CHAPTER I
SOCIO-ECONOMIC AND POLITICAL DYNAMICS OF
ANDHRA PRADESH
Political Dynamics

The politics in Andhra Pradesh is characterised as accommodation, factionalism and populism. The political system accommodated leaders of movements (socio-political movements and political agitations) and groups (caste, class, gender and religion) who hardly represented the interests and wishes of groups and movements. It also accommodated some interests and wishes of these groups and movements by taking some popular policies like reservations, land reforms etc., which are implemented half-heartedly. The state leaders gave more importance to their political survival rather than development of Andhra Pradesh because of factionalism or groupism within the ruling party. The political classes have been depending on populist policies for their electoral survival because political system accommodated interests and wishes of leaders rather than those of groups and movements, and political leadership was busy with political survival rather than development of Andhra Pradesh. That is why Andhra Pradesh has not developed well as expected and it has not achieved its objective of social transformation as expected. Therefore, upper caste-class groups have been ruling the state to continue their domination through politics of accommodation and populism.

Andhra State with Kurnool as its capital and T. Prakasam as its Chief Minister, was the first linguistic state to be formed after independence on 10 October 1953.¹ When India attained independence on 15th August 1947 the Andhras hoped that their long cherished desire for a separate Andhra Province would be fulfilled soon.² Their optimism was based on the Congress election manifesto of 1946 wherein it was declared that the provinces of the country would have to be constituted as far as possible on the basis of language and culture. But the Andhras had to fight for nearly 40 years for a separate state. The former

---
After the formation of Andhra State in October 1953, the demand for the creation of other linguistic states gained momentum. As there was a demand from other areas for the formation of new states, the Government of India appointed States Reorganisation Commission (SRC) consisting of Justice Fazal Ali as chairman, Sardar K.M. Pannikkar and Hridaynath Kunzru as members to examine the question. This commission recommended that the Telangana area should be kept separate for five years and Andhra Pradesh may be formed if the members of the Telangana legislature voted for merger with Andhra districts. The Commission's recommendation led to debate between Telangana people and Andhra people. In Andhra almost all leaders favoured Visalandhra. In Telangana, some leaders hailed commission's recommendation (these are K.V. Ranga Reddy and M. Chenna Reddy etc., who favoured separate Telangana State) and some other leaders favoured Visalandhra. In order to prevent misunderstanding between the two regions of Andhra and Telangana, the Congress High Command arranged a meeting of the leaders of the regions at Delhi on 20th February 1956. Andhra was represented by B. Gopala Reddy, N. Sanjiva Reddy, G. Latchamma and A. Satya Narayana Raju. Telangana was represented by B. Ramakrishna Rao, K.V. Reddy, M. Chenna Reddy and J.V. Narasinga Rao. The meeting resulted in an agreement over the formation of Visalandhra by providing certain safeguards to Telangana. Visalandhra consists of all areas of Telugu people including Coastal Andhra, Rayalaseema and Telangana. All the eight participants affixed their signatures to the accord popularly known as Gentlemen's Agreement. Terms of the Agreement are as follows:

1) The distribution of state funds regarding central and general expenditure was to be done according to the population of Andhra and

---

8 Ibid, p. 163.
10 Ibid, p. 166.
Telangana regions. The surplus funds in Telangana funds were to be spent for Telangana region only. This arrangement could be continued for another 5 years at the request of Telangana legislature;

2) Prohibition was to be implemented according to the decision of Telangana legislature;

3) All the educational facilities available in Telangana were to be spent for the people of Telangana only. One-third of the total number of seats in all the universities and technical institutions were to be allotted to Telangana region;

4) If jobs are to be reduced on account of integration they are to be reduced according to the population basis between the two regions;

5) Jobs occurring in future were to be decided according to the population basis between the two regions.

