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Regional Disparities, Smaller States and Statehood for Telangana

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While we assemble here this morning to pay our tributes to the memory of Prof.B.Janardhan Rao, we greatly miss him on several counts. He had done outstanding research work on tribal development and held out a great promise for further explorations in this area. Way back in August 1988, he sent me a copy of his book: **Land Alienation in Tribal Areas**, for my comments (Janardhan Rao, 1987). After reading it, I wrote back saying that the theme he had chosen was extremely important and that his findings were well-grounded because his analysis was carried out against the historical perspective of land relations as well as the impact of the prevailing exploitative socio-economic structure. Achieving Statehood for Telangana was another passion for him. This is evident from a reading of the collection of his essays in Telugu, "**Telangana-Changing Political Scenario**", published six years ago (Janardhan Rao, 2003).He was at once a serious scholar and an ardent champion of these causes.

I am particularly happy to be here this morning amidst the academic community at the Kakatiya University because of the opportunity it provides for renewing my long, though intermittent, association with the Faculty and the Vice-Chancellor Prof. Linga Murthy. I had chosen to speak this morning on **Statehood for Telangana**. But after writing it out I discovered that the very first lecture in memory of Prof.Janardhan Rao was on the same subject delivered by Prof.K.Jayashankar, six years ago (Jayashankar,2003). One can not really add much to what Prof.Jayashankar says on this subject. So much so, the media aptly calls him the 'Telangana Siddhanthakartha' or the 'Telangana Ideologue'. Yet, if I did not change my subject, it is because, in the first place, Telangana continues to be a live subject until separate statehood is achieved, so that one can always say some thing in the light of the ongoing developments. Secondly, this subject was close to Prof.Janardhan Rao's heart and I can not think of a better way of paying homage to him than discussing issues like regional disparities and smaller states and their relevance to the formation of Telangana State.

1. Growing Regional Disparities in Development

Regional disparities in development have been growing in India, especially in the post-reform period. For example, according to the Eleventh Plan, the per capita Gross State Domestic Product (GSDP) of Bihar – the poorest state in the country - which had steadily declined to a little over 30 per cent of the per capita GSDP of the richest state by 1993-94, dropped further to 20 per cent in 2004-05 (GOI, 2008). What is true of rising inter-state disparities in

development would be true of regional disparities within some of the larger states, as the factors contributing to such disparities would be the same in both the situations. The neglect of agriculture, rural development and the social sectors in the post-reform period and the consequent rise in rural distress together with the concentration of private investment and proliferation of economic opportunities in the developed regions has brought into sharp focus the regional divide or the rise in inter-state as well as intra-state disparities in development.

Public investments in physical and social infrastructure have an equalizing impact because they can be focused on backward regions. Further, public investment, in turn, induces private investment. But public investment has been falling over a period of time in the country. Public capital formation shrunk to 5 percent of the GDP in the recent period from 10 percent of GDP in the early nineties (Rao, 2006). According to the Eleventh Plan, over the past several years, the share of public investment in the overall investment has been declining reaching a little over 20 percent in recent years. Therefore, according to the Planning Commission, there is "a very great limitation on the influence that fiscal quantities, allocations and strategy can directly exert on growth rates, especially at state level. States have, therefore, to focus on providing the necessary policy framework and supporting environment that makes economic activity possible and attractive enough for private sector investments" (GOI, 2008).

But can such a policy framework be effective in larger states for bringing in adequate investments and other benefits to the backward regions? The role of the state has changed dramatically from that of the main provider of investment in infrastructure in the pre-liberalization period to a facilitator of private investment in the post-liberalization period. The earlier role had a moderating influence on regional disparities in so far as backward regions also benefited to some extent from investments in infrastructure, whereas the new role is fraught with adverse consequences for these regions within larger states. This is because private investment and technology flow basically to the regions where physical and social infrastructure is already well-developed. In Maharashtra, for example, which has been among the top few states attracting private investments on a large scale in the post-reform period, the developed Pune-Nasik belt has received disproportionately large investments when compared to the backward Vidarbha and Marathwada regions.

