CHAPTER 6
SUMMARY OF CONCLUSIONS, MAJOR FINDINGS AND
POLICY IMPLICATIONS

6.1 SUMMARY

In the process of development, disparity arises between rural and urban areas due to differences in the endowment of natural resources or technological development or man made impediments and the like. This becomes much more accentuated and pronounced in the period of globalisation if suitable measures are not initiated at the earliest. It has several dimensions and consequences; it could be of different types in terms of development, human development, technological development, sectoral development, income and wealth and so on. This in turn results in number of issues. It needs to be measured more carefully using appropriate factors both economic and non-economic. There are several factors responsible for growing rural urban disparities. It is, therefore, essential to understand and analyse these factors so as to formulate appropriate policies and programmes. This has attracted the attention of planners, policymakers and statesmen. Despite this, the problem of inter-regional and intra-regional aspect is widening due to different levels of development and different capabilities. This has created a lop-sided development resulting in lack of proper access to various facilities and thereby increasing rural-urban disparities. Keeping the above in view, objectives are framed and hypotheses are set in. A suitable methodology is worked out for the above purpose and accordingly investigation is conducted to draw the inferences.

A literature survey is undertaken to identify the gaps and to fill this in terms of analytical exercise. The present study reviews the existing literatures by following the various methods: Literatures relevant to the general studies on disparities, Literatures relevant to regional disparity & Literatures relevant to Rural-Urban disparity. From the foregoing review of literatures it is evident that
the issue of disparity exists at all levels- Global, National and Sub-national level. At the global level, it has been found that level of disparities is exists at different levels of development of different countries. It is especially more so after the advent of NEP elsewhere in the globe. At the national level, the different levels of development between the regions are due to the differences in the Resource endowments, prevalence of high incidence of poverty, faulty planning, and ineffective implication of various programmes meant for the objective of balanced development. Where as in the case of sub national level, inter-district and intra-district and also at the taluk levels (between and within) the disparity persists owing to the factors such as lack of infrastructure facilities, lack of financial assistance, lack of political will power etc. among other factors. All this has been led to the continuation and perpetuation of disparity. It is especially after the adoption of NEP since 1991 in India the problem has aggravated. As such, this calls for an investigation into the Rural-Urban Disparity in the context of Karnataka state.

An analysis of different profile of Karnataka State in terms of development profile of Karnataka across different major states and the extent and measurement of inter-state disparity would help us to understand disparity level prevalent at both national and state level and within the state among different districts and taluks.

The important indicators used for analysis of disparity at different levels are demographic features of major states in general and Karnataka in particular, sectoral composition of GSDP and NSDP at current prices and at constant prices for different states. Compound growth rate of GSDP and NSDP of different states at different points of time, structure of work participation etc. Similarly, sectoral development of agriculture, industry and infrastructure has been examined using appropriate indicators of development as depicted in the respective tables. An analysis of this shows disparity of states at different levels. Further, in the context of comparative development of the Karnataka state it is important to document the aspect of change or growth over time. The nature of changes in Karnataka over time has been examined at two points of time selected for the purpose i.e. early 90’s and 2007 and using different indicators of development.
Economic growth of an economy can be seen by the structural changes in the sectoral composition in the economy. The most common structural changes that have been observed historically have followed a sequence of shift from agriculture to industry and then to services. The most striking feature of the structural change in the Indian economy in recent decades has been the pre-eminence of service sector as the major contributor to growth, raising its share rather sharply in the national output.

Karnataka's status of development is higher compared to all India level as revealed by higher level of urbanization, higher sex ratio, a lower level of mortality rates, relatively lower backward population, lower level of poverty and marginally higher life expectancy rate.

The work participation rate is much higher compared to all India level. The level of education is also found at a higher level seen in terms of literacy (male and female). The level of women employment in organized sector is also found significantly higher in Karnataka compared to all India level.

Despite the above there are no reasons to be complacent.

- There has been a rise in the number of villages electrified and reached 98.7% in 2008. However, the share of the State in total electricity generated in the country has declined from 6.76% to 4.25% during the period 1970 to 2004-05.

- The level of poverty and level of education of weaker sections (SC & ST) is almost at the same level compared to all India situations.

- From the Agricultural Census figures it is seen that the proportion of deprived segments of population (Marginal Farmers + Agricultural labourers) to total workers continues at 37.28% in 2011. It is this segment of the population which deserves attention not only in terms of their productive employment but also in terms of their increasing purchasing power, continuous flow of income and above all, access to assets and resources so as to enable them to be active participants in the development of factor as well as product markets.
• There has been almost no change in the share of agricultural labour from 26.69% in 1971 to 25.67% in 2011.

The continuing high dependence on agriculture, with a significant portion of these workers having the status of agricultural laborers, with relatively no access to material resources has contributed to continuing poverty and destitution.

The lack of inclusiveness is borne out by data on several dimensions of performance. Therefore it is the question of how to make our state economy more inclusive and participatory in nature. The development of inclusive policy requires the balanced development of all the three sectors such that they benefit relatively less developed segment of the population, backward regions and the sectors.

In the context of various methodologies of disparity studies undertaken at the all India level using selected indicators, an attempt has been made in the present to classify the states on the basis of a Composite Index computed adopting Sudarshan-Iyengar method and fitting of a Beta distribution. The composite index has been computed in two stages, first for each sector separately using the sectoral indicator values and then deriving Overall index using the sectoral composite indices. The indicators relating to different sectors such as Macro Economic Development, Agricultural Development, Industrial Development, Infrastructural Development, Human Development and Status of Weaker Sections have been collected from a uniform data base using the Statistical Year Book of India, 2013.