6) Urdu language was to be continued in administration and judicial service in Telangana for a period of 5 years, to be reviewed by Telangana Regional Committee;

7) Twelve years of residence in Telangana was to be insisted upon for entry into jobs reserved for Telangana region;

8) There should be a Telangana Regional Committee for reviewing the developmental activities and for monitoring the use of Telangana surplus funds in Telangana region;

9) Ministers were to be drawn in the ratio of 60 percent and 40 percent from Andhra and Telangana regions respectively. There was to be one Muslim in the ministers from the Telangana region;

10) If the Chief Minister belongs to the Andhra region, there was to be one Dy. Chief Minister from Telangana and vice versa;

11) Telangana was to have a separate Pradesh Congress Committee till 1972; and
separate Andhra State. This was ended when the centre intervened in the agitation and formulated a six-point formula after consulting the concerned people.

During this period of Congress rule, political system accommodated leaders of different movements and different groups who hardly represented interests and wishes of those movements and groups once they became a part of the system. Political system also accommodated some interests and wishes of movements and groups by introducing popular policies which are implemented half-heartedly. The state leadership bothered more about their political survival rather than development of Andhra Pradesh because of factionalism or groupism within the ruling party. The factionalism led to frequent change of state leadership (Chief Minister). Populist policies by state leadership played less role in electoral politics. The Congress Party was following the practice of nominating Chief Ministers and changing them as frequently as possible ignoring the wishes of elected members of the state legislature. In Andhra Pradesh four Chief Ministers were changed within a span of 3 years – Dr. M. Channa Reddy, Shri Anjaiah, Bhavanam Venkataram Reddy and Vijaya Bhaskar Reddy – and this frequent change had its effect on the Congress Party in the state. 18

Major policies during the period 1956-1983 are:

a) Land reforms were introduced to control communist influence and to attract poor people's attention;

b) The state gave importance to agricultural development from the beginning by allocating more funds to irrigation, power, etc., because ruling class were from agriculture only;

c) The policies regarding industrial development were introduced in the 1970s but results were impressive within a short period;

d) The reservation policies were introduced to accommodate backward and deprived groups of the society;

e) Congress with its accommodative policies hijacked the political base of the communists after formation of Andhra Pradesh;

f) Consolidation of Congress power was the result of cooperation achieved by the party leadership with the splinter groups that had earlier defected from the united party;

g) Weakened communist base contributed to the consolidation of the Congress Party;

h) Congress succeeded in winning over a sizeable part of the Muslim community by allocating tickets to Muslim candidates in the State Legislative Assembly and prominent ministries in cabinet;

i) Factionalism inside Congress no doubt led to the agitations like Separate Telangana Movement, Jai Andhra Movement, etc.;

j) Anti poverty programmes under the Prime Ministership of Indira Gandhi were launched as a political strategy to increase the support base of the congress;

k) Target groups are Scheduled Castes, tribals, women, Backward Classes, and Muslims; and

l) Land reforms policy which was adopted to control the hegemony of upper castes and to gain support from backward castes and Scheduled Castes also is an important strategy of the Congress Party.

• It weakened the control of rich peasantry class over the poor who from the vote bank of the Congress Party;

• Land Ceiling Act policy of Venga\l Rao has not affected the landed upper castes;

m) Backward castes and Harijans continued to identify themselves with Congress because of the “Garibi Hatavo” policy;

n) Distribution of government lands, house sites for the landless, abolition of bonded labour, Harijans as target groups;
Industrial growth brought a new regional economic process which was reflected in the political process resulting in the Kammas and Reddis emerging as enterprising groups;

Rural mass based policies of the Congress provided a political base for the success of the party in the long-term.

