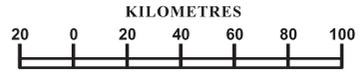


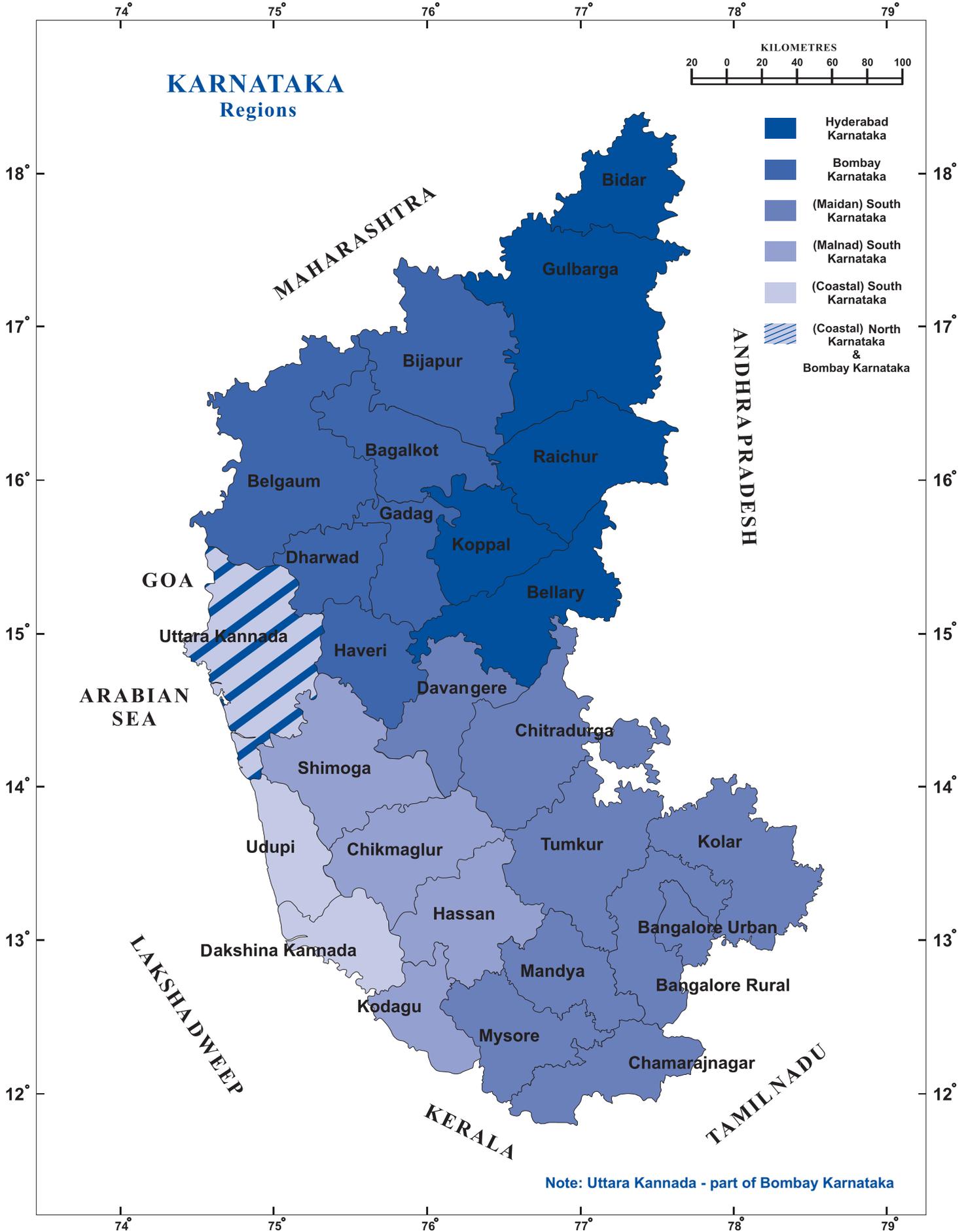
Karnataka: An Overview



KARNATAKA Regions



- Hyderabad Karnataka
- Bombay Karnataka
- (Maidan) South Karnataka
- (Malnad) South Karnataka
- (Coastal) South Karnataka
- (Coastal) North Karnataka & Bombay Karnataka