On the basis of Composite Index of overall development and Beta values it is noticed that the states which are very backward are Bihar, Jharkhand, Chattisgarh, Orissa, Uttar Pradesh, and Madhya Pradesh, the states which are backward are Rajasthan, West Bengal, and Uttarakhand. The developing states are Andhra Pradesh, Maharashtra and Karnataka and the Very developed states are Haryana, Gujarat, Punjab, Kerala and Tamilnadu.

The state of Karnataka has undergone significant growth prospects in the last one decade with huge inflow of private capital investment. However, such an
inflow of capital gravitates to specific sectors and specific regions accentuating the disparities in development. The per capita income of the state has increased from 18344/- in 2000-01 to 40998/- in 2008-09. However, such an increase is not reflected either in the development of the irrigation base with only 23.6% of the Gross Cropped Area found irrigated in 2006-07 compared to the all India average of 40.3%. In education the percentage enrollment among school going SC students at primary level in 2007-08 is 19.55% in the state compared to 20.08% at all India level. The same percentage is only 7.63% in case of ST for the state compared to 11.6% at the all India level. The percentage population below poverty line in 2004-05 is 34.8% for the state compared to 21.8% at all India level. The structural change in the state’s economy is evident from decline in the share of agriculture and allied from 32.2% in 2000-01 to 15.9% in 2008-09. This decline is compensated less by the growth of manufacturing which rose from 11% in 2000-02 to 14% in 2008-09. Much of the changes have been contributed by growth of construction, services and tertiary sector, which may not contribute a self-sustaining growth.

Per capita Domestic Product followed by Bangalore division which was far better than Gulbarga and Belgaum divisions in 1990-91. In 2007-08, Bangalore Division has achieved significantly higher per capita income of Rs. 32,743 followed by Mysore division, Belgaum division and Gulbarga division. The per capita income of Bangalore division is more than 1.5 times of Gulbarga division. The analysis of regional imbalances within the division reveals that developed divisions (Bangalore and Mysore) have higher regional disparity than the backward divisions. Belgaum division has lower inter-district disparity during 1990-91, which has decreased marginally in 2007-08. Though the Mysore division shows a reduced inter-district disparity marginally in the same period, it has higher inter-disparity compared to Bangalore division. Gulbarga division had the lowest district disparity during 1990-91 (C.V. 13.5%) which has increased drastically in 2007-08 (C.V. 35.2%). If we take out Bangalore Urban district, then district imbalances are found to be significantly lower during 2007-08; during the remaining years of the study period, the gap of district disparity with and without Bangalore Urban is more or less the same. The same is the case with
district disparity among southern districts. In case of Bangalore division, inter-
district disparity is lower, this means in Bangalore division and south Karnataka
region without Bangalore Urban district, there would not be that much of inter
district disparity. However, without Bangalore urban district also, south
Karnataka’s inter-district disparity is comparatively higher than north
Karnataka.

The ranks of districts in terms of per-capita income for district are also
presented in the table out of 8 districts of Mysore division were in the top 10
ranks during 1990-91, whereas in 2007-08 only 4 districts are in top ten ranks. 3
out of 7 districts of Bangalore division are in top 10 ranks. On the other hand
only 1 out of 7 districts and 1 out of 5 districts stand out as top 10 ranks in
Belgaum and Gulbarga division respectively. South Karnataka region has more
number of high ranking districts than north region. Except Bellary, the remaining
4 districts of Gulbarga division have the lowest ranks in the state.
Chamarajanagar and Mandya of Mysore division have been ranked below 20
during 2007-08. Sectorally one finds variations in development across different
districts of Karnataka state. In agriculture the developed districts are Kodagu,
Bangalore Mysore, D.Kannada, Shimoga, Davangere, Bagalkot, Bellary and very
backward districts are Chitradurga, Chamarajanagar, Ramanagara, Yadgiri,
Chikkaballapur, Bijapur, Bidar, Kolar, and Gulbarga. In industrial sector the
developed districts are Kodagu, Bangalore, Mysore, Dakshin Kannada, Shimoga,
Davangere, Bagalkot, Bellary and Very backward districts are Chitradurga,
Chamarajanagar, Ramanagara, Yadgiri, Chikaballapur, Bijapur, Bidar, Kolar, and
Gulbarga. In terms of infrastructural development the developed districts are
Bangalore, Udupi, D.Kannada, Shimoga and at the other extreme the Very
backward districts are Bijapur, Yadgiri, Dharwad. The polarization seems to be
high in case of Human Development indicators. The developed districts are
Dakshin Kannada, Chikkamagalur, Uttara Kannada, Shimoga, Udupi, Hassan and
the Very backward districts are Bidar, Bellary, Bangalore Rural, Belgaum,
Gulbarga, Koppal, Raichur, Yadgiri. In case of Macro economic development
while there are no very backward districts, the developed districts are
Bangalore, Bangalore Rural, Dakshin Kannada, Dharwad. In weakest section
development the developed districts being Udupi, Uttara Kannada, Dakshin Kannada, Bangalore, Kodagu the Very backward districts are Bidar, Kolar, Gulbarga, Haveri, Chitradurga, Yadagiri, Bellary, Mysore. Thus taking all sectors the Overall development has been worked out. It is noticed that the developed districts are Bangalore, Dakshin Kannada, Udupi, Uttara Kannada, Shimoga and the Very backward districts are Chamarajanagar, Raichur, Bijapur, Bidar, Gulbarga, Yadgir.

Thus while one finds in the preceding chapter that there exists inter-state disparity across different major states of the Indian Union, one also finds inter-district disparity across different districts of Karnataka State. One important manifestation of the disparity is the prevalence of disparity between rural and urban areas in any geographical entity with modernization and progress having a tendency to benefit urban areas. In the following, an attempt has been made to document the existence and continuance of rural and urban disparity in the state of Karnataka.