**Developments between 1983 and 1989 – Formation of Telugu Desam Party**

*Government*: In the year 1983, N.T. Rama Rao formed the Telugu Desam Party just six months before the elections. N.T. Rama Rao, a leading figure in the Telugu film world, announced in May 1982 the creation of a regional party called Telugu Desam. Within a few weeks of its formation, the Telugu Desam became so popular that it created uneasiness among the members of the Congress Party. The Congress high command replaced Bhavanam Venkata Reddy with K. Vijaya Bhaskara Reddy in October 1982 because B. Venkata Reddy was considered as a weak candidate to face Telugu Desam. Infact, Vijaya Bhaskara Reddy was the fourth Chief Minister in four years.

The dissatisfaction of the people with the long rule of Congress, increase in unemployment, poverty, corruption, neglect of weaker sections, imposition and frequent changes of Chief Ministers, lack of respect for the Andhras and the Telugu Desam in its election campaign are the reasons for the defeat of the Congress. Infact, N.T. Rama Rao’s charisma as a film hero, his own caste’s support in a different form and people’s dissatisfaction with Congress rule played major role in defeating the Congress. Telugu Desam Party had been in power from 1983 to 1989 except for a month in 1984, when Nadendla Bhaskara Rao brought about a split in the party and became the Chief Minister. N.T. Rama Rao

---


dissolved the Assembly in December 1984 and in the elections held in March 1985, the party won by a majority. Subsequently, the party lost its majority in the 1989 elections. Infact, in the elections to the Andhra Pradesh Legislative Assembly held on 5th January, 1983 the Telugu Desam Party won a landslide victory securing 199 seats in a house of 294.\(^{23}\) The Congress secured only 60 seats. The assembly elections of 5th March 1985 proved that Rama Rao continued to command the mass backing of the Andhra electorate. Out of the 294 seats in the Assembly, the Telugu Desam Party won 202 seats, its allies 41 seats, and the Congress 49 seats.\(^{24}\)

During this period, Rama Rao gave more importance to populist policies to consolidate his position. He also used accommodative politics. He accommodated leaders of different groups and interests of these groups. He accommodated those groups who were neglected by the Congress government. He accommodated backward castes to strengthen his social base and also accommodated minorities and Madigas among SCs. The major policies introduced by the Telugu Desam government are as follows:

a) It introduced the programme to supply rice at Rs. 2/- to weaker sections;
b) Sale of sarees and dhoties to green card holders at 50 percent rate;
c) Free treatment to green card holders in government hospitals;
d) Construction of lakhs of houses for weaker sections at nominal rates;
e) Abolition of capitation fees in professional colleges;
f) Providing pension to widows;
g) Protection of the rights of minorities and expansion of educational facilities to the people;
h) It established two universities, one for women and another for the presentation of the Telugu language and culture;


i) The government abolished panchayat samitis and created 1104 mandals
to bring the administration nearer to the people; and
j) Free mid-day meal at the primary school level.25

He also introduced some other policies which created a controversy and he
also lost some social base due to these policies. They are as follows:

a) He reduced the retirement age of the government employees from 58 to
55 years;
b) He further irritated the bureaucracy by indiscriminately suspending
some senior I.A.S. officers on charges of corruption.
c) He had alienated another important section of the public, namely village
officers like Karanam and Munisiff by abolishing their hereditary
positions;
d) The legislative council was abolished on 9th March 1985;
e) He also abolished hereditary archakas (priests) in temples, posts of
Asthana vidwans and fine arts academies; and
f) He also introduced reservation policy and abolished evening colleges.26

Telugu Desam Party lost election in November 1989 to the Congress Party.
The Congress got 180 seats out of 294 seats and Telugu Desam got 74 only.27
Congress MLA V. Mohan Ranga Rao was assasinated in December 1988 which
was followed by unprecedented violence, arson, looting in Coastal Andhra. This
incident was the starting point for the downfall of N.T. Rama Rao's government.
N.T. Rama Rao dismissed the entire cabinet due to leakage of budget proposals.
This action created a lot of dissidence within Telugu Desam Party. Due to some
unpopular policies and other decisions Telugu Desam was defeated. But poor

25 For details, see F.D. Vakil and K.H. Shivaji Rao Indian Government and Politics, op.cit.; P.R. Rao,
History of Modern Andhra, op.cit.; and G. Krishna Reddy, New Populism and Liberalisation: Regime
Shift Under Chandrababu Naidu in AP, op.cit.
26 For details, see Krishna Reddy, New Populism and Liberalisation by Government; op.cit.; F.D. Vakil and
op.cit.
people were with N.T.R. only. Middle class people were unhappy with N.T.R. policies and therefore they defeated his party.

