory comments. The language spoken in coastal Andhra is considered as “Standard Language”³⁵ while Telangana language is condemned as an “Ordinary Dialect”. The Telangana language is also ignored in the academic syllabus. Text books published by the government are written in coastal Andhra language. This puts an extra burden on children from Telangana as they have to learn an alien Telugu. The Telangana dialect is ridiculed in government offices, universities and colleges. There is no feeling of unity among the people of the different regions on the basis of language.” They claim that Telangana Telugu is a separate language; the difference in Andhra Telugu and Telangana Telugu can be found in the literary works of Telangana poets like Pothana and Palakuriki Somanatha, compared to the Andhra poets like Nannayya and Tikkanna or for that matter, Rayalaseema poet like Srinatha. Hence, it is felt that a new linguistic state can be forged on the basis of a distinctive language and other cultural features.

7.14.07 Protagonists of a United Andhra, however, claim that Telugu language is the same all over the state and minor variations are present not only in Telangana but within all the three regions. According to them, dialects may vary between regions and also within regions, and certain words may carry different meaning locally but this cannot be made a basis for separate statehood. Differences in colloquial speech creep in due to locality, ethnicity, caste and

³⁴ Adilabad District Government Website

³⁵ C.P. Brown had much to do with the initial standardization of Telugu through the production of dictionaries and the resurrection of Telugu literary works.

social class. Thus, even coastal Andhra has different ways of speaking among literates, illiterates, urban and rural people. However, they admit that Telangana has a different dialect because of the predominant Urdu influence; nevertheless Telugu remains the mother tongue in all three regions.

7.14.08 One may have no hesitation in admitting that Telangana Telugu, because it has imbibed words from many other languages, Urdu, Marathi and Gondi, is somewhat different, especially from the Andhra dialect. The coastal Andhra language “purified” (or sanskritized) by the Brahmins and “standardized” by the British (and because of its role in embodying and consolidating a Telugu identity during the pre-independence period) became the “superior” language. Many scholars have pointed out these diverging paths of Andhra and Telangana Telugu while emphasizing its fundamental underlying unity.³⁶ While coastal Andhra Telugu may have become hegemonic due to historical factors, it retains basic linguistic unity with Telugu spoken over the rest of the state. Dialects and accents vary all over the country; some receive a higher standing while others are considered inferior variants. The social standing of a language or a dialect is however not static and is subject to change as the socio-economic-political fortunes of the speaking community change. Recent times have seen an efflorescence of literature and poetry in Telangana Telugu and there is no reason why it should not attain a respected place in the Telugu literary world. It is, however, difficult to support the creation of new political units on the basis of differences in dialects. Instead, the state can support nurturance of Telangana Telugu and that of other dialects besides paying attention to the preservation of tribal languages. It should be clear, however, that this is not an argument for “one language, one state” and the linguistic platform should not come in the way of creating new states out of unwieldy unilingual units, wherever necessary.

7.14.09 Urdu language While considering the issue of minorities and of language, one must also give due space to the grievances of the Muslim

³⁶ Yamada, Keiko 2010 Origin and historical evolution of the identity of Modern Telugus, Economic and Political Weekly, Volume XLV, No. 34

community over the decline of the Urdu language. According to them, Urdu remains the language of the Muslim community in the Old City of Hyderabad but “promises made to the community over maintenance and nurturing of the Urdu language have not been kept. Urdu schools are in decay and posts of teachers remain unfilled”. Post the merger, the Muslims were marginalized in the administration and have since made little progress in modern occupations (see chapter on Hyderabad). This state of affairs has led to the community migrating out of country in large numbers. The Muslims are rightfully taking this opportunity to ask for the restoration of the earlier status of the language and seeking better opportunities and representation for themselves. They are demanding the status of second language for Urdu. As an important constituency in Hyderabad and in Telangana, the onus lies on the state government and on political representatives of the community to look towards its socio-economic development.

7.15 Other aspects of culture

7.15.01 On the issue of culture, the SRC again had wise words:

“There can, of course, be no difference of opinion on the desirability of ensuring free and harmonious development of regional culture, or sub-cultures as they might be called, the ideal being an Indian culture enriched both in volume and in content by a confluence of diverse cultural streams, which, while merging themselves in the main central current, preserve their individual characteristics.”³⁷

7.15.02 Soon after independence, many outside observers had predicted that a diverse entity like India would not be able to hold together.³⁸ Despite such predictions, and many upheavals in the form of ethnic, religious and caste-based movements, the “idea of India” has taken firm hold and the threat to its unity as a nation is no longer an issue. The understanding of “culture” itself has been

³⁷ Pp47

³⁸ Harrison, Selig 1960 India: The Most Dangerous Decades, Princeton, Princeton University Press

transformed in recent times with identity based movements and “cultural respect” becoming an important claim in the debate on multiculturalism. Ethnicity has been an important basis for asserting distinctive identity and for claims to forming separate nation states, especially in Europe. After the breakup of the Soviet Union, the resulting nation states were primarily ethnicity based.

Given the great cultural diversity of the Indian sub-continent which is embodied in its numerous languages, dialects, races, ethnicities, religions and many other sources of diversity, the challenge in India is to constantly devise new ways of accommodating and managing diversity as new groups find empowerment and voice.

7.15.03 Culture is an amalgam of historically constituted ways of being which may or may not be subsumed within specific geographical contours. For our purposes, the claim of Telangana protagonists to a separate culture (of which language has already been considered above) can be discussed in terms of the grievances brought before the Committee, under the following headings:

7.15.04 History: Groups from Telangana have represented that the specific history of Telangana has never been given due importance. According to them, “text books are authored by experts from coastal Andhra who have always neglected Telangana history and culture in the syllabus. Telangana freedom fighters have never been represented appropriately in the history text books”.³⁹ It is further stated that “Historical facts about Telangana are distorted, even in the books published by the government agencies. None of the government textbooks mention the existence of Hyderabad as a separate state and the

³⁹In their representation, Telangana Jagruti pointed out that successive governments have totally ignored the Telangana martyrs and leaders like Ramanand Thirtha, K.V. Ranga Reddy, Dasarathi Krishnamacharya, Vattikota Alwar Swamy, Komuram Bhim, Bhimreddy Narasimha Reddy, Chakali Ilamma, Ravi Narayana Reddy, Shoebulla Khan, Vandematharam Ramachander Rao, Makhdhoom Moinuddin, Moulvi Alauddin, Turrebaz Khan, Badamm Yella Reddy, Arutla Ramachandra Reddy, Arutla Kamala Devi, Kaloji Narayan Rao, Konda Lakshman Bapuji, Narayan Rao Pawar, Mallu Swarajyam, Shankar and a host of others.

merger that followed”.⁴⁰ Another representation claims that “the government has not made any efforts to explore Telangana history, archaeological monuments etc. Certain excavations have been stopped in the name of lack of funds. Forts, monuments, temples in Telangana, which are of historical importance, are neglected by the government”.