The fifth chapter deals with presentation of development profile of the selected districts, taluks and villages from which the sample households have been selected. This chapter also deals with analysis of the sample households through which nature of rural and urban disparity gets presented. Two districts selected for the present study are Udupi and Chamarajanagar. It is relevant to mention that as discussed in Chapter-4 Udupi belonged to Developed category of districts and Chamarajanagar belonged on the other extreme to Very backward category. The rural households are selected from two villages of Kundapura Taluk of Udupi and two villages of Gundlupet taluk of Chamarajanagar district.

The main findings of the study are summarized in terms of demographic profile, occupational structure, sectoral development etc at district level, taluk level and village levels. Similarly a summary is also presented on socio-economic profile of the samples households, their responses on transport system, on involvement of officials and legislators, and on income generating schemes, on environmental pollution and planning and on developmental programmes.
6.2 MAJOR FINDINGS

- From the foregoing review of literatures it is evident that the issue of disparity exists at all levels- Global, National and Sub-national level. At the global level it has been found that level of disparity is at different levels of development of different countries. It is especially more so after the advent of NEP elsewhere in the globe. At the national level the different levels of development between the regions is due to the differences in the resource endowments, prevalence of high incidence of poverty, faulty planning, ineffective implication of various programmes meant for the objective of balanced development. Where as in the case of sub-national level, Inter-district and Intra-district and also at the taluk levels (between and within) the disparity persists owing to the factors such as lack of infrastructure facilities, lack of financial assistance, lack of political will power etc. are among other factors. All this has led to the continuation and perpetuation of disparity especially after the adoption of NEP since 1991 in India.

- As regards status of development of Karnataka State across different major states it is observed that in 2011 Karnataka has a higher level of Urbanization (38.67%) compared to All India level of 31.15%. The extent of socially backward population is 24.10% for Karnataka compared to 25.24% at the All India level. Karnataka registered a higher sex ratio of 973 compared to 943 for the Country. The State also records a lower level of Mortality rates such as maternal mortality and Infant mortality compared to the All India situation. The state also has a marginally higher Life expectancy rate compared to the All India level.

- The work participation rate is much higher compared to all India level. The level of education is also found at a higher level seen in terms of literacy (male and female). The level of women employment in organized sector is also found significantly higher for Karnataka compared to all India level. However the level of poverty and level of education of weaker sections (SC & ST) is almost at the same level compared to all India situations. This speaks for the need for inclusive agenda.
The growth profile in the GSDP presented in the previous table and NSDP presented in the tables 3.4 to 3.6 reveal almost same levels of growth for Karnataka compared to all India level. However one notices relatively lower growth in agriculture for the state seen both in terms of current prices as well as constant (1999-2000) prices. The states with relatively higher growth performance in GSDP current prices are Andhra Pradesh, Haryana, Maharashtra and TamilNadu in case of NSDP at current prices. The relatively lower growth performance can be attributed to the lower growth performance in agriculture of the state.

The growth profile of the state in terms of NSDP in 2001-02 is 2.65%, in 2004-2005 it was 19.65%. In 2011-2012 its growth rate is low compared to that of 2010-2011 an increase of only 11.05%. In terms of all India the growth of NSDP of the state is lower(Table 3.7)

In the context of growth performance of the state as presented above it will be interesting to observe the structure of work participation in the state compared to all India level. The dependence of agriculture in the state is lower (51%) compared to all India level of (53%) which is also higher compared to states like Haryana, Punjab, TamilNadu and West Bengal. The level of marginal workers in the state is also found relatively lower compared to all India level (Table3.10).

The growth profile of agriculture does not seem to have generated dynamism either in terms of high productivity or in terms of movement from traditional agriculture to market oriented agriculture (Table 3.11).

Industrially the growth performance of the state over the years has not been very satisfactory when compared with other major developed states (Table 3.12).

Production base of a state is dependent on its infrastructural base. In Karnataka, the infrastructural development is at a very moderate level. The state recorded a relatively higher percentage of villages electrified (98.1%) in 2005-2006, while all India level was 74.1% (Table-3.13).
In the context of the comparative development profile of Karnataka state it is important to document the aspect of change or growth over time. The nature of changes in Karnataka overtime can be examined from two points selected: early 70’s and early 2010’s. (Table 3.14). Accordingly the State has recorded a decline in the share of Agriculture & allied sector in Net State Domestic Product from 32.19% in 2000-01 to 16.84% in 2011-12 i.e. a decline of 15%. This decline, however, has been compensated by the increase in share of Tertiary sector from 47.94% to 58.9%. The Industry sector has recorded a similar increase from 19.87% to 24.26% in 2011-12. The declining importance of agriculture in the State is matched by equivalent withdrawal of labour force from agriculture. The dependence of workers on agriculture has declined from 66.7% in 1971 to only about 49.28% in 2011. It is seen that there has been a decline in the share of cultivators among total workers from 40.0% in 1971 to 23.61% in 2011. On the other hand there has been almost no change in the share of agricultural labour from 26.69% in 1971 to 25.67% in 2011.

Industrialization is important for overall development of an economy. It helps in transfer of labour from agriculture and generates capital base for further development of the economy and the performance of the industrial sector in Karnataka till 2009-10 has also been very helpful in this regard. The share of the State in total productive capital of the Country was 4.96 % in 1970, which increased to 5.99% in 2009-10. The share in total number of persons employed by the factory sector increased from 4.59% to 7.52% during the said period. The share in value added by manufacture has also increased from 5.81% in 1970 to 6.46% in 2009-10.

