

Managing balanced development in India - Analysis of achieving provisions under Article 371 j for the special development of Hyderabad Karnataka.

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Abstract

Addressing the regional imbalances is the biggest challenge in the management of the development. There are Regional Imbalances in development in India for a long time. Investment and efforts should be spread out evenly across various regions to ensure balanced development of the country or a state. This article traces the history of regional imbalances in India as it existed in Mughal and British period. Nanjundappa committee report (2002) empirically established regional imbalances existed Karnataka, which is a Southern state in India. In order to rectify the backwardness of the Hyderabad Karnataka region, article 317 j was inserted in the Constitution of India. This resulted in reserving certain share of jobs and educational opportunities in Educational Institutions to the persons belonging to the region. The amendment also mandated allocating certain amount of funds for the regional development board. Since inception, the board was able to utilise Rs. 2961.47 crores out of the Rs. 4621.76 crores allocated. Board was able to complete 73.82% of works approved so far. The analysis in the paper shows that considerable progress has been made in identifying and filling up the posts reserved for the regional level. Government has been allocating exclusive funds to the Regional development board. However, utilisation of the funds and completion of works needs improvement.

Key Words

Regional Imbalances, Balanced Development, Hyderabad Karnataka, Article 371(j)
Analysing the progress of affirmative action in a least development area of South India after the Constitution of India was amended to give special status to the Hyderabad Karnataka.

Introduction

The challenge of managing development.

Development understood as improvement in any given aspect. Traditionally, the concept of development has been explained in terms of income as the measure of well-being. However, the recent studies tend to explain development in a broader perspective. The works of Amartya Sen showed that the poverty involved deprivations in health, education and living standards, which cannot be captured by the income alone. His capabilities approach led to the development of Human Development Index (HDI). Seers (1969) stipulated three questions to be asked to understand the development of a country, which are what have been happening to the poverty, unemployment and inequality.

Management of the process of development has been a major issue since long. Since the wider definition of development involves different sectors, the management of development requires inter sectoral approach. When multiple sectors are involved, there are possibilities of different scales of improvement across sectors. Hence, any effort towards managing the development has to consider the imbalances in the developmental process. The imbalances could be within or among the sectors and regions.

Objectives

This paper aims to

1. Analyse the status and reasons for Regions imbalances in Karnataka.
2. Study the provisions related to the special status for Hyderabad Karnataka under 371 j of the Constitution of India.
3. Analyse the progress of identifying and filling up posts in Regional Cadres
4. Analyse the status of release and utilisation of funds for the development of Hyderabad Karnataka
5. Analyse the status of works taken up for special development of Hyderabad Karnataka.

Methodology

The paper is prepared by analysing the secondary data available from various sources. The data regarding the creation of regional cadres and filling up of vacancies are mainly obtained from the answers filed by the government before the state legislature as answer to various legislative questions during the question hour. The data regarding allocation and utilisation of funds, works are obtained from the reports generated and

published in the website of the KKRDB through HyKaSoft, as work monitoring software.

Regional Imbalances in India

Report of the Nanjundappa Committee (2002), identified four types of imbalances in the development process, namely, Inter sectoral imbalances, inter-regional imbalances, intra-sectoral imbalances and intra-regional imbalances. Regional imbalances have been observed in the country for a long time. Most of the imbalances we observe in the country today have been the result of such historical reasons.

During the Mughal period (15th Century) there were food surplus and deficit regions, as trade in food grains between regions took place. This shows that the entire sub-continent was not uniformly self-sufficient. For example, Rice was transported from Konkan coast to Kerala and from Bengal to Agra, Coramandel, Kerala and the various port towns of the West Coast. The best mangoes in Delhi's Mughal court came from Bengal, Golconda and Goa. Salt to Bengal was imported from Rajputana.(Kurian,2003)

The imbalances in production and development continued in the country during the British regime as well. The main reason for this could be the different administrative structures and management styles of different rulers. The human development indicators of different regions of India during the beginning of the century show that the inequalities existed in the country even then. Region wise birth rates, death rates and life expectancy at birth are given in the table 1 for the period 1901-1911:

Table 1: Regional imbalances in India at the beginning of 20th Century.