2. Smaller States: Potential for High Growth

It is generally believed that economic liberalization increases the role of the market while reducing the role of the state in economic activity. This is only superficially true. The relative roles of the market and the state do change in respect of the direct allocation of resources. But the impact of the state policies on the economy may turn out to be even greater if its role in influencing

private sector investments is taken into account. The role of the government in awarding contracts, choice of locations for private sector projects and technical institutions, decisions about the number, type and location of Special Economic Zones, land acquisition and compensation policies, various kinds of patronage extended to different enterprises and activities, etc. could together make a greater impact on the economy than in the pre-liberalization period.

Indeed, this is the unmistakable impression one gets in the post-reform period in India, especially at the state level. In general, the impact seems to be in the direction of increasing inequalities between different regions and income groups, as is borne out by the official statistics on changes in private consumer expenditure and growth rates in GSDP. This is basically because official patronage in bigger states tends to favour the regions and income groups already endowed with adequate resources, skills, power and influence. This clearly shows that backward regions run the risk of losing the race in bigger states in the post-liberalization era. At the same time, it shows that certain backward regions which can be constituted as viable states may use this enormous potential offered by state power effectively for their development.

This is borne out by the recent experience with the creation of smaller states like Chattisgarh, Jharkhand and Uttarakhand. Their experience has been extremely encouraging in respect of the growth in Gross State Domestic Product (GSDP). The Eleventh Plan document, approved by the National Development Council, gives the following figures which are telling: These states achieved growth rates far exceeding the targets set for the 10th Plan period whereas the performance of their parent states, viz., Madhya Pradesh, Bihar and Uttar Pradesh fell considerably short of the targets (GOI, 2008).

State	Targeted Growth Rate (Per cent per annum)	Achieved
Chattisgarh	6.1	9.2
Madhya Pradesh	7.0	4.3
Jharkhand	6.9	11.1
Bihar	6.2	4.7
Uttarakhand	6.8	8.8
Uttar Pradesh	7.6	4.6

These high growth rates in GSDP lend credence to the proposition that the growth potential of these backward areas remained suppressed for long and their constitution into new states has released the creative energies of the

people. Better governance may have also contributed to attracting private investment from outside as well as to better planning and utilization of resources. This experience shows that the political commitment necessary for a focused attention on the problems of growth and equity can be better ensured in smaller states which are relatively homogeneous.

3. Development versus 'Sentiment' for Telangana

By attributing the demand for separate Telangana to the 'sentiment' (for Telangana), some sections of the political leadership are only evading the real issue. There is no religious or ethnic 'sentiment', not even of language, at issue. One can, no doubt, read in this demand some assertion of 'regional identity', but this is not something which can not be rationally explained. The simple and straightforward explanation is that people have seen, through their own experience, that 'development' in the sense of equitable share in water resources, jobs, opportunities for enterprise and career advancement and adequate voice in political decision-making is not possible within the integrated state and that separate statehood alone can ensure justice for them.

Therefore, what is at issue is not whether development has been taking place. Indeed, in a democratic polity like ours some development has to take place in different parts of the country including even the remotest areas. The issue really is about the rate and quality or pattern of development. Apart from equity, such as due share in investment allocations, quality also refers to the cost, risks, and sustainability of development.

There is a long-standing feeling that Telangana has not received its due share in investment allocations, and that the 'surpluses' from Telangana, i.e., the difference between what ought to have been spent and what has actually been spent, have been diverted to the other regions (Rao, 1969). For the Telangana region the per capita financial resources should be higher than the average for the Andhra Pradesh state, because, as for the Finance Commission transfer to states, 25 per cent of devolution is based on population and as much as 75 percent is based on criteria like lower per capita income and other indicators of backwardness. Planning Commission transfers too have a significant weightage to low per capita income.