In the context of relatively high level of infrastructure development of the State in the country, it is necessary to examine the nature of changes in the State over time. There has been a rise in the number of villages electrified and reached 98.7% in 2008. However the share of the State in total electricity generated in the country has declined from 6.76% to 4.25% during the period 1970 to 2004-05. In other words generation of electricity in the State has not kept pace with the growth at National level. However, share of
electricity consumed for agriculture to total electricity sold in the State has increased from 6.83% to 37.62%.

- The other important infrastructure is road transport. The State has registered an increase in the number of vehicles. The share of the State in total vehicles in the country has declined from 12.48% to 6.99% and the percentage of surfaced road to total roads has increased from 35.86% in 1971-72 to 59.9% in 2008. As regards to availability of health services there has been an increase in number of hospitals per lakh of population from 0.68 in 1971 to 31.9 in 2011 and an increase in hospital beds per lakh of population from 95.6 to 100.2 during the same period.

- Karnataka’s status of development is higher compared to all India level as revealed by higher level of urbanization, higher sex ratio, a lower level of mortality rates, relatively lower backward population, lower level of poverty and marginally higher life expectancy rate.

- On the basis of Composite Index of overall development and Beta values it is noticed that the states which are very backward are Bihar, Jharkhand, Chattisgarh, Orissa, Uttar Pradesh, and Madhya Pradesh, the states which are backward are Rajasthan, West Bengal, and Uttarakhand. The developing states are Andhra Pradesh, Maharashtra and Karnataka and the Very developed states are Haryana, Gujarat, Punjab, Kerala and Tamil Nadu.

- So far as state in different states and in different sectors in the development scale derived on the basis of beta values it is noticed that in agriculture, the developed states are AP, Haryana and Punjab and the very backward states on the other extreme are Bihar, Jharkhand, Chhattisgarh, and Orissa. In case of Industry, the developed states are Gujarat, Maharashtra, Punjab, Tamil Nadu and Uttarakhand and very backward states are Bihar, MP, Chhattisgarh, and UP. In Infrastructure development, the developed states are Haryana, Kerala, Maharashtra, Punjab, Tamil Nadu and Uttarakhand. Level of Human development is found higher in states such as Karnataka, Kerala, Maharashtra, Tamil Nadu and Uttarakhand and the lowest in states like AP, Bihar, Jharkhand and Rajasthan. In Macro Development the developed states
are Gujarat, Haryana, Kerala, Maharashtra and Tamilnadu and the most backward states are Bihar, MP, Chhattisgarh, Orissa and UP. In terms of Weaker section development the developed states are Karnataka, Kerala and Tamilnadu and the very backward states are Bihar, Jharkahnd, MP, Chhattisgarh and Orissa. Taking all the sectors together, the Overall development has been worked out. It is noticed that the developed states are Gujarat, Haryana, Kerala, Maharashtra, Punjab, Tamilnadu and Uttarakhhand and the very backward states are Bihar, Jharkhand, MP, Chhattisgarh, Orissa and UP (Table- 3.16 & 3.17).

- In 2011 highest density of population is observed in Bangalore urban, Dakshina Kannada, Mysore and Dharwad and the lowest in Kodagu, Chikkmagalur, Bijapur and Chamarajanagar. The districts have varying levels of urbanization, which is an important indicator of development and a proxy variable for level of industrialization. The state has an urbanization of 39% in 2011. Highest level of urbanization is presented by the districts of Bangalore urban, Dharwad, Dakshina Kannada and Mysore and the lowest level by Kodagu, Chamarajanagar, Koppal, Chitradurga and Hassan. Nearly 22.75% of the population in the state belongs to SC & ST category with variations across the districts. Highest percentage is observed in the districts of Chitradurga, Chikkelballapura, Chamarajanagar, Bellary and Raichur and the lowest in the districts of Uttar Kannada, Udupi, Dakshin Kannada, and Dharwad. In 2011, the rate of literacy is found to be highest in Bangalore Urban, Uttar Kannada, Udupi, Kodagu, Shimoga and Ramanagara and the lowest in Raichur, Gulbarga, Chamarajanagar, Koppal and Bidar. The sex ratio is found highest in the districts of Udupi, Dakshin Kannada, Hassan, Kodagu, Mandya, and Chikkmagalur and the lowest in Bangalore, Haveri, Bijapur, Davangere, Bidar and Bangalore rural in 2011.

- Given high proportion of population staying in rural areas in the state and high proportion of workers dependent on agriculture (49.27% in 2011) agriculture is the dominant economic activity of the State. In 2011 high dependence on agriculture is registered in the districts of Haveri, Mandya, Raichur, Chitradurga and Chikkelballapura and the lowest in Bangalore
Urban, Dakshin Kannada and Kodagu. The performance of agricultural sector can be seen in terms of cropping pattern, which is dominated by rice and food grains. The share of food grains in total area under all crops stood at 130.62% in 2010-11. Interestingly lowest food grains area is registered in the districts of Kodagu, Dakshin Kannada, Chikkamagalur, Chitradurga and Kolar and the highest in the districts of Gulbarga, Bidar, Shimoga, Bijapur and Mandya. In spite of predominance of agriculture, the yield rate of rice and food grains is not only low (15.48 qtl. Per hect) but also the variations across the districts are significant. However in 2009-10 highest yield rate (above23.0) is observed in case of Davangere, Bangalore Rural, Kodagu and Shimoga and lowest (below 10.0) in case of Bidar, Gulbarga, Gadag and Bijapur. Highest intensity of cropping in 2011 is observed in case of Mysore, Dharwad, Gadag, Bellary, Belgaum and Bangalore Rural and the lowest in case of Chikkaballapura, Ramanagaram, Kolar, Bangalore Urban and Davanagere. The level of irrigation of the state is low with around 30% of the Net sown area irrigated. In 2011, highest level of irrigation (more than 45%) is registered in the districts of Shimoga, Mandya, Dakshin Kannada and Belgaum, Bagalkot and the lowest (less than 15%) in the districts of Kodagu, Chikkamagalur, Dharwad and Bidar. In 2011 consumption of fertilizer per hect. is found highest in the districts of Bangalore Urban, Mandya, Shimoga, Kodagu and Bellary and lowest in the districts of Chitradurga, Bijapur, Udupi, Ramanagaram, Gadag, Gulbarga, Yadgiri.