Region	Birth rate	Death rate	Life expectancy	
			Male	Female
East	52.8	45.8	22.4	22.8
West	48.1	42.1	24.8	23.8
Central	46.6	31.3	31.7	32.7
North	48.6	48.7	21.7	19.2

South	40.3	32.2	29.8	32.3
All India	47.7	41.7	24.7	24.4

Source: (Kurian,2003)

Likewise, the benefit of irrigation development was mainly concentrated in northern, western and southern provinces during British period. Central and eastern India were relatively neglected. In the post independent India, the led to lopsided impact of green revolution package.

Post independence, some states developed faster than the other. There were disparities within the states. However, various welfare programmes like public distribution system, ICDS and many other activities helped in bridging the gap though not fully.

Kurian (2003) did an analysis of a few parameters in 15 states of the country, which account for the 95% of the population of India. States taken up for the detailed study have been grouped into two - a forward group and a backward group. The forward group consists of Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu. The backward group comprises of Assam, Bihar, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. Both the developed states and backward states are located contiguously except for Haryana and Punjab.

Factors responsible for the regional imbalances in India

Sethi (undated) has enumerated various causes responsible for the regional imbalances. These include *historical* and *geographical factors* that would have created inadequate resource allocation to a particular region that comes due to *locational disadvantage* leading to *inadequacy of economic overheads*. Another reason for regional imbalance is failure of planning mechanism to the state or to a particular region. Impact of green revolution was limited to only a few areas in the country. The areas that are backward due to historical or geographical reasons are further effected as these areas lack of growth in ancillary industries. Lack of strong political leadership and sufficient levels of motivation also contributes to a region becoming backward.

Karnataka - Historic reasons for Imbalances.

The State of Karnataka was formed in 1956 by combining the Kannada speaking areas under five different administrative units. These are the erstwhile Princely State of Mysore (eight districts), Kodagu, parts of Hyderabad state (three districts), two districts of Madras presidency and four districts of Bombay presidency. Since districts added from Hyderabad and Bombay were far away from their respective head quarters, they have received lesser attention and were lesser developed at the time of integration. This is the historic reason for the regional imbalances in Karnataka.

Studying regional imbalances in Karnataka

Multiple efforts were made to understand the level of regional imbalances in the state. A fact finding committee was set up in 1954 to examine the level of development in various Kannada speaking areas that were to be integrated with Mysore state. It proposed allocating special grants to these regions. This committee recommended the Hyderabad Karnataka areas to be considered as more backward than other regions. Second such effort was made in 1980 by setting up a Hyderabad Karnataka development committee. This committee proposed special grants amounting to Rs. 350 crores over a period of ten years to Hyderabad Karnataka region. Another committee of secretaries headed by the chief secretary analysed the expenditure incurred in the divisions. It concluded that there was no discrimination in expenditure in various Revenue divisions of the state. However, the committee did not go into the developmental needs of the regions.

High power committee for redressal of regional imbalances headed by Dr. DM Nanjundappa was appointed in 1999 to study the regional imbalances in the state and to advise the government on remedial measures to redress the regional imbalances. This committee submitted detailed report in 2002. The committee decided to take the taluka as the basic unit to measure the imbalances as there are inter district and intra-district imbalances in the state. The committee identified 35 indicators grouped into five sectors (agriculture and allied; industry, trade and finance; infrastructure (economic), infrastructure (social) and population characteristics.