7.15.05 Art and Literature: It is claimed that cultural domination by coastal Andhra has affected the development of distinctive Telangana culture with lack of respect for Telangana writers, poets, artists and other literary figures. The following grievances have been voiced:

“Funds are refused to Telangana literary organizations. Telangana writers never became a part of mainstream Telugu literature. The recent compilation of poetry in Telangana reflects the growing unease of Telangana poets with the discriminatory and humiliating approach of the literary partisans from coastal Andhra. Coastal Andhra elites and the ruling classes show a negative attitude towards the folk art of Telangana.”

7.15.06 Festivals, Traditions and Customs: Again, it is claimed that festivals like Bathukamma, Bonalu, Dashera, Deepavali, Holi, Peera Panduga (Muslim festival), Jataras (festival of tribals and Dalits) are celebrated in Telangana but not in coastal Andhra and not given recognition in the state. Rituals followed in marriages are also not the same between the regions. It is argued that “the style of clothing and colours favoured in the two regions is different and coastal Andhra people look down upon Telangana people’s clothing style and eating habits and compare them in public with tribal people. People in Telangana villages worship Gods like Pochamma, Yellamma, Maaremma, Mallamma, Mysamma, Uradamma, Andamma, Beerappa etc. The coastal Andhra people laugh at these names as they are ‘local’ names unlike the Gods in coastal Andhra who have Sanskrit names. Coastal Andhra festivals, which are

⁴⁰ On investigation by the Committee, the latter claim was not found to be true. School history books contain a section called “Freedom movement in Telangana” and discuss the history of Telangana both prior and post the merger with Andhra State.

celebrated by four or five mandals, are highlighted as Telugu culture and are perpetuated through the school syllabus. But Telangana festivals (like Bathukamma and Bonalu), which are celebrated in all ten districts of Telangana, are not mentioned in text books".⁴¹

7.15.07 Films and Media: In their representations before the Committee, Telanganites have pointed out that the media, which is dominated by the other regions unfailingly represents them in a poor light lowering their self esteem and making them feel like second class citizens in their own state. Hence, the demand for Telangana in the current phase of the agitation is being presented as a demand for self-rule to protect its cultural identity, self-respect, and to escape the "yoke" of Andhra-Seema regions.

7.15.08 Many representations have sought to highlight that "the entertainment industry has been used as a means to ridicule Telangana culture. Films and television channels use Telangana dialect to portray criminal or comical characters. Telangana leaders and their language are projected as laughing stocks in most films and programmes". They claim that although the film industry has been located in Hyderabad and subsidies given on land and infrastructure, the local people are discriminated against and not given any employment opportunities in the film industry; people employed, from light boys to technicians, are all from coastal Andhra.

7.15.09 Non-observance of Independence (or Liberation) Day: During the course of the present agitation, Telangana people brought up the

⁴¹ Kancha Ilaiah, a well known writer on various social issues in relation to deprived communities, has argued that the culture showcased and taught in school books is that of the upper castes; and that lower castes do not share this cultural world which has no intrinsic connection with their world. He bisects the regional perspective by the caste perspective. See, for instance, his book "Why I am not a Hindu?" : *A Sudra critique of Hindutva philosophy, culture and political economy* (Calcutta: Samya, 1996)

issue of non-observance of the day on which Hyderabad State was merged with the Indian Union. When Hyderabad state was divided, districts speaking Kannada and Marathi were merged into Karnataka and Maharashtra respectively. In these states, September 17 is celebrated as Independence Day, but not in Andhra Pradesh; no text book in AP mentions this day which is very significant for Telangana people.

7.15.10 Views of other regions: In response to the above claims, groups from coastal Andhra and Rayalaseema and political parties, which do not favour bifurcation of the state, have denied any deliberate instances of cultural suppression. They have argued that the people of AP are culturally, historically and emotionally integrated, despite the diverse culture and traditions. They believe that there are certain aspects of culture (festivals, habits etc) that are specific to certain regions, districts, villages and social groups but it is wrong to conclude that the culture of the three regions is different. The views and opinion expressed by them are presented below:

“Telugu literature has contributions from personalities from all the three regions. The work of Bammara Pothana, a Telugu and Sanskrit scholar from Telangana, is appreciated in the whole of AP. Songs by Chandrabose, a Telangana lyricist, are popular in all AP households. Though there are very good writers in Telangana, they are fewer in number when compared to other regions of AP.”

7.15.11 “Telangana festivals like Bonalu, Sammakka-Sarakka Jathara are widely popular across AP. The government, people and media have always given equal importance to these occasions.

The widely popular Telugu cinema has seen a collaborative effort of people and talents from all the three regions of AP. Telugu films are immensely appreciated in Telangana as much as in other regions. People who make films are only interested in making profits. They do not target any particular region to humiliate its dialect and culture. For instance, dialects of Rayalaseema, Nellore, and North

Andhra, and the occupations of backward classes are insulted. Women from backward regions are shown as vamps. Instead of a constructive protest movement against such practices, the Telangana people are deliberately confusing this with the issue of region. There are films that make fun of Telangana slang, but there are also films that make fun of the slang of Godavari and Uttarandhra. Such practices should be controlled, but cannot be the basis of demanding a separate state.

Further, the three regions are integrated by large numbers of families who have intermarried, with husband and wife being from different regions”.

That a sense of cultural grievance is not confined to the people of Telangana is illustrated by the views of people from north Andhra who have claimed that they are marginalized, discriminated and mocked at as ‘Toorpollu’ (Easterners) by the people of advanced coastal Andhra. They too feel that their history, culture and language is different from other parts of the state. They argue that they should be considered as a separate region of AP.⁴²

7.15.12 Considering the debate over language, culture and history between protagonists of the two regions (Telangana and Seema-Andhra), one can discern that culture of a region is a product of various factors – history, topography, climate – which themselves give rise to specific forms of culture such as dialects, diet, feasts, fasts and festivals, heroes and villains.⁴³ It is possible that during the course of history, due to advantages of literacy and means of communication and growing means of supporting, propagating and consuming culture, the culture of one region may become more dominant. This is what has happened in the case of coastal Andhra. In the present vitiated climate in the state, when all kinds of differences are achieving larger than life proportions, it is possible that such differences appear insurmountable. Cultural differences may at such times become a vehicle for articulating other more genuine grievances. Telangana

⁴² Uttarandhra Rakshana Vedika, p. 1

⁴³ Recent scholars like Rasheeduddin Khan (1977, 1992) have suggested a ‘socio-cultural ecology’ as the basis for political-administrative organization, referenced in Mawdsley, Emma (2002) Redrawing the body politic: federalism, regionalism and the creation of new states in India, *Journal of Commonwealth and Comparative Politics* 40(3) pp34-54

experienced a long history of oppressive feudal rule which shaped the character of the people and also generated the resistance to it. Telangana people are often considered subservient and lazy and they feel that coastal Andhra people exercise a 'veiled contempt' towards them. Hence, their desire to be in their own state where they would not face constant belittling comparison, especially with the dominant Andhras of the Delta districts.