Note: Uttara Kannada - part of Bombay Karnataka

Karnataka: An Overview

Introduction

Karnataka is a state of diverse cultures, languages and faiths and the economic and social scenario within the state, in many ways, mirrors the scenario prevalent in the country itself. Located in the southern part of India, between the latitudes 11.31° and 18.45° North and the longitudes 74.12° and 78.40° East, Karnataka is, in terms of population, the ninth largest state among India's 28 major states and 7 Union Territories. Along its northern borders lie the states of Maharashtra and Goa; Andhra Pradesh is to the east; Tamil Nadu and Kerala to the south, while the Arabian Sea forms the western boundary. This chapter presents a brief overview of the state's geographical and economic features to set the context for the Human Development Report. It will also present a brief overview of regional disparities – an analytical thread that runs through the Report – lending multiple dimensions to discussions of human development and deprivation in the context of equity and social justice.

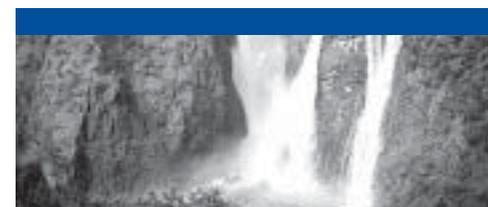
Karnataka came into being as a state of the Union of India on November 1, 1956 as a result of the merger of five territories where Kannada was the language of the people. These were: four districts of the erstwhile Bombay state; three districts of the erstwhile princely state of Hyderabad; two districts and one taluk of the former Madras state; the former Part C state of Coorg (now known as Kodagu); and nine districts of the former princely state of Mysore. The new state was initially known as Mysore, but subsequently, in 1973, it was renamed 'Karnataka', thereby fulfilling a long standing demand of the people of the state. For administrative purposes, the state is divided into 27 revenue districts. There were initially, at the time of reorganisation, 19 districts, but over time more districts were created. Bangalore Urban district was created in 1986 and, subsequently, in 1997-98, another restructuring led to the creation of Udupi (from Dakshina Kannada), Chamarajnagar (from Mysore), Koppal (from Raichur), Bagalkot (from Bijapur), Gadag and Haveri (from Dharwad)

and Davangere (from Chitradurga, Shimoga and Bellary). There were four revenue divisions — Bangalore, Mysore, Belgaum and Gulbarga — which were abolished in 2003 as part of an ongoing process of administrative reforms.

Geographical traits

The state has an area of 1,91,791 sq km, which constitutes 5.83 per cent of the total geographical area of India. Karnataka has four natural regions – the west coast, the Western Ghats or *malnad*, the northern *maidan* and the southern *maidan*. These four natural regions have distinct characteristics:

- The coastal region, a narrow belt that lies between the Western Ghats and the Arabian Sea, encompasses the districts of Dakshina Kannada, Udupi and Uttara Kannada. The coastal belt has an average width of 50 to 80 km, and a length of about 267 km. This region receives heavy rainfall, in the range of 2,500 mm to 3,000 mm. Coconut groves and paddy fields typically dominate the landscape.
- The Western Ghats or *malnad* includes the districts of Chikmagalur, Hassan, Kodagu, Shimoga and the uplands of Dakshina Kannada, Uttara Kannada, Udupi, Belgaum and Dharwad districts. It receives rainfall in the range of 1,000 mm to 2,500 mm. Much of the dense rain forest area of the state lies in this region, which is rich in teak, rosewood and bamboo. Commercial crops include coffee, areca nut, pepper, cardamom and rubber.
- The southern *maidan* or plateau is the basin of the river Cauvery, which has its origins in Kodagu, and lies adjacent to the Western Ghats in the west and the south. The Cauvery and its tributaries – the Hemavathy, the Harangi, the Tunga and the Bhadra nurture this region. Its elevation is between 600 metres and 900 metres above sea level. Rice, sugarcane, ragi, coconut and mulberry are the principal crops.
- The northern *maidan* or plateau, elevated at 300 metres to 600 metres, primarily includes



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the Deccan plateau, with its rich black cotton soil. The Krishna and its tributaries – the Malaprabha, Ghataprabha, Tungabhadra, Bheema and Karanja – sustain agriculture here. It is a low rainfall area where jowar, cotton, oilseeds and pulses are cultivated. Sugarcane is grown in irrigated areas.