The Comprehensive Composite Development Index (CCDI) was calculated. The talukas were categorised as most backward (39), more backward (40), backward (35) and relatively developed (61). The Hyderabad Karnataka region has three “relatively developed” talukas, two “backward” talukas, two “more backward” talukas and 21 “most backward” talukas. It is to be noted that the entire state had 39 most backward talukas of which, 21 are in the Hyderabad Karnataka region.

Special Development Programme (SDP) was formulated to address the regional imbalances following the report of the committee. The programme aimed at bridging the gap by spending 10,000 crores over a period of ten years to ensure that the regional disparities are addressed.

Constitutional Amendment - Art. 371 (j)

Since the most backward areas of the state was in Hyderabad Karnataka, the locals have been demanding special status to the region. In 2013, an amendment to the constitution was brought to accord special status to Hyderabad Karnataka by inserting article 371(j). This amendment provides for giving special status to the Hyderabad Karnataka region. The Act provides for equitable resources to the region as well as special provision for reservation in employment and educational opportunities in the state. The Act provides for forming a development board to address the development deficit of the region.

The Home Secretary of India made the following statement before the parliamentary standing committee, which was discussing the proposed 118th amendment to the constitution.

"when we had drafted the Constitution (Amendment) Bill, we looked at the constitutional arrangements for Maharashtra as well as those for Andhra Pradesh, and we decided to take the best features of both and combine the two. The two deal with two different aspects. The Andhra Pradesh model deals with representation in employment. So, they have addressed this problem by formation of local cadres. Now, that has helped in making sure that people from those areas get employment in Government, but that does not address the deficit of development per se which requires investments. Now, investment means capital or funds. That is the model, which is addressed by Article

371(2), the example of which we have in Vidarbha, Maharashtra. It provides for an equitable distribution of funds and a Regional Planning Board. It focuses on both regional planning and equitable distribution of funds. So, we combined the best features of both, and our intention in doing that was to have the best possible mechanism in place for addressing the development deficit of this area."

During the discussion on the amendment, the representatives of the government of Maharashtra had pointed out that the availability of sufficient technical manpower to carry out the development activities and proper delivery of services is crucial in achieving the objectives of the balanced development in the backward region. The representation of the backward region in the general employment across the state is expected to be low. Hence special provisions for reservation for the local people should be made and these posts need to be filled up on priority. Table 3 gives an idea that the representation of people from Hyderabad Karnataka is low in the general recruitments made by the Karnataka Public Service Commission.

Table 3: - Division –wise break up of candidates appointed to various posts by Karnataka Public Service Commission (2009-10)

Sl.no	Division	Gazetted	Gazetted	Non-Gazetted	Total	%
		Group A	Group B	Group C		
1.	Belgaum Division	14	744	1383	2141	21.27
2.	Gulbarga Division	2	327	908	1237	12.29
3.	Bangalore Division	24	1734	3102	4860	48.29

4.	Mysore Divison	7	1103	717	1827	18.15
	North Karnataka	16	1071	2291	3378	33.56
	South Karnataka	31	2837	3819	6687	66.44
	State	47	3908	6110	10065	100.00

(Source - Report of department related standing committee on Home Affairs, Rajya Sabha, 2012)

The amendment mandates the three affirmative actions from the part of the state government, namely, establish a separate board and sufficient funds for the development and equal opportunities for the people from the region in the matters of public employment and education. It has been made very clear that the Union government will only provide for the legal frame works and not funds for the regional development of Hyderabad Karnataka region.

Subsequent to the amendment, the state government has established the Hyderabad Karnataka Regional Development Board (HKRDB) following the constitutional mandate. This was later renamed as Kalyana Karnataka Regional Development Board (KKRDB). The state government has also issued various notifications according to the provisions of the amendment. These notifications mandate establishing local cadres at the state level and regional level. All posts in government departments and public sector undertakings have been divided into local cadre and parent residual cadre. The provisions in the employment are made as follows