7.15.13 There is little doubt that the culture industry in AP at present is dominated by the coastal Andhra side as they own much of the film industry and other means of mass communication such as the print and audio-visual media. Hence, they can exercise a substantial amount of power over the forms of culture that are popularized besides influencing public debate on issues of importance to the state. The domination of the film industry by coastal Andhra businessmen/film makers (especially after its relocation from Chennai to Hyderabad – the largest studios being Ramoji Rao Film City in Hyderabad), popularized the Delta landscape with its green paddy fields as the ubiquitous background for most movies produced by them.⁴⁴ However, there are indications that as Telangana begins to catch up in literacy and education and grow economically, it is also beginning to acquire means of mass communication.⁴⁵ This is not only true of the Telangana region but all over the country one sees a renaissance of vernacular cultures – of Bhojpuri, for instance, of Chhat puja of Bihar, of regional language television channels and print media. The modern technologies of communication make it possible for subaltern groups and regions to make their presence felt. The same is true, for instance, of the efflorescence of Dalit literature all over the country.⁴⁶ It is equally true of the emergence of women's writing which is especially strong in Andhra Pradesh.

⁴⁴ Srinivas S.V., 2008 "Cardboard Monuments: City, language and 'nation' in contemporary Telugu cinema" *Singapore Journal of Tropical Geography* 29 (2008) 87-100

⁴⁵ Srinivas, while analyzing the film 'Okaddu' argues that it is Rayalaseema that remains the 'unassimilated' region, characterized by its lack of cultural and economic development and its 'excessive violence'. (ibid:96)

⁴⁶ K. Purushotham 2010 Evolution of Telugu Dalit Literature, Economic and Political Weekly Vol. XLV, No.22

7.15.14 While the Committee had neither sufficient time nor expertise to moderate the debate on cultural differences and grievances, it can only reiterate the SRCs advice that the Indian nation and Indian states must provide space for the flowering of all cultures in all their richness and variety. AP state can make a more concerted effort that cultures of various groups – not just of regions – are given space to grow. One has, however, to guard against the possibility of cultural hegemony translating into deliberate or systematic discrimination against people; here the solution lies not in carving out newer units but in redistributing power more equitably and generating economic and social well-being across regions and social groups. The question of stereotyping and “being looked down upon” or “made fun of” is not peculiar to Telangana – unfortunately such stereotypes abound in all societies and are subject to change as the fortunes of such groups and sections of society improve. The self-confidence has to come from within and cannot be legislated or dictated by policy.

7.16 “Composite culture” of Telangana and Hyderabad

7.16.01 An argument being made for autonomy for Telangana is that the “composite culture” of Hyderabad enveloped the whole of Telangana and cannot be sustained in united Andhra Pradesh. The composite culture emerged from the diversity of linguistic, ethnic, caste and religious groups settled in the region and was epitomised in the city of Hyderabad. Although a large majority of the population of the city has been Muslim from the Nizam period onwards, there are long standing migrant populations of Tamils, Marwaris, Punjabis and others from many other regions and communities of India, including Muslims of foreign descent. Migrants from other regions of AP have also been coming to the city and the Telangana region for a fairly long period (see chapter on Hyderabad). Although the Telugu language predominates among the Hindu population of the city and Muslims are largely confined to the old city, with their own sub-culture, other languages and cultural forms of other communities also find acceptance in the city. In the post 1970 period however, there was a large influx of migrants

from the prosperous regions of coastal Andhra (neighbourhoods such as Ameerpet, Kukatpalle, Sanat Nagar and Patancheri are known to be coastal Andhra settlements); these migrants came for education, to join government service and start businesses. Over a period of time, a large number of such migrants have settled down having bought homes and properties and having educated their children in Hyderabad. Prosperous farmer-capitalists from the delta districts of coastal Andhra invested heavily in real estate, films, education and also made Hyderabad their home.

7.16.02 According to Telangana people, Andhra culture has been brought in by these migrants and by the fact that a large number of people in administration are from the Andhra area. As discussed earlier, the Telugu influence in the city became more predominant from the 1980s when NTR shifted the Telugu film industry from Chennai to Hyderabad, offering real estate and infrastructure subsidies. The shift brought many artists, technicians and investors to the city. NTR played a large role in creating a Telugu identity in the state and the city. Unfortunately, migrants from coastal Andhra, irrespective of their duration of residence in Hyderabad or in other Telangana districts continue to be termed as “settlers” and the ire of Telangana natives is reserved for them. They are considered to be “money-minded” even though recognized as entrepreneurial and industrious by nature. According to Telangana natives, Andhra settlers have brought in their own (idli-sambhar) culture which now swamps the original cosmopolitanism of Telangana and Hyderabad culture. In the event of separation of the state, Andhra-Seema migrants fear that their homes, properties and businesses may be targeted.

7.16.03 In this context, it is important to recognize that migrants to Hyderabad are from all three regions of the state and from all classes and sections of society. They are not merely the capitalist elite. Such migrants – short and long term – see Hyderabad as a destination for education and employment. Second and third generation migrants do not see themselves as ‘non-locals’ and

many new arrivals become locals after four years of schooling in Zone 6 (Hyderabad and Rangareddy), driven by parents' desire to afford them a good education in schools and colleges located in the two districts. The cosmopolitan culture of the city, which has now become a mega-city, is only set to deepen by recent in-migration from other states of India than from other regions of AP. As a city, Hyderabad will continue to be dynamic even as its character continues to evolve.

7.16.04 Migrants in other Telangana districts: As explained in the chapter on Hyderabad, several waves of migration took place from coastal Andhra to Telangana, beginning with the Nizam period. Migrants originated from the delta districts of coastal Andhra and their settlements in Nizamabad, Khammam and Warangal and other districts were known as "Guntur palle, Kammagudem, Turupu Kammawada, or Kotturu (new village)" indicating their migrant character.⁴⁷ The migrants mostly bought up land brought under canal irrigation and rapidly prospered as agriculturalists compared to local farmers. The complaint of Telangana natives is that such settlers hold themselves apart from local society and have an arrogant attitude towards them. The prosperity of the settlers is a source of envy and jealousy. In the 1969 agitation, such settlements were targeted by separatists. While the settlers may have been in the region for several generations and have overtly thrown in their lot with Telangana natives, some apprehension remains as to their fate in a separate Telangana. In the case of separation, safeguards would have to be built in for settlers in Hyderabad city and in Telangana districts.