The forest cover in the state comprises about 19.3 per cent of its total area. The state has substantial mineral resources such as high-grade iron ore, copper, manganese, chromites, bauxite, china clay, granite and limestone. Furthermore, Karnataka has the distinction of being the only state in the country with gold deposits.

The state has a well-knit infrastructure of roads, air and waterways. The total length of motorable roads comes to about 1,67,378 km. In addition, the state has a rail network of 3,172 km, which includes broad gauge, meter gauge and narrow gauge. The four important airports of the state are located at Bangalore, Belgaum, Mangalore and Hubli. There is also an all-weather sea-port at Mangalore, which mainly handles cargo vessels. One of Asia's biggest naval bases (INS Kadamba) is located at Karwar in Uttara Kannada district.

Population trends

Karnataka has a population of 53 million (2001) accounting for 5.13 per cent of India's population. The population of the state has increased four-fold, from 13.05 million in 1901 to 52.73 million in 2001. The highest decadal growth rate of 26.75 per cent, since the beginning of the century, occurred in 1971-81. The growth rate thereafter slowed down to 21.12 per cent during 1981-91 and further declined to 17.51 per cent during 1991-2001, which is indeed a welcome trend. The sex ratio of 965 in the state stands above the all-India average of 933, with an increase of 5 percentage points in the sex ratio of 2001 over 1991. However, the sex ratio for children (0-6 years) has declined from 960 in 1991 to 946 in 2001, which is a matter of grave concern.

The population density in the state is 275 as compared to 324 at the all-India level in 2001. About 66 per cent of the population in the state

lives in rural areas. The Scheduled Caste population constitutes about 16.2 per cent of the total population in Karnataka, which is almost equal to the share of the Scheduled Caste population in the country. The Scheduled Tribe population, however, which constitutes about 6.6 per cent of the total population, is below the share of the Scheduled Tribe population (about 8 per cent) for the nation as a whole.

The economy

The state income or Net State Domestic Product (at 1993-94 prices) increased from Rs.30,087.57 crore in 1990-91 to Rs.61,386.40 crore in 2001-02 registering an increase of 9.5 per cent per annum. The per capita income (NSDP) at constant prices increased from Rs.6,739 to Rs.11,516 showing an annual increase of 7.1 per cent during the same period.

The economy of the state, which was predominantly agrarian in character in 1956, has changed significantly since 1980-81. The primary sector, which contributed about 60 per cent of the state GDP in 1960-61 (at 1980-81 prices), regressed to about 43 per cent in 1981, subsequently declining to 26 per cent in 2001-02 (at 1993-94 prices). Meanwhile, the share of the secondary sector increased from 15.2 per cent to 23 per cent, and then to 26 per cent, in the corresponding period. The increase in the share of the tertiary sector, however, was spectacular – from 24.8 per cent in 1960-61 to 34 per cent in 1981, to 48 per cent in 2001-02. While the trend towards diversification is a characteristic of a modern economy, there is cause for concern in the fact that the size of the workforce dependant on the primary sector is not commensurate with its share in the GDP.

Agriculture

Agriculture is the mainstay of the people in the state. Cultivators and agricultural labourers form about 56 per cent of the workforce (2001 census). Agriculture in the state is characterised by wide crop diversification. The extent of arid land in Karnataka being second only to Rajasthan in the country, agriculture is highly dependant on the vagaries of the southwest monsoon. Out of the net area sown, only 25 per cent is irrigated.