Congress came to power in December 1989 under the leadership of M. Channa Reddy and Congress ruled the state till December 1994. The major debate during this period among people, politicians, bureaucrats and intellectuals was between populist welfare measures and market economic reforms. The government introduced market economic reforms in Andhra as a part of ongoing economic reforms in India since 1991. But Congress went to the people for votes in 1994 on the basis of populist measures rather than on the basis of economic reforms. It hardly mentioned about economic reforms in its manifesto. The second important aspect in Andhra Pradesh during this period was Anti-Arrack movement by women especially poor women. This was manipulated by Telugu Desam Party for its own election campaign. This was the major issue in the election of 1994. Again factionalism dominated the politics within the ruling party which led to change of Chief Ministers. The Congress adopted both populism and accommodative politics for its survival. The Congress was defeated in December 1994 assembly election. Telugu Desam won 219 seats out of 294 and Congress got 26 seats only. Withdrawal of welfare measures, Anti-Arrack movement, economic reforms, factionalism, etc., are responsible for Congress party defeat. Infact, Telugu Desam’s manifesto — prohibition of liquor, Rs. 2 kg rice, etc., — also contributed to the success of Telugu Desam in elections. The major policies, introduced by the Congress Government during 1989-1994 are as follows:

a) The government introduced economic reforms (liberalisation) in August 1991;

b) The government launched special schemes to attract investment from abroad especially from NRIs;

c) It announced strong support for private investment in sugar industry;
d) It launched an Export Processing Zone at Visakhapatnam;
e) It established a Software Technology Park in Hyderabad in order to promote industries in high-technology areas. Infact, Hi-Tech City was started by the Congress government only;
f) It took loans from the World Bank for the Cyclone Reconstruction Project-1990 and AP Irrigation – II project;
g) It also took loans from the ADB for laying roads;
h) It initiated reforms in power sector by allowing private sector participation in power sector;
i) Two gas-based power projects at Kakinada and Jegurupadu were entrusted to private sector for establishing 200 mw power stations;
j) It planned for 2 coal-based power plants at Visakhapatnam and Krishnapatnam (Nellore district);
k) It also planned restructuring of APSEB;
l) Foreign funding in Andhra Pradesh also increased several fold during the Congress regime;
m) The Congress government raised the issue price of subsidised rice supplied through the PDS to Rs. 3.50 a kg;

n) It reduced the number of ration cards;
o) Construction of houses for poor people also came down; and
p) It could not prohibit liquor inspite of big movement by women.\footnote{K.C. Suri, \textit{Dilemma of Democracy: Economic Reforms and Electoral Politics in Andhra Pradesh} (paper presented at seminar The Politics of Economic Reforms in India, 4-6 April 2002 by CESS (Centre for Economic and Social Studies), New Delhi).}

It shows that it was the Congress government which initiated economic reforms and took number of initiatives in that process but it did not identify itself with economic reforms even during the election time because of protests from the
organisations are emerging now to capture political power. That is why people are identifying N. Chandrababu Naidu with his caste.