7.17 Political representation issues

7.17.01 Telangana groups have alleged discrimination in access to political power in the state. They argue that "several agreements and promises made

⁴⁷Satyanarayana, A 1997, "A Note on Land, Caste and the 'Settler in Telangana" in Telangana: Dimension of Underdevelopment (eds) Sinhadri, S. and P.L.Vishweshwer Rao

beginning with those in the Gentlemen's Agreement have not been adhered to. As a consequence, Telangana leaders' voice has not been adequately represented in political decision-making and this has resulted in a lack of decisions in favour of the region. Lack of political voice has led to neglect and discrimination of the region by the more powerful Seema-Andhra side".

7.17.02 They argue, and rightly so, that political power is necessary for channeling resources and development benefits towards the region. According to them, political domination by the Seema-Andhra side has affected their prospects negatively and the only way to emerge out of this domination is to have a separate state of their own.

We examine these arguments along two main parameters;

- 1) By examining the distribution of important political positions (Chief Minister and Deputy Chief Minister) and important portfolios such as Home, Finance and Revenue in the state government by region.
- 2) By examining the argument that political domination by the Seema-Andhra side has been continuous and has led to discrimination and neglect of Telangana.

7.17.03 At the time of merger, the two sides had entered into an agreement called the Gentlemen's Agreement. On the political side, this agreement presaged that

12. The Cabinet will consist of members proportionately 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 and (e) Commerce and Industry.

7.17.04 The table given below shows the total number of years for which the positions of Chief Minister and Deputy Chief Minister have been held by persons from the three regions between the years 1956-2010.

**Table 7.4
Chief Ministers/Ministers of Andhra Pradesh from 1956 to 2010)**

	Chief Ministers			Deputy Chief Ministers		
	Telangana	Rayalaseema	Coastal Andhra	Telangana	Rayalaseema	Coastal Andhra
Number	6	9	10	4	3	1
Duration	10.6 Years	23.9 Years	18.11 Years	7.8 Years	5.7 Years	2.2 years

(1) Coastal Andhra had the maximum CMs (10) while CMs from Rayalaseema ruled the longest (23 years 9 months). Together, the Seema-Andhra region held the position of CM for 42 years while Telangana held it for only 10.5 years. Thus the combined domination of the Seema-Andhra region is apparent.

(2) By the Gentlemen's Agreement, if the CM was from one region, the Deputy CM should have been from the other region. However, this agreement has not been adhered to for the entire time period under consideration. There were Dy. CMs from the other region off and on until about 1983 after which there was a Dy. CM only once and that too from coastal Andhra when the CM was from Rayalaseema. Out of a total of 16.5 years for which there was a Deputy CM, the position was held for roughly 8 years by both sides. This is again a violation of the agreement as with the longer period of post of CM being held by Seema-Andhra side, there should have been concomitantly a longer period as Deputy CMs for the Telangana side.

7.17.05 The table and figures below show the distribution by region of important portfolios such as Home, Finance and Revenue during the same time period.

Table 7.5 Distribution of Important Portfolios

	Home			Finance			Revenue		
	Telangana	Rayala seema	Coastal Andhra	Telangana	Rayala seema	Coastal Andhra	Telangana	Rayala seema	Coastal Andhra
Number	13	2	8	5	0	15	13	3	11
Duration	31 Years	1.4 Years	10.8 Years	9.5 Years	0 Years	26.4 Years	23.10 Years	4.9 Years	20.9 Years

(1) Portfolio of Home was with legislators from Telangana for maximum number of times (13) and longest duration (31 years). The Seema-Andhra region together held it for 11years.

(2) Finance Portfolio was with legislators from coastal Andhra for maximum number of times (15) and longest duration (26 years 4 months). Taken together, Seema-Andhra held it for 26.5 years and Telangana for 9.5 years. There is no precise information on the remaining 16 years when it is likely that the CM would have held it as CM was often from Rayalaseema, the region would thus have had its turn at holding the portfolio.

(3) Revenue portfolio was shared between Telangana (13 times and 23.10 years) and coastal Andhra (11 times and 20.9 years). In the initial years it was held mostly by Telangana legislators while in later years it has mostly been with coastal Andhra legislators. If one combines the Seema-Andhra region, Telangana held it for 23 years while Seema-Andhra region had it for 26 years.

(4) Although legislators from Rayalaseema held the post of CM for longest duration, they seldom had important portfolios – Finance: never (unless the Rayalaseema CMs held it themselves), Home: twice (total duration 1 year 4 months), Revenue: 3 times (duration 4 years 9 months).

(5) On the whole (from 1956 - 2010) the 40:60 rule was followed though in individual cabinets, Telangana's share was sometimes little less (but often more) than 40% of ministers.

7.17.06 It has also been pointed out that given the importance of irrigation to the three regions and for agriculture in general, the irrigation portfolio is also an important one to consider. Ministers for irrigation are distributed over types of irrigation, minor, medium and major irrigation. A rough calculation of medium and major irrigation ministers shows that Telangana held positions for 20 years, coastal Andhra for 16 years and Rayalaseema for 6 years.

7.17.07 A legitimate question could be as to why Telangana representatives allowed neglect or discrimination of the region even while they held important ministerial portfolios. It could be argued that the most important position, that of Chief Minister, was held for a disproportionate period by the Seema-Andhra side. With Deputy CM not there to act as a check on the CM and with the money power mostly in Andhra hands, it was easy for them to marginalize the Telangana side. However, the Telangana side cannot claim total lack of representation as it held Home, Finance, Revenue and Irrigation portfolios for fairly long periods. Telangana "people's movement" protagonists have argued that Telangana ministers have been weak and have been easily co-opted by the more powerful representatives from the other side. They argue that a separate state would separate them from these powerful representatives, allowing strong and independent leadership to emerge in Telangana.

7.17.08 In relation to weak leadership from the Telangana side and easy possibility of cooptation, the argument has been offered that the coastal Andhra and Rayalaseema sides have political families of much greater generational depth than those from the Telangana side.⁴⁸ It is argued that an analysis of the

⁴⁸ Data derived from representation to the Committee by Hyderabad Forum for Telangana, entitled "Hegemony over Politics and Power: An Analysis of the background of political representatives in Andhra Pradesh".

background of elected representatives, MPs and MLAs, shows that the majority of political representatives from Seema-Andhra belong to political-cum-business class whereas there is no such pattern in Telangana. Thus an analysis of MPs elected in the 2009 election shows that compared to 92% of Seema-Andhra MPS, only 35% of those from Telangana had a political or business family background. Among the MLAs elected during the same election, while 63% of the Seema-Andhra winners had a political family background, only 20% of those from the Telangana region had such a background.