But there is no way of ascertaining exactly how public expenditures, as a whole, are distributed between different regions in Andhra Pradesh. The relevant information is not being disseminated ever since the abolition of the Telangana Regional Committee in 1973, under the wrong notion that sharing of such information would breed regionalism. But experience has shown that withholding the relevant information would produce the opposite result of intensifying the feeling of injustice.

The growth that has been taking place in Telangana may be characterized as high cost growth. For example, the irrigation map of the region has changed completely. Tank irrigation occupied an important place a few decades ago. But now, over 70 per cent of irrigation is through ground water and deep tube wells in large parts of Telangana (Subrahmanyam, 2003). This means for a unit output growth there has to be much greater investment now. Moreover, we do not have any information on such vital aspects as the quantity of water to be supplied for Telangana on account of the proposed irrigation projects including from 'assured' sources.

Further, farming has become highly risky in Telangana. For a given failure of rainfall, the fluctuations in output are much greater now when compared to the earlier decades. There is much greater distress being reported from the rain-fed regions dependent on groundwater for irrigation where the suicide rates for farmers are high. Telangana region accounts for as many as two-thirds of the total number of farmers' suicides reported in the state between 1998 and 2006 (Galab, et.al, 2009). The water crisis has affected sustainability: Land left fallow in Telangana has increased from 25 percent of cultivable land in the early 1970s to as much as 40 percent by 1999-2000 (Subrahmanyam, 2003). Pollution from industrial projects in certain areas has aggravated the crisis.

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 also 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 would become stronger with the spread of development as long as the perception of injustices due to 'discrimination' in development within the integrated state persists.

4. Socially Inclusive Telangana

Statehood for Telangana is a national issue and not just a regional one. This is because it represents the on-going social change in the country for the

empowerment of people through decentralized governance by broadening and deepening the working of our democratic system. Such empowerment and governance would enable articulation of the real problems of the people and their solution. This would inevitably result in 'Samajik' or 'socially inclusive' Telangana.

Inclusiveness could not be achieved so far in a bigger state because the voice of the disadvantaged sections remained fragmented. Experience shows that the traditionally entrenched interests are perpetuated in bigger and heterogeneous states because of their easy connectivity arising from their access to large resources, power and influence. The weaker sections, on the other hand, can come together, organize themselves and raise their voice effectively in a relatively homogeneous state because of common history and traditions and hence easy communicability.

For illustration, tribals are the most disadvantaged section socially and economically with negligible political voice. They live in remote areas and are subjected to land alienation on a large scale. Hardly any initiative has been taken so far in Andhra Pradesh to restore their lands despite the strong recommendations made by a High-Level Committee headed by a Minister constituted by the present government (Government of Andhra Pradesh, 2006; Rao, 2007). There, the administration is alienated from the people and has been a breeding ground for extremist activities. But this has been treated not as a socio-economic issue, but mainly as a law and order problem. Because of this, the plight of the tribals has been perpetuated and the extremist activities have been surfacing time and again, notwithstanding the claims of success in this regard by the authorities.

According to 2001 Census, Scheduled Tribes population constitutes around 9 percent in Telangana as against 5% in the rest of the state. Thus, as much as 60 percent of the ST population of A.P. state is concentrated in Telangana. Their voice can be expected to be more effective in separate Telangana, not the least because their representation in the state legislature and other elected bodies at different levels would be proportionately greater.

Similarly, the population of Muslims is as high as 12.5 percent in Telangana when compared to 6.9 percent in the rest of A.P. state. As many as 61 percent of Muslims of A.P. live in Telangana, of whom 60 percent are spread over in different districts other than Hyderabad. They too can be expected to have greater political clout in separate Telangana in determining their fortunes as they can more easily relate themselves with the rest of the disadvantaged sections of the society in the struggle for a better and more secure livelihood. It must be noted in this context that social harmony between people professing different religions and speaking different languages has been proverbial in Telangana because of their shared history and traditions spanning over centuries.