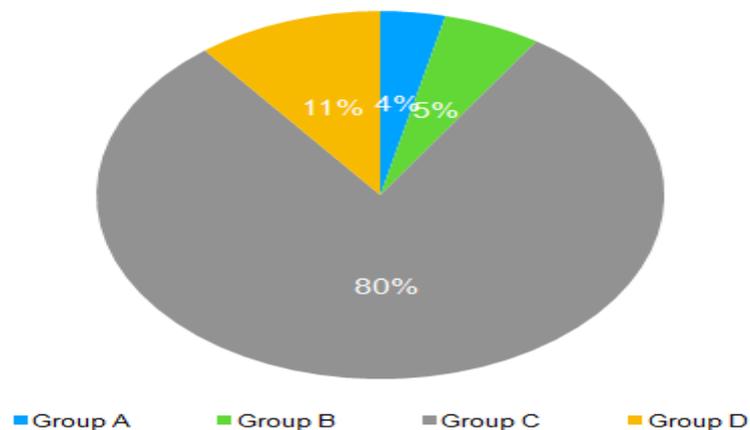
- a) Eighty five percent of the Group D posts in any department belonging to the Hyderabad Karnataka region shall be reserved for the persons from the local area
- b) Eighty percent of the Group C posts in any department belonging to the Hyderabad Karnataka region shall be reserved for the persons from the local area

- c) Seventy percent of posts belonging to the Group A (junior scale) and group B posts shall be reserved for the local area.
- d) Eight percent of the posts in the state level offices and certain offices serving the capital region shall be reserved for the local persons from the Hyderabad Karnataka.
- e) These provisions apply for both the direct recruitment and the promotions.

Identifying posts in government departments for local cadre.

Subsequent to the 371 (j) amendment and the related orders, Government of Karnataka has bifurcated cadres in local cadre (LC) and residual parent cadre (RPC). The numbers to be reserved for the people from Hyderabad Karnataka has been worked out. As per the report, there should be 83050 posts to be filled in only by the people belonging to Hyderabad Karnataka region. This works out to be 10.77% of the posts sanctioned under the Government of Karnataka. Among these posts, there are 31153 posts that are to be filled in through promotion from the lower cadres and 51897 posts to be filled in through direct recruitment. These posts are divided into four categories namely Group 1 (senior level functionaries), Group 2 (mid-level supervisory cadre) , Group 3 (clerical and other assistants) and Group 4 (largely attenders and peons who takes care of the logistics of the office). The break of these are graphically represented in the pie chart presented as Figure1. It is found that the maximum number of post are identified in group C (80%). Group D posts constitute 11% and Group B constitute 6%.

Fig 1 - Category wise posts identified in Local Cadre



Source - Reply to various Questionstabled by the Govt before the Legislative and Hyderabad Karnataka Cell, Govt of Karnataka.

Status of filling up of posts in Hyderabad Karnataka Local Cadre

The commitment of fulfilling the vacant posts in the government department in the local cadre is being reviewed periodically. The Hyderabad Karnataka Cell in the government secretariat has been taking regular reports from all the departments. The matter has been of interest to the legislatures for the region. Hence, this matter has been raised in both the houses of the legislature many times. There are sufficient data available in public domain regarding the filling up of vacant posts. Government has notified 83050 posts in regional cadres. Among these posts, 39957 have been filled up as on August 2020. The posts filled up are 48.11%. In addition, the various government departments have initiated the process of filling up 24763 posts which constitute 29.81% of the total posts. Thus, overall, the government is filling up 64720 posts (77.93%) in the local cadre. It is further noted that 95% of the promotional vacancies and 67.65% of the direct recruitment vacancies are filled up or in the process of being filled up.