7.17.09 It is argued that since 1983, politics in A.P. have been dominated by NT Rama Rao, Kotla Vijaybhaskar Reddy, N. Chandrababu Naidu and Y.S. Rajashekar Reddy, all political leaders from the Seema-Andhra region, who have continued and deepened the trend of granting political power to only those Telangana politicians who were subservient to the interests of the Seema-Andhra majority. In the process, they also ensured that there were no entrenched or established political families in Telangana who could pose a challenge to Seema-Andhra dominance in the politics of the state.

7.17.10 Other observers of the political scene have analysed the politics of AP in regional and caste terms⁴⁹. Caste is an important factor in the political history of Andhra Pradesh and remains critical for political mobilization. Most scholars have pointed out the hegemony of the Reddy and Kamma castes, with the increasing importance of some Backward Castes such as Kapus, Yadavas and Gowdas. Mandated political representation of SC/ST communities has improved their representation. But more importantly, the large numbers of the SC community make it an important vote bank. For this reason, SC leaders are accommodated in ministerial and party positions. The same is true of representation given to the OBC community; indeed their representation has been progressively rising as a proportion of elected MLAs. Muslims too have been

⁴⁹ Reddy, Ram 1989 *The Politics of Accommodation: Caste, Class and Dominance in Andhra Pradesh* in Francine Frankel and M.S.A. Rao, *Dominance and Stratification in Modern India: Decline of a Social Order*, New Delhi, OUP

accommodated in the Council of Ministers, even if in a lower proportion. Populist policies ushered in by powerful Chief Ministers have further helped in incorporating the poor, on the one hand, while reservation policies have performed a similar function of incorporating economically rising individuals from disadvantaged social groups, on the other. Both NTR and YSR made scholarships and hostels available to students from Dalit, Tribal and OBC groups; other schemes such as Indiramma housing etc. further placate poor and deprived sections of the population. Ram Reddy⁵⁰ has argued that this politics of accommodation has allowed the upper castes to retain hegemony over AP politics at higher levels although the recent trend shows an emerging elite among the Backward and Scheduled Castes at the grassroots level.

7.17.11 AP is one of the most deeply politicized of Indian states, with party politics having percolated down to the gram panchayat level. The creation of the mandal level by the TDP led to further opportunities for politicization and the rewards associated with it. Members to the Mandal Parishads are directly elected under party symbols.⁵¹ More recently, the formation of “stake holders” associations by Chandrababu Naidu created new political space that is parallel with and sometimes overlaps with the established framework of local self-governance. This is also in part responsible for the weakness of the panchayats in AP. The proliferation of institutional sites for political participation has made grass roots politics that much more competitive. It also provides a platform for the development of party cadre, a strategy that was well-exploited by NTR and Chandrababu Naidu. It also makes it easier to mobilize the common people around various causes – as presently seen in the Telangana movement.

7.17.12 Political power in a country like India is also exercised through administrative systems – a reason why the public employment issue has been the

⁵⁰ Ibid.

⁵¹ Powis, Benjamin 2003 “ Grass Roots Politics and the ‘Second Wave of Decentralization’ In Andhra Pradesh”, in Economic and Political Weekly, Vol. 38, No. 26, pp2617-2622

lightening rod in all agitations for separation. As Ram Reddy points out, recruitment into the administration also helps co-opt groups into a mainstream agenda. As far as social groups go, the representation of SCs and STs has been progressively improving as a consequence of reservation policy. This has been true in both the gazetted and non-gazetted categories. The same is true for the OBCs. However, higher castes (including Brahmins, who have been politically marginalized) retain the higher echelons of the bureaucracy leading to a certain heartburning among aspiring middle and lower castes. Although the zonal system has largely addressed regional employment disparities at lower levels, it is likely that coastal Andhra remains overrepresented at higher levels of the state bureaucracy; this visibility of disparity at the higher levels contributes to the perceived sense of discrimination especially in the context of higher aspirations among Telangana natives.⁵²

7.17.13 While the politics of accommodation – between regions, castes, classes and other social groups – may have largely been successful, it is at times like the present conjuncture when it threatens to break down. The rapid unequal expansion of the urban economy largely based on land acquisition and development of the services sector and its concentration in Hyderabad-Rangareddy, has had a large role to play in disturbing earlier equilibriums. The demand for a Telangana state has thus to be addressed through a series of policy measures aimed primarily at the level of the sub-region, but including measures that would impact neglected or backward areas within the region as well as most social groups positively.

7.18 Summing up

7.18.01 This chapter has examined the demand for a separate state of Telangana from the viewpoint of diverse social and cultural groups inhabiting the

⁵² Ram Reddy (ibid)

three regions of the state. These social groups have visibly and vocally participated in the movement, articulating their reasons for wanting or not wanting the separate state of Telangana. The chapter also puts into perspective regionalism and regional identity as a basis for contemporary demands for statehood and argues that while this does not necessarily reflect an unhealthy trend (when viewed in terms of providing a platform to different social groups to express their genuine concerns), such demands have to be viewed on a case by case basis. Several factors have to be taken into consideration – the genuine nature of the demand has to be objectively assessed; whether the constituent units will be better off on division as well as the possible national repercussions.

7.18.02 The Telangana movement can be interpreted as a desire for greater democracy and empowerment within a political unit. As stated earlier, sub-regionalism is a movement which is not necessarily primordial but is essentially modern – in the direction of a balanced and equitable modernization. Our analysis shows that cutting across caste, religion, gender and other divisions, the Telangana movement brings a focus on the development of the region as a whole, a focus on rights and access to regional resources and further, it pitches for a rights-based development perspective whereby groups and communities put forth their agendas within a larger vision of equitable development. There are strong indications that if Telangana does become a separate state, a movement for separation is likely to follow in Rayalaseema, which remains the most backward region in the state.

7.18.03 While looking at the Telangana movement in the above context, one has to evaluate the issues it raises about managing the “costs of diversity” in a large state. If a state can handle demands of diverse groups and ensure that everyone grows, the focus should be on means to ensure greater democratic decentralization and equity of outcomes. If it constantly finds it difficult to handle or satisfy such demands and there is heavy cost in terms of loss of life and property and a state of continuous uncertainty, it may be better to let disgruntled units go their own way. Until now, populist policies and social engineering have

been two ways of addressing and containing demands of different social and political constituencies; genuine decentralization would probably be a more resilient way of addressing the demands of different social groups and classes. As discussed elsewhere in the report, it is not the size of the state that matters but the quality of governance and the responsiveness of the state to its various regional and social constituencies that is important.