SC's account for about 16 percent of population in Telangana as well as in the rest of A.P. Census does not give the figures of BCs. But we know from different sources that socially and economically disadvantaged sections including SCs, STs and BCs constitute not less than 85 percent of population in Telangana. Radical land reforms were the prime agenda for the peasant movement in the 1940s. However, not enough time was available for this process of agrarian reforms and radical social transformation to run its course. In fact, it was interrupted with the integration of Telangana with the Andhra region, so that it still remains an unfinished revolution or an unfinished task. In a larger and heterogeneous state like A.P. there is no adequate perception of this problem by the dominant political leadership which hails basically from the developed parts of the state.

Thus the weaker sections constituting a large majority of population in Telangana would be better able to articulate their problems and politically assert themselves in a separate state. Formation of Telangana state would thus strengthen the forces of social inclusion and secularism.

5. Inclusive Governance feasible in Smaller States

The population of Telangana is over three and half crores now – much more than three crores (or 'Mukkoti Andhrulu') for the whole of Andhra Pradesh at the time of its formation. The demands on governance have multiplied over this half a century. Apart from commitment to the development of the region, a smaller state being more easily accessible to the common people can intelligently and speedily grapple with their problems. Moreover, governance at the grass roots can be improved in a smaller state by strengthening the Panchayati Raj institutions which have been deprived of their functions, finances and functionaries. It is indeed ironical that the ruling party in Andhra Pradesh, which owes allegiance to Rajiv Gandhi, who visualized 73rd and 74th Amendments to the Constitution, has not taken any initiative to revitalize these institutions. On the contrary, every attempt has been made to undermine these institutions by floating several top-down schemes and parallel implementation structures – on the top of it by naming some of these schemes after Rajiv Gandhi! In a smaller and relatively homogeneous state like Telangana, the empowerment of these local elected institutions can be expected to be high on the agenda, among other things, because of the greater pressures these elected representatives can bring to bear on the new establishment.

6. Consensus for Telangana

All the major political parties in Andhra Pradesh, except the Congress and the CPM, have unequivocally come out in favour of the formation of separate Telangana state. Even within the Congress Party, there is a consensus in its favour among the leaders, legislators, ministers in the state as well as the centre belonging to Telangana.

But then what does one mean by Consensus? The first States' Reorganization Commission (SRC), which recommended in 1956 formation of separate Hyderabad state consisting of Telangana, defined consensus as the one reached among the Telangana people themselves. This is clear from its recommendation that after 5 years Telangana could be merged with Andhra only if two-thirds of the Telangana legislators opted for it. But consensus now has come to mean among every one at the national and state level, except the people of Telangana!

This is not quite fair because, in the first place, Telangana was merged with the Andhra region in 1956 without ascertaining the wishes of the people of Telangana through their elected representatives as recommended by the SRC. Secondly, when there is a clear opposition to statehood for Telangana from sections of the power elite belonging to the dominant region of the state, it is not fair to insist upon consensus among all the constituent regions when the issue concerns a particular region only. Pandit Jawaharlal Nehru, the then Prime Minister, had openly stated that there should be a divorce between Andhra and Telangana, if the latter so desired at any future date

The demand for the Second SRC to settle the issue would have some basis if the first SRC recommended the formation of composite Andhra Pradesh state, and disrupting such an arrangement, it could be argued, would require re-examination of the whole issue by a similar high level expert and quasi-judicial body. But the First SRC had recommended the formation of Telangana state after examining all the relevant aspects and their recommendation was not honoured.