Table 4 - Status of filling up Posts in Hyderabad Karnataka Cadre

Category of Posts	By Promotion	By Recruitment	Total	Filled (including in the process)	%
Group A	1147	2530	3677	2865	77.92
Group B	1736	3731	5467	4840	88.53
Group C	24965	29855	54820	42790	78.06
Group D	3305	15781	19086	14225	74.53
Total	31153	51897	83050	64720	77.93

Source - Govt of Karnataka, (2020)

The commitment of the government in filling up the posts in this region can be understood only if these figures are compared with the total vacancy position of the state. As per the budget documents 2020-21 presented before the State Legislature, the total sanctioned strength of employees under various departments of the state government is 770841. Among these posts, the 521521 employees are working during

the financial year. In other words, the working strength of the government employees in the state in general is 66.49%. It can be seen from this that the posts filled up in Hyderabad Karnataka cadre is more than that of the corresponding working strength of the employees of the state. It is nearly 11% more than that of the state average. From the analysis of these data, it can be concluded that the state government has been showing its commitment in filling up the local cadre posts. This helps in getting employment for the people of the region and ensuring that all the government departments are sufficiently staffed to deliver public services to the people of the region.

Utilisation of funds by the Regional development board (KKRDB)

Subsequent to the formation of the board, the state government has been making exclusive allocation to the board for taking up development works. The allocation started from the year 2013-14 and the data is available till the year 2019-20. The data available from the website of the KKRDB shows that the funds utilisation as on August 2020 stands at 64.08%. The board was able to utilise Rs. 2961.47 crores out of the Rs. 4621.76 crores allocated. Table 5 may be seen for details. The utilisation has been very low in the last three years. This shows the poor channel for the public service delivery under the Board.

Table 5 - Status of Funds Utilisation by the KKRDB (in Rs. Lakhs)

Year	Allocation	Expenditure	%
2013-14	11,539	10,666	92.43%
2014-15	71,693	63,897	89.13%
2015-16	17,609	14,928	84.77%
2016-17	1,02,593	86,997	84.80%
2017-18	10,827	7,632	70.49%
2018-19	98,042	65,409	66.72%
2019-20	1,49,873	46,618	31.11%
Grand Total	4,62,176	2,96,147	64.08%

Source - HyKaSoft, in the website of the Kalyana Karnataka Regional Development Board. Data as on Aug 2020.

Likewise, the status of the completion of works has been analysed. The data is presented in Table 6. Almost all the works started in the years 2013-17 has been completed. However, the one fourth of the works approved in 2017-18 and 2018-19 still remain incomplete even after two to three years. Two thirds of the works approved in 2019-20 are yet to be completed.

Table 6 - Physical Completion of works in KKRDB

District	Total Works	Completed	% work Completion
2013-14	597	597	100.00%
2014-15	1,853	1,838	99.19%
2015-16	618	615	99.51%
2016-17	2,910	2,855	98.11%
2017-18	224	169	75.45%
2018-19	4,149	3,195	77.01%
2019-20	3,965	1,299	32.76%
Grand Total	14,316	10,568	73.82%

Source - HyKaSoft, in the website of the Kalyana Karnataka Development Board. Data as on Aug 2020.

From the analysis of data presented in the Table 5 and Table 6 it is found that the Board was successful in completing 73.82% of the works approved from 2013-20. At the same time, utilisation of funds during this period has been 64.08%. This shows that the Board has been lagging in financially closing the works in proportionate to the physical progress.

Conclusion

The above analysis shows that according special status to the Hyderabad Karnataka area is a beginning in the right direction. The state government has established the

Hyderabad Karnataka Regional Development Board (HKRDB) following the constitutional mandate. This was later renamed as Kalyana Karnataka Regional Development Board (KKRDB). The experience so far regarding the implementation of the development works have been very promising but not satisfactory. The reason for it being promising is because the board has been assured of getting funds on time. However, the service delivery of the board with regard to the execution of the project is lagging behind as the departments are finding it difficult to cope up with sudden increase in the requirements of execution of works. However, the government departments need to be more proactive in implementing the special development programmes and filling up all the vacancies required for implementing development programmes and for delivering public services effectively to the citizens to usher a new era in the region.

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