7.18.04 In Telangana, regional sentiment has been predominant, cutting across caste, tribe, and religious identities and across social class groups. A major factor feeding into the mass support for the movement is the tremendous educational progress in Telangana among all social groups and classes, which feeds into the desire for better jobs, better living standards and a greater say in decision-making in the state and the region. The fact that educational progress has not been matched by an equal progress in levels of economic well-being among all social groups, adds to the sense of dissatisfaction. The state government needs to address this gap by ensuring greater skill development and employability of the youth population.

7.18.05 Although generally the Telangana region has spoken with one voice, there has been some deviation from the demand for a separate state; for example, the Adivasis particularly from the hill areas have put forward a demand for a tribal state to be called 'Manya Seema'. The demand for Manya Seema represents the desire for more equitable progress as on the whole these groups remain behind other social groups. The reduction of Adivasis to a minority after the inclusion of certain nomadic tribes in 1976 in the ST category has made the perceived sense of injustice more acute. Some plains tribals in Telangana (Lambadas, Banjaras, Sugalis) stand to gain from a separate state but those in the other two regions would lose out.

7.18.06 Although conceived as a contiguous area from Adilabad to Srikakulam, Manya Seema does not seem probable either in terms of numbers or geography as it would also leave out Adivasi tribals of southern Andhra Pradesh,

such as the Chenchus. There is no doubt, however, that tribals of all categories and especially the Adivasis need the state to empower them through genuine development. This can easily be achieved if all provisions made for them are implemented sincerely. The Planning Commission could look into the suggestion of creating a single administrative zone for the development of tribals in the contiguous areas of Orissa, Chattisgarh, Andhra Pradesh and Marathwada; an area plan rather than district plans may work better and may afford an opportunity to tribal communities to evolve their own vision and path of development.

7.18.07 Among SC castes, opinion has generally been articulated on an ideological basis – Ambedkar’s views – that small states would be better for minorities – with the additional hope that in a smaller state the dominance of the upper castes could be overcome and the SCs and other minorities would get more political space and a greater voice. A second platform for the diversity of views has been vis-à-vis reservation calculations. The Madiga caste, which is predominant in Telangana and more numerous on the whole, has had less access to reservation benefits than the Malas who predominate in coastal Andhra. The former would certainly benefit from a separate Telangana but then their brethren in the coastal state would lose out without sub-categorisation. The economic disaffection of SCs in Telangana versus their rapid strides in education form a potent mixture for agitation politics as is seen from the extensive participation of Dalit youth in the student movement. This is the very same constituency which may feel attracted towards and become co-opted by extreme left ideologies.

7.18.08 The intellectual argument made by some left groups, that an independent Telangana would be able to usher in a more democratic and socially inclusive society, is based on the calculation that if all others but the upper castes constitute the “disadvantaged” group, the latter would be able to overwhelm the former, paving the way for removal of upper caste hegemony. This wish is however premised on the non-upper castes pursuing a common agenda; something highly unlikely given caste, class and other divisions.

7.18.09 Muslim views again present a divide between Hyderabad and non-Hyderabad Muslims, those of the latter splitting across regional lines. Muslims in Telangana feel they will benefit by an increase in their numbers and become eligible for higher reservation quotas which they are being promised. On the other hand, they worry about communal conflict in a smaller state. The uncertainties over new political configurations have a bearing on the psychology of the Muslims especially in the context of their future safety and security of life and property. The AIMIM, the main Muslim political party representing Hyderabad mainly, prefers a united AP; so do Muslims in coastal Andhra; if separation is inevitable, AIMIM would prefer a combination of Telangana and Rayalaseema which would increase the overall numerical strength of the community as well as afford it greater political representation. Coastal Andhra Muslims would however lose out by such an arrangement.

7.18.10 Although India has broadly followed the policy of linguistic states, creation of new territorial divisions on the basis of cultural differences is inconceivable, given the range of diversity. However, if the cultural hegemony of one region over another translates into deliberate and systematic discrimination in employment or participation in cultural or political life, then it becomes a matter for serious concern and has to be addressed by the state.⁵³ The zonal system in Andhra Pradesh has attempted to bring about regional parity in matters of employment and education and more recently grievances over GO 610 are on their way to being addressed satisfactorily. As higher educational levels in Telangana translate into higher positions in administration and politics, the sense of domination should get minimized. To address cultural grievances, the state can make a more concerted effort that cultures of various groups – not just of regions – are given space to grow.

⁵³ Discrimination on the basis of any primordial identity is disallowed by the Indian state, an instance of which is the legal protection afforded to Scheduled Castes and Tribes, in the same way as the United States does through the Civil Rights Act.

7.18.11 At the political level, a politics of accommodation or what is today being called “social engineering” – the balancing of constituencies of different sorts - political, social and economic, may still be necessary. Greater regional autonomy and a more equitable regional division of political power are likely to keep the state together and allow it to grow for the benefit of all sections of society. Telangana region has certainly had a much shorter span of holding the position of Chief Minister - which remains the all-powerful position in Indian states and this could be redressed to remove the sense of political alienation.

7.18.12 However, given the long-standing history of the demand for a separate state, the deep penetration of the sense of grievance and the widespread emotion around the issue, unless genuine steps are taken to address both real and perceived disparities, the demand is unlikely to go away permanently even if it is subdued temporarily.

Table 7A: Socio-Cultural Groups and development, Regions of Andhra Pradesh, 1983 to 2007/8

	Monthly per capita consumption, Rs. 2004-5 prices			Poverty, Tendulkar line, Head Count ratio		
	Rs. per capita per month		change in % points	% of population		change in % points
<i>Regions</i>	1983	2007	1983-2007	1983	2007	1983-2007
<i>Telangana</i>						
SC+ST+Mus	465	731	57	69	21	-48
Not (SC+ST+Mus)	557	994	79	55	10	-44
All	527	898	71	59	14	-45
<i>Rayalaseema</i>						
SC+ST+Mus	392	615	57	80	28	-52
Not (SC+ST+Mus)	487	789	62	66	28	-38
All	463	731	58	70	28	-42
<i>Coastal Andhra</i>						
SC+ST+Mus	490	752	54	63	23	-41
Not (SC+ST+Mus)	578	973	68	51	12	-39
All	559	900	61	53	15	-38
<i>Andhra Pradesh</i>						
SC	462	715	55	69	22	-47
ST	440	693	58	77	39	-38
Muslim	471	749	59	62	12	-50
OBC*		791	35		19	-25
Other	553	947	71	55	14	-41
All	529	868	64	59	17	-42

Source: NSS consumer expenditure surveys for 1983, 1999 and 2007/8

Notes: * for OBC, the column 1983-2007 represents the years 1999-2007

Notes: 1. Poverty is defined according to the Tendulkar poverty report line which has been updated for 2007/8 using the CPI data for agricultural workers for rural areas and the CPI for industrial workers for urban areas.