The actual fight is among dominant castes for political power and also within same dominant caste for political power. The fight is not between dominant castes and lower castes. For example, fight is between Reddis and Kammans and fight is within the Reddy caste or within Kamma caste or within Kapu caste. Generally, after independence the Congress has been associated with Reddis or it has been dominated by Reddis. It has been under the control of Reddis leadership. To control Reddis’ political power, the Kammas which is another dominant caste, joined communist party (not all Kammas) which was very strong and a second largest party in the 1950s, 60s, and 70s. Generally, opposition was not strong enough till Telugu Desam Party came to power in Andhra Pradesh and Kammas were unable to give strong fight to the Reddis in Telangana and Rayalaseema areas. Factionalism or groupism within the ruling party especially within Reddy community was common because opposition was not strong enough and Kammas were not strong enough in Telangana and Rayalaseema areas. Kammas became more stronger in the 1970s and 1980s and they invested their agricultural surplus into industry and service sector. They became entrepreneurial class. When N.T. Rama Rao who belongs to Kamma caste, formed Telugu Desam Party in 1982, the Kammas got golden opportunity to assert themselves and to counter the Congress which was dominated by Reddis. That is why Kammas provided all kinds of support to Telugu Desam Party in the 1983 elections. Finally, Telugu Desam captured the power in the state in 1983. In 1980s, the fight between Kammas and Reddis for political power was an open secret though N.T. Rama Rao identified himself with poor people. In the 1990s, both Reddis (Congress) and Kammas (Telugu Desam) competed with each other to get political power and both were able to rule the state alternatively. Here is hardly

Karim Nagar, Kammam, and North Coastal district of Visakhapatnam. They are called in Telangana area as Doras. The Rajus represent the Kshatriya caste. Their presence is in Godavari and Vizianagaram districts of Coastal area only. Though they are numerically small, they are politically and economically very strong. The Brahmins in Andhra Pradesh have been politically and economically very strong. The Brahmins in Andhra Pradesh have been a political force for ages. In fact, the national movement political leadership in Andhra and Hyderabad was largely dominated by the Brahmin intellectuals. At the time of independence, their domination was confined to administration (bureaucracy), which is continuing still. The backward castes are numerically large in whole Andhra Pradesh. Because of their numerical strength, they have been accommodated by dominant caste for their political survival. Now they are assertive to get political power because their interests and wishes are not represented properly. The SCs are 14.87 percent of Andhra Pradesh. The major division among SCs is Madigas and Malas. Some of the SCs got benefited from the reservation policy and accommodation politics. These sections are very assertive politically. Dominant castes have been worried about the SCs for their political survival because of their numerical strength. They are assertive now because their interests and wishes are not really represented and programmes meant for them are not implemented properly. The Madigas in terms of caste hierarchy are the lowest, and are mainly concentrated in the Telangana region. Malas are found in Coastal Andhra. The tribals are found in every region by different names. Though they are not the lowest socially, they are very poor economically. They constitute around eight percent of Andhra Pradesh. Very few of the STs are accommodated politically in Andhra politics.

40 Ibid, p. 287.
42 Ibid, p. 300.
Political Economy of Caste:- According to the 1921 census, Brahmins accounted for three percent of the total population in the districts of Andhra but occupied the highest number of administrative posts and political posts at that time. Kapus and Reddis constituted the largest cultivating caste group at over 15 percent. The Kammas, the second largest cultivating caste among the forward castes, totalled five percent. The backward castes constituted a very large proportion of the population in the districts of Andhra, at 47 percent. The scheduled castes constituted 17 percent of the population.43 They were, however, divided by caste and sub-caste distinctions, and spread unevenly across districts Muslims made up another seven percent of the population. The agrarian structure did not undergo any noticeable quantitative changes. The tenancy protection and abolition of Zamindari in the fifties were the only attempts at some structural changes.44 The land ceiling legislations have not led to the lessening of the socio-economic control of land owning classes; who managed to retain their land through dubious ways. A study of the distribution of operational holdings in various size groups concludes that the attempt to change the land structure and ownership did not make any significant dent into the overall agrarian relations.45 The concentration of land is high in Rayalaseema and Telangana; where as in coastal Andhra the percentage of agrarian poor, (i.e., small peasants with land below one hectare) is high. Poor peasants category dominate in coastal Andhra.