Agricultural production and productivity in the state have received a tremendous setback in recent years (2001-02 to 2003-04) due to the continuous prevalence of drought conditions. Thereafter, agricultural production, particularly cereals, has improved due to relatively good monsoons in the year 2004-05. Food grain production is expected to reach about 97 lakh tonnes against the target of 108.17 lakh tonnes in 2004-05. The vast extent of dry, unirrigated land, located primarily in northern Karnataka, casts its long shadow on the socio-economic development of the local people in many significant ways, as the Report shows.

Irrigation

The net irrigated area in the state has increased three-fold, from 7.6 lakh hectares in 1957-58 to 26.4 lakh hectares in 2000-01. By 2000, the state had invested about Rs.14,267 crore, of which Rs.13,399 crore was spent on major and medium irrigation and Rs.868 crore on minor irrigation. At the end of March 2001, the irrigation potential created by major, medium and minor (surface water) irrigation was about 18.11 lakh hectares out of a projected 29.73 lakh hectares potential. The irrigation potential from all sources is estimated at 55 lakh hectares and the potential created up to 2003-04 is 30.61 lakh hectares.¹ The total potential of exploitable water resources in the state is about 36.22 lakh hectares (including ground water, which irrigates 9.08 lakh hectares). The present proportion of net area irrigated to net area sown is about 25 per cent.

Power

By 2001, the progress in the power sector (in production and consumption of electricity) in the state, while remarkable, did not keep pace with the rising demand from agriculture and industry. The per capita electricity consumption in the state was 481 units in 2004-05 as compared with 35 units for the newly created state of Mysore in 1956. Installed capacity in the public sector is expected to reach 4,884.83 MW, consisting of 3,282.35 MW

of hydel power, 1,597.92 MW of thermal and diesel power and 4.56 MW of wind power by the end of 2004-05. For the private sector the figure is expected to be around 852.76 MW. Total energy generation in the state is projected at 20,462 MU in the public sector and 5,995 MU in the private sector. However, even this step up in generation does not meet all the state's power needs.

Industry

Karnataka, a pioneer in industrial development, now stands sixth among the states in terms of output. It has a strong and vibrant industrial base built up over the years with a wide network of large and medium industries in the public and private sectors and a large small-scale industrial sector. The annual average growth of industrial production was 6.63 per cent (base year 1993-94) between 1994-95 and 2003-04. The Economic Census 1998 reveals that there were 19.12 lakh enterprises in the state, engaged in various economic activities other than crop production and plantations. The number of enterprises increased by 12.9 per cent, from 16.94 lakh in 1990 to 19.12 lakh in 1998, while the number of persons usually working in the enterprises increased by 3.3 per cent, from 50.83 lakh to 52.53 lakh. Karnataka accounted for 8 per cent of all-India enterprises and 8.15 per cent of total 'usually working' employment.

Over the last decade, Karnataka's biggest success story is the growth of the information technology-led sector, which today accounts for about 40 per cent of India's software exports. This growth has primarily occurred in Bangalore city and its environs though the industry has now begun moving towards other centres such as Mysore, Mangalore and Hubli-Dharwad. Another growth area that the government is promoting aggressively is biotechnology.

The regions

As we saw, at reorganisation, Karnataka emerged out of the union of regions with varying levels of socio-economic development, as well as diverse political and administrative systems and structures, each with its unique style of governance. This

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¹ Annual plan of Karnataka, 2005-06.

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meant that there were sharp imbalances between the regions at the very inception of the state. Thus, running consistently through the analysis in the Karnataka Human Development Report 2005, is the thread of regional disparity and the way it shapes, and is shaped by, economic growth and human development. The regions are briefly described below:

Hyderabad Karnataka: or northeast Karnataka, initially comprised the three districts of Bidar, Gulbarga and Raichur, which formed part of the princely state of Hyderabad. The Gazetteer of India gives a vivid account of the famines and scarcity conditions that prevailed in this region from the 17th century. Drought and great famines devastated vast areas in this region on a continual basis. Large-scale deaths by starvation occurred frequently. In recent times, the most severe occurrence of drought was in 1970-71. Scarcity conditions prevailed in the 1980s and again affected the region from 2002-03 onwards when the entire state experienced severe drought. To compound the suffering inflicted by nature, the princely state of Hyderabad, unlike the princely state of Mysore, was interested neither in developing the region economically, nor in investing in human capital. Today, the term, 'Hyderabad Karnataka' is used to describe the three districts mentioned above, along with the district of Bellary (which was part of the former Madras state, and had a different political and administrative legacy but which is contiguous with the northeastern districts), and the new district of Koppal, which has been carved out of Raichur.