2. The 1983-07 column is the simple percentage change of the 2007 value for each category over its 1983 value; because of changes in population composition, it will not be the same as a simple weighted average of the change in the individual components

Table 7B: Socio-Cultural Groups and development, Regions of Andhra Pradesh, 1983 to 2007/8

<i>Regions</i>	Literacy, ages >=8 years			Youth Literacy, ages 8-24		
	1983	2007	% change 1983-2007	1983	2007	% change 1983-2007
<i>Telangana</i>						
SC+ST+Mus	26	56	114	38	87	127
Not (SC+ST+Mus)	39	65	68	51	91	80
All	34	62	80	46	89	93
<i>Rayalaseema</i>						
SC+ST+Mus	29	52	81	40	79	98
Not (SC+ST+Mus)	43	58	35	55	83	51
All	39	56	45	51	82	62
<i>Coastal Andhra</i>						
SC+ST+Mus	34	58	73	46	86	86
Not (SC+ST+Mus)	46	63	36	57	88	56
All	43	62	42	54	88	61
<i>Andhra Pradesh</i>						
SC	25	56	123	39	90	132
ST	15	42	190	23	70	207
Muslim	50	68	37	59	84	44
OBC*		57	21		86	24
Other	43	63	46	54	88	62
All	39	61	55	51	87	72

Source: NSS consumer expenditure surveys for 1983, 1999 and 2007/8

Notes: 1. Literacy is defined as two or more years of education.

2. The 1983-07 column is the simple percentage change of the 2007 value for each category over its 1983 value; because of changes in population composition, it will not be the same as a simple weighted average of the change in the individual components

Notes: * for OBC, the column 1983-2007 represents the years 1999-2007

Table 7C: Socio-Cultural Groups and development, Regions of Andhra Pradesh, 1983 to 2007/8

<i>Regions</i>	Female to male literacy, ages >=8, in % of male literacy			Female to male literacy, ages 8-24, in % of male literacy		
	1983	2007	% change	1983	2007	% change
			1983-2007			1983-2007
<i>Telangana</i>						
SC+ST+Mus	45	68	52	54	87	60
Not (SC+ST+Mus)	45	70	55	56	95	70
All	45	69	54	55	92	67
<i>Rayalaseema</i>						
SC+ST+Mus	36	54	51	50	67	33
Not (SC+ST+Mus)	49	72	46	64	85	33
All	47	66	42	61	79	28
<i>Coastal Andhra</i>						
SC+ST+Mus	50	76	52	59	95	62
Not (SC+ST+Mus)	63	78	24	75	89	19
All	60	77	28	71	91	28
<i>Andhra Pradesh</i>						
SC	43	72	68	53	91	71
ST	19	56	196	21	70	239
Muslim	56	69	22	74	86	16
OBC*		69	7		87	9
Other	54	74	35	67	91	36
All	52	72	38	64	89	40

Source: NSS consumer expenditure surveys for 1983, 1999 and 2007/8

Notes: * for OBC, the column 1983-2007 represents the years 1999-2007

Notes: 1. Each cell, except percentage change, represents the ratio of female to male achievement, in percent.
2. The 1983-07 column is the simple percentage change of the 2007 value for each category over its 1983 value; because of changes in population composition, it will not be the same as a simple weighted average of the change in the individual components

Table 7D: Socio-Cultural Groups and development, Regions of Andhra Pradesh, 1983 to 2007/8

<i>Regions</i>	Average years of educational attainment, ages >=8 years			Average years of educational attainment, ages 8 - 24		
	Education yrs		% change	Education yrs		% change
	1983	2007	1983-2007	1983	2007	1983-2007
<i>Telangana</i>						
SC+ST+Mus	1.4	4.3	202	2.0	6.4	218
Not (SC+ST+Mus)	2.5	5.6	126	3.2	7.2	127
All	2.1	5.2	144	2.7	6.9	150
<i>Rayalaseema</i>						
SC+ST+Mus	1.6	3.9	150	2.1	5.8	171
Not (SC+ST+Mus)	2.8	4.6	64	3.5	6.2	76
All	2.4	4.4	80	3.1	6.1	95
<i>Coastal Andhra</i>						
SC+ST+Mus	1.9	4.4	132	2.6	6.3	146
Not (SC+ST+Mus)	2.8	5.1	80	3.4	6.6	93
All	2.6	4.9	87	3.2	6.5	102
<i>Andhra Pradesh</i>						
SC	1.4	4.4	219	2.1	6.7	225
ST	0.7	3	308	1.2	4.6	300
Muslim	2.9	5.2	81	3.2	6.3	93
OBC*		4.4	40		6.4	42
Other	2.7	5.2	92	3.4	6.8	101
All	2.4	4.9	105	3.0	6.6	117

Source: NSS consumer expenditure surveys for 1983, 1999 and 2007/8

Notes: * for OBC, the column 1983-2007 represents the years 1999-2007

Notes: 1. Years of educational attainment is obtained from NSS data on education enrolment and completion of grade levels.

2. The 1983-07 column is the simple percentage change of the 2007 value for each category over its 1983 value; because of changes in population composition, it will not be the same as a simple weighted average of the change in the individual components

Table 7E: Socio-Cultural Groups and development, Regions of Andhra Pradesh, 1983 to 2007/8

<i>Regions</i>	Female to male years of educational attainment, ages >=8, in % of male education			Female to male years of educational attainment , ages 8-24, in % of male education		
			% change			% change
	1983	2007	1983-2007	1983	2007	1983-2007
<i>Telangana</i>						
SC+ST+Mus	40	65	65	50	90	81
Not (SC+ST+Mus)	39	65	65	48	89	84
All	39	65	65	48	89	85
<i>Rayalaseema</i>						
SC+ST+Mus	34	51	49	47	65	39
Not (SC+ST+Mus)	45	66	47	61	79	30
All	43	61	41	59	75	26
<i>Coastal Andhra</i>						
SC+ST+Mus	46	72	57	54	94	74
Not (SC+ST+Mus)	53	71	33	66	86	29
All	52	71	37	64	88	38
<i>Andhra Pradesh</i>						
SC	42	69	66	51	92	81
ST	17	54	221	19	62	237
Muslim	47	62	32	64	88	38
OBC*		63	9		84	11
Other	47	68	43	59	86	45
All	46	67	45	58	86	50

Source: NSS consumer expenditure surveys for 1983 and 2007/8

Notes: * for OBC, the column 1983-2007 represents the years 1999-2007

Notes: 1. Each cell represents, except percentage change, the ratio of female to male achievement, in percent.
2. The 1983-07 column is the simple percentage change of the 2007 value for each category over its 1983 value; because of changes in population composition, it will not be the same as a simple weighted average of the change in the individual components

CHAPTER 8

LAW & ORDER AND INTERNAL SECURITY DIMENSIONS

8

LAW & ORDER AND INTERNAL SECURITY DIMENSIONS

8.1.01 During the Committee's tenure, immediate law and order problems, and also the long-term internal security implications, including the growth of Maoist/Naxal activities were examined. These apprehensions had been expressed in the memoranda submitted by the Political Parties and various other groups, and also during interactions with different stake holders at the State level meetings as well as when the Committee visited the districts and villages. Besides, the Member Secretary had one to one discussions on this subject with senior officers of the State Government, Police Department and local administration (in seventeen districts). Inputs were also obtained from various other sources. A note on the above covering all aspects has been prepared and is being submitted to the Ministry of Home Affairs in a separate cover along with this Report. The Committee has kept these dimensions in view while discussing various options included in Chapter 9 of the Report, i.e., "The Way Forward".