In terms of industrial development it is observed that the state has 21 industries per lakh of population and there exists variations across the districts. The highest number of industries is observed in the districts of Bangalore Urban, Bangalore Rural, Udupi, Bagalkot, Chikkaballapura, Ramanagaram and Kolar and the lowest are found in the districts of Hassan, Dharwad, Chikkamagalur, Kodagu, Kolar, Raichur, Udupi, Chamarajanagar and Bijapur. Similarly the degree of employment offered by industries is to the tune of 1905 per lakh of population and there exists significant variations across the districts. The highest is observed in the districts of Bangalore Urban, Bangalore Rural, Udupi, Mysore and Kolar and the lowest in the
districts of Hassan, Bijapur, Chikkaballapura, Bidar and Chikkamagalur (Table- 4.5).

- The variations in infrastructure development in the state can be seen in terms of number of commercial banks, percentage of surfaced roads, railway length per sq.km. number of motor vehicles and number of telephone connections per lakh of population, per capita bank credit, % households having access to all weather roads. hospital beds. In 2008-09, 10 banks per lakh of population existed in the state. However there existed variations across districts. The districts with highest no. banks per lakh of population were Udupi followed by Kodagu, Bangalore Urban and Dakshin Kannada and the lowest in the districts of Chikkaballapura, Chamarajanagar, Bidar and Gulbarga. Similarly the extent of surfaced roads is found to be 73.36% for the state in 2011-12. Highest surfaced roads are found in the districts of Bangalore Urban, Bidar, Bagalkot, Belgaum, Bijapur, Hassan, Bangalore Rural, and Ramanagara. And the lowest in the districts of Chitradurga, Udupi, Dakshin Kannada, Dharwad, Kodagu and Yadgiri. Highest number of motor vehicles per lakh of population is found in the districts of Bangalore Urban, Bangalore Rural, Mysore, Dakshina Kannada, Kolar, and Shimoga and the lowest in the districts of Chikkaballapura, Koppal, Ramanagara, Bidar, Kodagu and Chamarajanagar (Table- 4.6).

- The findings regarding the status of disparity in the state of Karnataka may be summarized as follows: The developed category of districts is Mysore, Bangalore Rural, Bangalore Urban, Udupi and Dakshin Kannada. On the other hand the most backward are Gulbarga, Bijapur and Raichur districts of North Karnataka and Chitradurga, Chamarajanagar, Tumkur and Chikaballapura of South Karnataka. It is interesting to observe that out of 5 Hyderabad districts 4 are placed in very backward or backward districts. On the other hand in case of South Karnataka, out of 17 districts 9 come under the developing/developed category. In maidan region 6 out of 11 come under developing/developed category while in malnad region 3 out of 4 are backward/ very backward districts.
On the basis of Composite Index of overall development and Beta values it is noticed that the districts which are very backward are Chamarajanagar, Bijapur, Bidar, Gulbarga, Raichur and Yadgiri, the states which are backward are Chitradurga, Davangere, Kolar, Chikballapura, Tumkur, Mandya, Belgaum, Gadag, Haveri, Bellary and Koppal, the districts which are developing are Bangalore Rural, Ramanagara, Chikkamagalur, Hassan, Kodagu, Mysore, Bagalkot and Dharwad and the Very developed districts are Bangalore(Urban), Dakshin Kannada, Udupi, and U. Kannada(Table-4.9).

Sectorally, one finds variations in development across different districts of Karnataka state. In agriculture the developed districts are Kodagu, Bangalore Mysore, D.Kannada, Shimoga, Davangere, Bagalkot, Bellary and very backward districts are Chitradurga, Chamarajanagar, Ramanagara, Yadgiri, Chikaballapur, Bijapur, Bidar, Kolar, Gulbarga. In industrial sector the developed districts are Kodagu, Bangalore, Mysore, D. Kannada, Shimoga, Davangere, Bagalkot, Bellary and Very backward districts are Chitradurga, Chamarajanagar, Ramanagara, Yadgiri, Chikaballapura, Bijapur, Bidar, Kolar, Gulbarga. In terms of infrastructural development the developed districts are Bangalore, Udupi, D.Kannada, Shimoga and at the other extreme the Very backward districts are Bijapur, Yadgiri, Dharwad. The polarization seems to be high in case of Human Development indicators. The developed districts are D.Kannada, Chikkamagalur, Uttara Kannada, Shimoga, Udupi, Hassan and the Very backward districts are Bidar, Bellary, Bangalore (rural), Belgaum, Gulbarga, Koppal, Raichur, Yadgiri. In case of Macro economic development while there are no very backward districts, the developed districts are Bangalore, Bangalore (rural), D.Kannada, Dharwad. In weakest section development the developed districts being Udupi, Uttara Kannada, D.Kannada, Bangalore, Kodagu the Very backward districts are Bidar, Kolar, Gulbarga, Haveri Chitradurga, Yadagiri, Bellary, Mysore. Thus taking all sectors the Overall development has been worked out. It is noticed that the developed districts are Bangalore, D. Kannada, Udupi, U.Kannada, Shimoga and the Very backward districts are Chamarajanagar, Raichur, Bijapur, Bidar, Gulbarga, and Yadgiri. Thus while one finds that there exists inter-state
disparity across different major states of the Indian Union, one also finds inter-district disparity across different districts of Karnataka State. One important manifestation of the disparity is the prevalence of disparity between rural and urban areas in any geographical entity with modernization and progress having a tendency to benefit urban areas. In the following an attempt has been made to document the existence and continuance of rural and urban disparity in the state of Karnataka. (Table-4.10 & 4.11)

In the 5th Chapter an attempt has been made to present the development profile of the districts selected for the study, the taluks covered and the villages from which the sample households are selected.