Major Movements in Andhra Pradesh

Separate State Movement:- Establishment of major educational institutions in Madras and Christian Missionary Societies and introduction of English in late half of nineteenth century created separate state consciousness in the minds of educated Andhraites. Kandukuri Veerasalingam was one of the pioneers in South

India, who stood for radical social reforms. Simultaneously emergence of middle class with agricultural transformation resulted in consciousness building. Twentieth century resulted in national movement consciousness in Andhra region which was particularly confined to Brahmans and dominant agricultural castes. The rivalries between Brahmin and non-Brahmin leaders led to caste-based confrontational politics resulting in the demand of Vishalandhra movement. At another level demand for separate Andhra created regional rivalries which became root cause for Rayalaseema leaders for getting the region merged into Madras State. In 1937, crisis of the region was solved by ‘Sribagh Pact’ since Congress had already played its role in Andhra region, rise of Socialist and Communist parties resulted in mobilising agricultural labourers. Establishment of Kissan Sabha focused fight against Zamindars. This struggle to some extent adopted armed struggle policy to protect the interests of agricultural labours. In Hyderabad State, the Nizam started Ittehad-ul Muslim party emerged in Razakars to suppress the agitational politics in the region which finally ended up with police action 1948 by the Indian Army. The colonial power upset this traditional society through its policies of exploitation of tribals and peasant class paved way for the struggle against state machinery. With these developments political consciousness led to demand separate state for Andhra state in 1953 with Kurnool as its capital, and moreover this was the first linguistic state formed after the transfer of power took place. It was almost 40 to 50 years of agitation that finally led to the establishment of Andhra State.

50 Ibid, pp. 126,127.
Majority of the leaders from Andhra and Telangana wanted new state to be formed immediately which resulted in Gentlemen’s Agreement in 1956.\textsuperscript{53} With this development the new state of Andhra Pradesh came into existence on 1\textsuperscript{st} November 1956 under the Chief Ministership of N. Sanjeeva Reddy. The main provisions of the Gentlemen’s Agreement was to have equal distribution of state funds to both Andhra and Telangana regions.\textsuperscript{54} Another provision was that the Telangana Regional Committee will be operating in getting special provisions to the Telangana region for development purpose.\textsuperscript{55}

**Vishaka Steel Plant Agitation:** The 1960s and 70s experienced swings between accommodative and confrontational politics which reflected in factionalism in Congress Party found sharp expression in the powerful agitation for a steel plant during 1960s when a regional agitation for separate Telangana had also taken place at the same time. This agitation led to lot of violence where people lost their lives in the struggle. Finally the demand was considered by the Center with lot of pressure from state leaders. The foundation for the project was laid by the then Prime Minister Mrs. Indira Gandhi.

**Naxalite Movement:** The exploitative nature of the land owned classes created a sense of revolutionary trends in north coastal districts of Srikakulam and Viziayanagaram. Tribal’s wealth was plundered by the upper class bourgeoisie community and the agency areas were neglected by the state development policies.\textsuperscript{56} CPI (M) started mobilising people to protest for their welfare and participated in electoral politics. But the failure in political field led to the establishment of Naxalbari agitation in 1967. They with the help of its students’ wing SFI (Students Federation of India) together thought that an armed struggle could solve the problems of the tribals. The main emphasis is on the distribution of land to the tribes or Girijans by the state. They demanded autonomous status.