In a situation like this, the will of the people of Telangana, as expressed by the large majority of the legislators from the region, can alone be the guiding principle. This has been expressed time and again in favour of separate statehood in the last four decades through the democratic process vindicating the position taken by the SRC. Even in the by-elections held in May, 2008, it is common knowledge that the major political parties, including the Congress, approached the voters pledging themselves in favour of statehood for Telangana. Therefore, in the case of this last election, the rallying slogan of different parties favouring Telangana should be taken as an index of support for separate statehood. Despite this background, insistence on second SRC would only strengthen the suspicion that it is a diversionary move, especially in the light of the past experience that SRC's recommendation favouring Telangana was ignored by the powers-that-be.

The Committee headed by Mr. Pranab Mukherjee is supposed to be engaged in due consultations for ascertaining whether there is consensus for Telangana state. But the Congress Party's own position on Telangana is not made clear to this Committee. Even if the Second SRC were to be constituted, as per the Congress Election Manifesto of 2004, the party could

not possibly have remained non-committal on the issue, as most of the parties would have made their position clear to the SRC.

If the Congress supported statehood for Telangana, there would have been a majority in parliament in favour of such a Bill. But if the Bill could not be introduced because of lack of consensus in the United Progressive Alliance, or the government running the risk of losing power, then people would have understood the constraints, provided Congress's own position was made clear. Spelling out its position as a party did not by itself, pose any risk to the government.

The real explanation for the Congress not taking a stand is the 'veto power' being exercised by a few leaders in power in the state, which in fact is the genesis of the formation of Andhra Pradesh itself. This demonstrates how a few individuals representing numerically small social groups can manipulate the levers of power in a large and heterogeneous state by dint of the huge resources and power at their command. Yet, they have been telling the people, time and again, that they will abide by the decision of their 'high command'. But, insofar as Telangana issue is concerned, one wonders whether the 'high command' is located in Delhi or in Hyderabad! The fact of the matter is that these individuals are able to mislead and overpower their 'high command' by dint of their resources and numbers in parliament.

The demand for Telangana state is not opposed by the common people from the rest of the state of Andhra Pradesh, notwithstanding hostility from certain sections of business and political elite. This is amply borne out by the stand taken by parties like Telugu Desam headed by Chandrababu Naidu, C.P.I.,BJP, Praja Rajyam Party headed by Chiranjeevi, and others.

7. Need for Broad-Based, Non-Partisan, Movement

Leaders from Telangana may go to Delhi for making representations in most rational terms; they may even be called to Delhi by the 'high command', but basically, it is the power structure in A.P. that has become decisive in determining the outcomes. Therefore, the focus of action for achieving separate Telangana can not be Delhi alone; it has to be backed by the peaceful and democratic movement in villages and towns in Telangana region.

Political parties espousing separate Telangana have been engaged in electoral battles. This is understandable because the decision to carve out a separate state is ultimately a political one involving parliament and governments at the centre as well as the state. But the movement for separate Telangana itself has not been 'engineered' by political parties as some people would have us believe. Rather, the political parties supporting separation have been receiving sustenance from the deep-seated and widespread sentiment for separate statehood for Telangana nurtured by

various movements – political as well as non-political, including the ‘mulki’ agitation – since the times much before the formation of A.P.

It is, however, true that some political parties have displayed opportunism by building up their political fortunes using this sentiment and betraying the cause once their narrow purpose was fulfilled. But despite such betrayals, the broad political movement for separate statehood itself has survived and gained strength because of its genuineness and deep-seated social base. The demand for separation is far more widespread now than in 1969 when the agitation for separate Telangana was first launched. It has now engulfed farmers, youth and women on a much larger scale.

The experience of Uttarakhand is instructive in this respect. After getting disgusted over repeated betrayals by the political parties, the intellectuals and the people at large there took charge of a broad-based, non-partisan movement and succeeded in achieving separate statehood. There is, therefore, a need for continuing the broad-based and non-partisan, if not non-political, movement beyond electoral considerations. Such an independent movement should be complementary to electoral politics and is necessary for ensuring the accountability of the elected representatives as well as for safeguarding the interests of Telangana at the time of its formation. Intellectuals are best fitted to lead and nurture this movement for educating and building awareness among the people at large.

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