- As regards the demographic profile of the districts it can be noticed that among the two selected districts Udupi district has higher percentage growth in population as well as number of households between 2001 and 2011. In 2011 the expansion over 2001 is relatively higher for Udupi. Sex-ratio is found higher for Udupi, though it declined during 2011. The low sex-ratio in case of Chamarajanagar witnessed marginal increase during 2011. Highest literacy is observed in Udupi and the lowest in Chamarajanagar. The same pattern is also observed in 2011. Among the backward social groups, in 2001 SC population is relatively higher in Chamarajanagar compared to Udupi. The same pattern is observed in 2011. The ST population is also found highest in Chamarajanagar district in both points of time.

- The occupational structure in the sample districts reveals that in 2001 Work participation rate (WPR) is found relatively same in both the districts. The WPR shows an increase during the period 2001-2011, though with a higher increase in Chamarajanagar. In case of Total Workers, the share of Cultivators is found higher in Chamarajanagar compared to Udupi district. Overtime there is decline in the share of cultivators in both the districts. Share of Agricultural labour is found higher in Chamarajanagar compared to Udupi district. There has been a
tendency of marginal increase in the share of Agricultural labour in Chamarajanagar. One finds significant rise in the share of other workers which is relatively more pronounced in Udupi indicating a growth of non-agricultural activities. Among the Main workers in Udupi relatively higher proportion are engaged in Non-agricultural activities while in case of Chamarajanagar relatively more workers are engaged in agricultural activities. Among the Marginal workers a very significantly higher proportion are engaged as agricultural labour in both the districts, though it is significantly higher in case of Chamarajanagar.

- The Development profile of the different districts can also be analyzed on the basis of the different indicators suggested by High Power Committee for Regional Imbalances (HPCRRI), which provides indicators for different sectors such as Agriculture & allied, Trade & Finance, Economic infrastructure, Social infrastructure, and Population characteristics. On the basis of the different indicators it is noticed that the main source of development for the district Chamarajanagar seems to be through Agriculture while all other sectors seem to be lagging behind, while in case of Udupi the source of development seems to be via non-agricultural and industrial activities with higher level of economic and social infrastructure.

- Regarding the development profile of the selected taluks it can be noticed that in Udupi district Udupi taluk is more developed compared to Kundapura taluk with higher growth rate of population, degree of urbanization and level of literacy and same level of weakest sections. However, sex-ratio is found higher in case of Kundapura. Overtime, there is growth of urbanization in both the taluks though with higher increase in Udupi taluk. Sex-ratio is found declining in both the taluks during the period 2001-2011. Similarly, in Chamarajanagar district, Chamarajanagar taluk presents a better demographic profile compared to Gundlupet taluk in terms of urbanization and same level in terms of literacy, sex-ratio. SC population is relatively higher in Chamarajanagar, while ST population is
more in Gundlupet taluk. Overtime, there is no significant growth in urbanization or level of literacy in both the taluks. However, there is marginal increase in sex-ratio and SC & ST population in both the taluks overtime

- The occupational structure in the sample taluks reveals that in 2001 highest Work participation rate (WPR) is found in Udupi taluk of the district Udupi and Gundlupet taluk of district Chamarajanagar. The WPR remains stable in all the taluks during the period 2001-2011. In case of Total Workers, the share of Cultivators is found highest in Kundapura Taluk of Udupi district and Gundlupet taluk of Chamarajanagar. Share of Agricultural labour is found highest in Kundapura taluk of Udupi district and Chamarajanagar taluk of Chamarajanagar district. The share of Household industry is relatively higher in Udupi taluk but low and almost similar level in both the taluks of Chamarajanagar. The share of Other Workers which includes bulk of non-agricultural workers is found higher in Udupi taluk and Chamarajanagar taluk. Overtime one finds declining tendency in the share of cultivators and agricultural labour and increasing tendency for other workers in all the taluks. But the increase in other workers is relatively more pronounced in both the taluks of Udupi district compared to the taluks of Chamarajanagar district.

- Among the Main workers one finds a similar trend of declining importance of cultivators in all the taluks. The pattern of engagement remains identical with Total workers. The relatively higher importance of Agricultural labour is also observed in both the taluks of Chamarajanagar district. Over time also one finds increasing importance of agricultural labour in both the taluks of Chamarajanagar. In case of Udupi district one not only finds low share of agricultural labour but one also finds decline in the share overtime. The increasing importance of other workers is also found more pronounced for both the taluks of Udupi district compared to taluks of Chamarajanagar district.
• The occupational structure among marginal workers reveals that engagement as cultivator in 2001 is relatively less compared to main workers in all the taluks. A dominant segment is engaged as agricultural labour in all the taluks though the level is significantly higher in both the taluks of Chamarajanagar district compared to Udupi district. The taluks where dependence on non-agricultural activities remained at a very high level is both the taluks of Udupi district. Between the taluks of Chamarajanagar, Chamarajanagar taluk has relatively higher level of other workers and higher growth of its share overtime.

• The changing development profile at taluk level can be examined comparing the HPCRRI indicators presented for 2011-12. On the whole one observes that while Udupi taluk is more developed between the two taluks of Udupi district, Chamarajanagar taluk is more developed in case of Chamarajanagar district. Further it can be observed that the level of development is relatively higher in the taluks of Udupi district compared to the taluks of Chamarajanagar district.