Bombay Karnataka: or northwest Karnataka, comprising four districts from the erstwhile Bombay state, viz. Bijapur, Belgaum, Dharwad and Uttara Kannada, has better socio-economic indicators than the Hyderabad Karnataka region, although Bijapur, which is in the arid zone, was less economically developed than the other districts. Today, this region comprises, in addition to the districts mentioned above, the districts of Bagalkot, Gadag and Haveri.

South Karnataka: is a large region with as many as 15 districts and is not a homogeneous entity, for, here too, one finds variations in

levels of development between districts. The largest segment of this region falls within the classification 'Old Mysore', which is how the former princely state is described, to this day. Southern Karnataka can be broadly sub-classified into (i) coastal (Dakshina Kannada and Udupi), (ii) *malnad* (Kodagu, Chikmagalur, Shimoga and Hassan) and (iii) *maidan* (Mysore, Mandya, Kolar, Tumkur, Chamarajnar, Davangere, Chitradurga, Bangalore Rural and Bangalore Urban districts). The unirrigated *maidan* areas of the south have not fared as well as the coastal and *malnad* region, with the exception of Bangalore Urban and Bangalore Rural districts which are, in many ways, atypical because of their proximity to the metropolis.

A High Power Committee for the Redressal of Regional Imbalances (HPCFRR) to address the issue of regional imbalances was constituted by the Government in 2000. The HPCFRR identified 35 indicators encompassing agriculture, industry, social and economic infrastructure and population characteristics to measure and prepare an index of development. The Committee went beyond the district as an administrative unit, to focus on intra-district disparities. Taluks with index values in the range 0.89 to 0.99 were classified as 'backward', taluks with index values in the range 0.80 to 0.88 were classified as 'more backward' and taluks with index values between 0.53 to 0.79 as 'most backward'.

Referring to the incidence of drought in the state, the HPCFRR points out that out of 175 taluks, 70 taluks (30 in north Karnataka and 40 in south Karnataka) or 40 per cent, experienced drought for a period of less than 5 years; 77 taluks (40 in north Karnataka and 37 in south Karnataka) or 44 per cent, for a period between 6 and 10 years; 27 taluks (11 in north Karnataka and 16 in south Karnataka) or 15 per cent, experienced drought for 11 to 15 years and one taluk (in north Karnataka) or 0.6 per cent, had drought conditions for a maximum of 16 years. In fact, it has been observed that the south is more prone to severe droughts than the north, contrary to popular impression. But this is no consolation to the north, as extreme or severe drought of longer

duration is more likely to occur in the north than in the south (Rama Prasad, 1987).

In June 1954, while the reorganisation of states was still under examination by the States Reorganisation Commission, the Government of Mysore appointed a Fact Finding Committee to assess the levels of development in the various areas that would be integrated with Mysore. The Committee, after a study of the state of development in education, public health, rural development, industry, irrigation and power, came to the conclusion that the districts of Bombay, Hyderabad and Madras states and Coorg had not reached the same level of development as 'Old Mysore' and considerable efforts would have to be made to bring them to that level. The Committee also pointed out that the districts from Hyderabad state were much more backward than all the other areas that were going to be integrated with Mysore.