CHAPTER 9

THE WAY FORWARD

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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 reorganisation as an exercise in “rationalization of provinces”.¹ The Indian Government, on the other hand, wished to re-organise 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 reorganization of some of the provinces.² Most Princely States were merged into the then

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)

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, 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 Telugu-speaking 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 1971⁴.

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

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

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 Ferozepur 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:

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.

9.1.12 Most recently, three new states, namely Uttarakhand (now renamed Uttaranchal), 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.

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

-
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.

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, 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

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)

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 homogenous 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 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. Chattisgarh, 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 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

⁸ Table 9.1 Report on Employment-Unemployment Survey 2010, Labour Bureau, Ministry of Labour and Employment, Government of India, Chandigarh (p83).

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 Rayala-Telangana and coastal Andhra regions with Hyderabad being an integral part of Rayala-Telangana

(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

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.

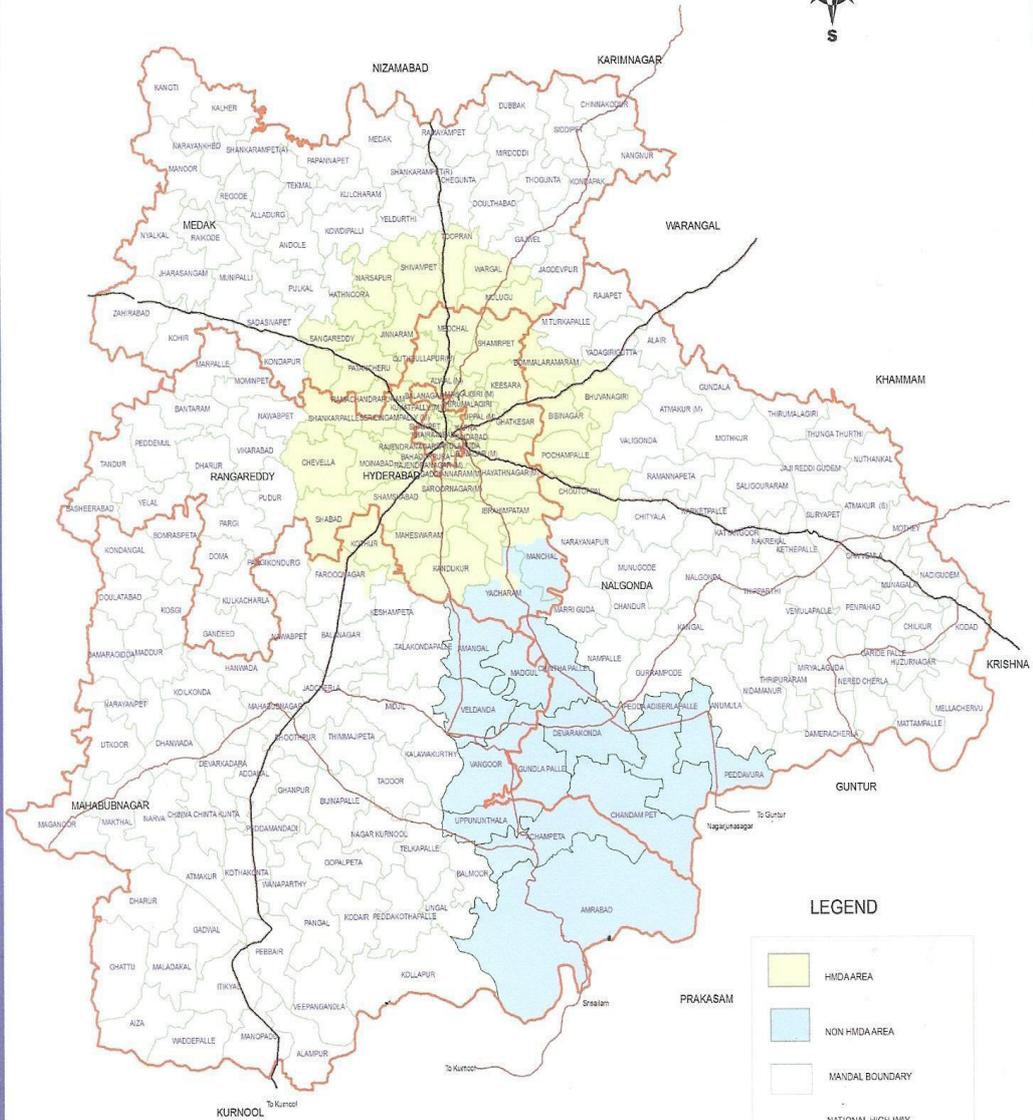
(c) In a nutshell, this scenario is not likely to be accepted either by the pro-Telangana or by the pro-united Andhra protagonists. Besides, it is one in which one can anticipate emergence of fundamentalist forces from amongst the competing political parties and groups. Agitations, particularly in Telangana 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.

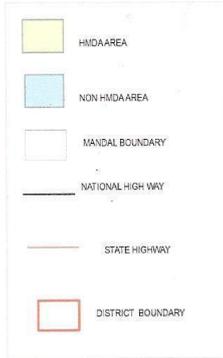
(iv) Bifurcation of Andhra Pradesh into Seemandhra and Telangana with enlarged Hyderabad Metropolis as a separate Union Territory. This Union Territory will have geographical linkage and contiguity via Nalgonda district in the south-east to district Guntur in coastal Andhra and via Mahboobnagar district 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:

Part Map of Andhra Pradesh Showing Hyderabad, Mahabubnagar, Medak, Nalgonda and Rangareddy Districts



LEGEND



Note: The portion in yellow depicts the present HMDA boundary. The proposal is to add the portion marked in blue to the existing HMDA area for constitution of the expanded Union Territory

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.	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 Seemandhra 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 intra-state 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