• So far as Development profile of selected villages are concerned it can be indicated that Hemmadi village has higher sex-ratio and higher level of literacy and lower proportion of SC&ST compared to Tallur village in Udupi district. The town Udupi from which urban sample households are selected has lower sex-ratio, still higher level of literacy. In Chamarajanagar district both the villages from which rural households have been selected have almost same level of sex-ratio, rate of literacy, though higher proportion of SC&ST are found in Terakanambi village compared to Balachavady. The Chamarajanagar town has lower sex-ratio, higher level of literacy compared to the two villages of Chamarajanagar district.

• Regarding occupational structure it is observed that WPR is higher in villages of Chamarajanagar district compared to Udupi district. Overtime while the WPR has not undergone much change there is increase in the
villages of Chamarajanagar. On the other hand the share of cultivators and agricultural labour in total workers is found at higher level in villages of Chamarajanagar compared to villages of Udupi indicating the importance of agricultural activities. Non-agricultural activities are more important and there is also expansion overtime in the villages of Udupi compared to Chamarajanagar as evident from the significantly higher share of other workers in total workers. In case of towns it is observed that Udupi town has higher level of other workers compared to Chamarajanagar town. Village-wise Tallur has higher level of non-agricultural activities compared to Hemmadi in Udupi district and Terakanambi has higher level of non-agricultural activities compared to Balachavady of Chamarajanagar district.

- The same pattern is also observed in case of occupational structure of main workers. While the share of cultivators and agricultural labour is found higher in villages of Chamarajanagar, the importance of non-agricultural labour is found higher in the villages of Udupi district. Town-wise Udupi town presents higher level of non-agricultural activities compared to Chamarajanagar town. Village-wise same pattern is observed as in case of Total workers.

- So far as occupational structure of marginal workers is concerned, there is not much difference between the two villages of Udupi district, with predominance of agricultural labour in 2001, which declined significantly in 2011 and there has been growing importance of non-agricultural labour as indicated by rise of share of other workers in total marginal workers. On the other hand in case of villages of Chamarajanagar district, Terakambi was associated with high proportion of agricultural labour, while Balachavady was associated with predominance of non-agricultural labour in 2001. Overtime while there is no significant change in the structure for Terakanambi, the structure has changed significantly with sharp decline in non-agricultural labour and increasing importance of agricultural labour. So far as towns are concerned even in case of
Marginal workers Udupi town has higher level of non-agricultural activities compared to Chamarajanagar town.

SOCIO-ECONOMIC PROFILE OF SAMPLE HOUSEHOLDS:

- Sex composition of rural and urban households indicates that the proportion of male is higher among heads of households though higher male proportion of population is also noticed in case of total population of the sample households.

- It is noticed that while in rural areas highest number of households is found for OBC category followed by other caste and SC. The same pattern is observed also in case of urban areas. In terms of population also one observes the same pattern.

- Regarding occupation structure of sample households it is observed that in rural area the percentage of people engaged in agriculture is significantly higher than that of their urban counterparts while in urban areas the proportion of people engaged in service and trade are significantly higher compared to rural areas. Proportion of engagement as non-farm labour is marginally higher in urban areas compared to rural areas.

- Regarding educational status it is observed that the percentage of illiterates is found higher for urban households compared to the rural households. Only higher level of education at the graduate and post-graduate level is found higher in case of urban households compared to the rural households. It is observed that while in case of rural household’s variation across caste groups and across educational level is statistically significant; in case of urban areas variation across caste groups is not found statistically significant, though it is significant across educational level.
• Regarding land ownership it is noticed that the ownership of land is expectedly higher in rural areas compared to urban areas. There is relatively higher level of tenancy among the sample households as of the total owned area, 33.84% are leased out. Relatively a significantly lower proportion of land is subjected to cultivation in case of urban households. It is observed that caste-wise as well as occupation-wise there is no significant variation in the average land operated between rural and urban areas as the coefficients are found statistically not significant.

• Regarding facilities available in the villages it is observed that in case of type of house available for sample households higher percentage of pucca house is found in urban area as compared to rural area. Considering the numbers of room of sample households, it is observed that the percentage of the number of rooms below 3 rooms or below 3BH is found higher in rural households than that of urban households. It is also noticed that the basic facilities in term of the provision of electricity is found very high in both rural and urban area. However so far as the sources of drinking facilities is concerned, the percentage of the sources of drinking water in terms of wells and tanks is found higher in rural households than that of urban households, whereas so far as the other sources of drinking water such as tube wells, govt. supply and own tape are found higher in urban households than that of rural households. But the drainage and latrine facility are worse as significant portion of rural households don’t have such facilities.

• It is observed that per household annual income in urban areas is almost double that of rural areas. Caste wise it is observed that in rural areas highest income is exhibited by Other caste groups (which includes upper caste) and the lowest income for SC in urban areas while highest per household income is registered by other caste groups, the lowest is observed in case of ST followed by SC in urban areas. Per household annual income is found to be highest for salaried persons both in rural and urban areas followed by persons engaged in trade and business. Level
income is highest for no-farm labour both in rural and urban areas. However, one does not find statistically any significant variation in per household income across caste groups as well as between rural and urban areas. The same result is also observed in case of occupation groups.

- It is noticed that the rural household total expenditure is almost double that of urban households. Highest per household expenditure is found for food in both rural and urban areas. In rural households the other most important items of expenditure are repayment of loan followed by social function. However, in urban areas other important items of expenditure are repayment of loan, followed by education and social function. Compared to per household income one finds that there is scope for saving on the average for both rural as well as urban households. However, no statistical variation in per household consumption expenditure between rural and urban areas and among different food items.