As Karnataka's first Human Development Report (1999) noted, Old Mysore had one school for every 6.48 km but after reorganisation, the new state had one school for every 7.99 km. There were 585 medical institutions in Old Mysore, but the newly integrated areas had a mere 191 institutions. The disparities, which existed in 1956, are a historical legacy, which have not been eradicated and were unintentionally reinforced, at least initially. In 1956, the expenditure incurred under plan schemes was much higher in Old Mysore than in the erstwhile Bombay and Hyderabad Karnataka regions. Since plan expenditure is converted into non-plan expenditure at the end of each plan period, thereby becoming committed expenditure, the Old Mysore districts had a definite advantage. With better infrastructure due to historical reasons, this region could justifiably claim a larger share of non-plan outlays for maintenance. Since the plan outlay, which is earmarked for new programmes, is normally a third of the total budget (plan + non-plan), funds to districts under plan expenditure are much less than under non-plan expenditure. Thus, disparities in the flow of funds to districts, which had their origins in the pre-merger days, continued well after the merger, contributing to skewed development between regions.

Karnataka's Sixth Five Year Plan (1980-85) examined the issue of regional imbalances and the development of backward areas in some detail. Twenty two indicators were used to evaluate inter-district variations in the levels of development. The ranking of the northern districts among the then 19 districts of the state over a period of 30 years is presented in Table 1.1.

The HPCFRRRI found that while the Hyderabad Karnataka districts and parts of Bombay Karnataka were underdeveloped, there were pockets of economic backwardness in some southern districts as well. It identified 59 backward taluks in northern Karnataka, of which 26 are classified as 'most backward', 17 as 'more backward' and 16 as 'backward'. The Hyderabad Karnataka area

TABLE 1.1
Composite Development Index: Ranking of districts in Karnataka

District	1960-61	1971-72	1976-77	1998-99
South Karnataka				
Bangalore	2	1	1	1
Bangalore Rural	-	-	-	13
Chikmagalur	7	12	16	15
Chitradurga	11	9	7	6
Dakshina Kannada	1	2	2	2
Kodagu	6	7	8	17
Hassan	13	13	14	9
Kolar	4	4	6	10
Mandya	10	6	4	5
Mysore	5	5	5	4
Shimoga	3	3	3	3
Tumkur	5	16	13	12
North Karnataka				
Belgaum	12	11	12	14
Bellary	14	15	10	11
Bidar	17	14	15	19
Bijapur	16	18	17	18
Dharwad	8	10	11	8
Gulbarga	19	19	19	20
Raichur	18	17	18	16
Uttara Kannada	9	8	9	7

Note: The state initially had 19 districts. Bangalore Urban district was formed in 1986.

Source: Table 4.10, Report of HPCFRRRI, June 2002.

alone has 21 'most backward', 5 'more backward' and 2 'backward' taluks.

To reduce backwardness in these 114 taluks, the Committee has recommended the implementation of a Special Development Plan of Rs.16,000 crore to be spent over eight years, i.e. five years of the Tenth Plan and three years of the Eleventh Plan. Of this, Rs.9,600 crore (60 per cent) is for north Karnataka, with Rs.6,400 crore to be spent on Hyderabad Karnataka.

The prevalence of inter-district variations both in the level of development generally, and in human development in particular, means that people's access to services is shaped by where they live

TABLE 1.2
Backward taluks

Area	Most backward	More backward	Backward	Total
Hyderabad Karnataka	21	5	2	28
Bombay Karnataka	5	12	14	31
North Karnataka	26	17	16	59
South Karnataka	13	23	19	55

Source: Annexure 6.4, Report of HPCFRRI, June 2002.

and their choices determined, to some extent, by the existence of regional disparities.

Conclusion

This then, is the setting against which the Report unfolds: a land blessed with wide, swift flowing rivers, towering, forested mountains, rich, black cotton soil, a coast bustling with commercial activity but, along with this plenitude, the country's second largest arid zone. This is a state known for its initiative, having set up a major hydro-electric generating station at Shivasamudram as early as 1902 for commercial operations, and where the country's first private engineering college was established; a state in which one district alone contributed to the establishment of five commercial banks; a state, which led the country into the information age, where, 'to be Bangalored' (or outsourced), is now an acceptable verb in the U.S. economy.

During the decade 1990-2001, Karnataka witnessed the highest growth rate of GSDP as well as per capita GSDP in the country, yet, it occupies seventh place among the major states in human development. This is the seeming contradiction, which will be explored in the chapters that follow.