- It is observed that urban households have higher magnitude of per household credit compared to their rural counterpart both in terms of number of households as well as per household loan amount. Regarding savings of sample households it is observed that though very high proportion of households resort to savings both in rural and urban areas, the extent of saving per household is found higher in case of urban sample households. The same pattern is observed in terms of insurance opted for by sample households.

- Relatively higher level of migration takes place to places outside the district both in case of rural and urban respondents. While income is the sole cause of migration for rural migrants a sizeable portion reported other reasons in case of urban respondents. While majority of the rural households reporting migration indicated voluntary migration, in case of urban household’s majority of them reported the source of migration as labour contractors. The amount of money earned during migration is
remitted to families and extent of remittance by the rural households is found higher than that of urban households. Most of the households of both rural and urban areas reported no problems in the new place of migration.

- Regarding responses on transportation system it is observed that as per responses urban transportation system is better that of the rural counterpart. However, very small proportion of rural households indicated that the transportation system is bad. Regarding road condition one observed that the same pattern of responses. Regarding power supply it is observed that while majority of urban households are satisfied with provision of electricity, relatively sizeable portion of households are not satisfied with electricity facility. Regarding sewerage facility, a dominant majority of rural households find the available facility bad, while for urban households majority are satisfied with the available facility. So far as educational facilities are concerned majority of the respondents both in rural and urban areas are found to be satisfied with the facility, though the proportion is significantly high in case of urban households. Availability of health facilities are found significantly higher in case of urban areas as per the responses of the sample households. In contrast large proportion of both the rural and urban households are not satisfied with the recreational facilities.

- Regarding response on involvement of official, legislators on the one hand and availability of income generating schemes on the other it is observed that a very high proportion of rural sample households find low level of involvement of officials, a relatively higher proportion among urban respondents are found to be satisfied with the role of the officials. The same pattern is also observed in case of role of the legislators in improving the conditions of the people, which is found to be very low as observed by both rural and urban households, though the magnitude is high for rural households. Similarly, a high proportion among both rural
and urban households is found not satisfied with the prevailing income generation schemes in their regions.

- While it is noticed that the rural households did not observe any environmental pollution in their regions and existence of any kind of planning, a sizeable portion of the urban households observed existence of environmental pollution and majority of them however indicated the pollution at a moderate level and majority of the urban respondents also have opined that the town planning is proper in their respective regions.

- Regarding various development programmes it is noticed that although there are several government measures for depressed sections, the extent of coverage is rather very low in case of rural sample households selected for the present study. No such programmes are reported by urban households.

6.3 POLICY IMPLICATIONS

On the basis of the above analysis and findings, one finds that there exists inter-state disparity across different major states of the Indian Union and one also finds inter-district disparity across different districts of Karnataka State. One important manifestation of the disparity is the prevalence of disparity between rural and urban areas in any geographical entity with modernization and progress having a tendency to benefit urban areas.

1. There exists inequality in the land ownership pattern among the rural households which may be contributing towards a relatively low growth regime in agricultural sector. This has further been accentuated due to low irrigation base in the state. The problems of landlessness though with continuing dependence on agriculture are very strong. Thus it calls for restructuring the agrarian structure possibly through creation of new agrarian institutions. The lack of capability of landless agricultural labour and marginal and small farmers can be best addressed through creation of collective institutions which can make better utilization of their meager
resources and state providing support to the collective institutions such as credit, and marketing facilities. The generation of non-farm activities in rural areas can be undertaken only within the framework of these collective institutions.

2. There is clear evidence of uneven regional development with certain pockets of the State lagging behind such as Hyderabad Karnataka in general and some regions of Bombay Karnataka and South Karnataka. Since it is evident that Private capital has an inherent tendency to move towards developed regions/ urban areas as they have infrastructural advantages, the public investment must have a greater bias in favour of the relatively backwards regions and specifically for the development of the rural areas. Thus it is essential that identification of backward districts, taluks and the type of backwardness sectorally must be continuously undertaken for possible transfer of funds to these regions and particularly in different lagging sectors.

3. The lack of pronounced disparity between rural and urban households may be due to the nature of sampling units. The units have been selected from relatively low developed districts. If the urban households were selected from the relatively developed pockets the level of disparity could have been found more pronounced. However, one still finds that facilities existing in urban areas are much higher compared to the rural areas, indicating lot of scope for state intervention in the sphere of education, health, housing and sanitation.

4. Social groupwise one also notices a general lower level of development of SC & ST households both in rural and urban areas compared to their counterparts OBC and General Caste, though it is more pronounced in rural areas. Thus the brunt of the uneven development falls more on the depressed sections of the society. The existing programmes for the weakest sections seem to be inadequate in ameliorating their problems. There is urgent need for addressing to the need for augmenting their sources of income and creation of stable income generating assets.
5. Since there is not much variation in the development profile of the districts considered under the study and there is no clear cut pattern among the districts in terms of development, only affecting a better communication system does not automatically enhance development. Public/private investment to develop production organizations must also follow the development of communication system.

6. The development profile of taluks also does not reflect a clear cut pattern in terms of development. The development of resource base of the region and the employment opportunities must be associated with the development of communication system.

7. The development profile of villages also does not indicate any clear cut pattern in terms of development. A clear cut framework to enhance the village economy must be prepared to identify the areas for investment public and private.

8. As far as education level is concerned, more emphasis shall be laid in terms of policy for creation of facilities and awareness about education in the relatively less backward areas.

9. Appropriate schemes need to be evolved to increase non-agricultural activities in the both the districts and taluks to increase employment and income earning opportunities.

10. Rural areas require more attention for hygiene and sanitation and such other basic infrastructure facilities as they are lacking. This will help reducing the disparity in terms of basic facilities.

11. There is a need for an effective implementation of Development programmes as the rural people under the study area are not availing the benefit.

12. Awareness programmes are to be arranged for increasing their involvement at the decision making level.