\textsuperscript{53} Ibid, pp. 167,168.
\textsuperscript{54} Ibid, pp, 168-169.
\textsuperscript{55} Ibid, pp, 168-169.
\textsuperscript{56} Ibid, p. 173.
for the respective areas where they are living.\textsuperscript{57} The confrontation between Girijans and landlords continued for years on the issue of land grabbing and led to heavy violence through guerrilla warfare under the leadership of Vempata Satyanarayana. The line of action by Charu Majumdar was accepted by Tejeswar Rao and Krishna Murthy. Girijan leaders intensified their struggle on militant lines. These developments made the state to take repressive measures on these militant agitations and movements to protect the class based differentiations. This movement spread into Telangana districts very rampantly and established its position till today.\textsuperscript{58}

A large number of student groups were involved in this Naxal movement. Organisations like PDSU, RSU, Prajashakti involved with Naxal groups in agitation politics. People’s War was banned under the Congress regime and the base was lifted by the same government in the period of Chenna Reddy.\textsuperscript{59} Again it was banned because of the violent attitude of the organisation in Telugu Desam Regime N.T. Ramā Rao lifted the ban for one year and again reimposed ban on the groups which are still continuing. Andhra Pradesh Civil Liberty Committee has played prominent role in meetings between state and People’s War for restoring peace or cease-fire in the state which has not worked effectively.

At present Naxalite movement is slowly spreading to other regions like Rayalaseema and south coastal districts like Guntur and Prakasam. Recent effort initiated by Committee for Concerned Citizens resulted in peace talks. But the dual nature of the police authorities again paved way to failure in peace talks.

**Telangana Movement:** The agitation of 1969 was popularly known as the Telangana Agitation. Main reason behind the agitation was the failure of the state in implementing the Gentlemen’s Agreement. Primarily, positional occupation in jobs by Andhra people created dissatisfaction among Telangana people.

\textsuperscript{57} Ibid, p. 174-75.
\textsuperscript{58} Ibid, p. 175.
\textsuperscript{59} Ibid, pp. 175-176.
Interesting development was that the students' unrest led to demand for a separate state for Telangana people. These developments took a violent turn. Heavy damage took place with the support of legislators from Congress Party itself. In 1969 an Eight Point Formula came into existence with the initiation of P.M. The main issues were the appointment of a high powered committee under a retired Supreme Court judge to find out Telangana surpluses and providing safeguards to the Telangana people.\(^{60}\)

State's negligence towards the implementation of welfare programmes led to the underdevelopment of the area. The accommodative nature of the parties tried to suppress the movement by providing space to the rebels whenever it occurred. Slowly the separate Telangana agitation shifted its space from students into politicians which resulted in disappearance from the picture.\(^{61}\)

Moreover, after three decades separate Telangana agitation again occupied importance under the leadership of T. Chandrasekhar Rao. This made other party leaders like Narendra from BJP and a separate group within Congress also formed to support the cause of the separate Telangana agitation. A strong protest from students' side also started and supported Mr. Chandrasekhar Rao. The agitation is still continuing for the establishment of separate state and resource allocation to Telangana. The State, to some extent, with its accommodative nature is trying to supress the demand for a separate Telangana State.\(^{62}\)

**Jai Andhra Movement:** During the Chief Ministership of P.V. Narasimha Rao Andhra Pradesh witnessed another agitation called Jai Andhra Movement in Andhra region in 1973. This was the outcome of the Supreme Court's decision on 'Mulki issue'. After the trifurcation of Hyderabad State in 1956, the Mulki rules continued to be in force in Telangana region. So the people from Andhra region found it difficult to enter into government services in Telangana region. In 1972,

---

\(^{60}\) Ibid, p. 188,189.
\(^{61}\) Ibid, p. 190.
the Supreme Court’s verdict to implement the Mulki rules created lots of disturbance and crisis in the state. The people who belonged to Andhra got agitated by this verdict. They thought that the only way to protect their interests is to demand a separate state. In order to achieve a separate Andhra State people started agitation named as ‘Jai Andhra Movement.’ This movement spread within a short span to all the Andhra areas and paralysed the administration. This resulted in imposition of President’s rule in the state and after a few months the movement lost public support and faded away. The main reason for the dying down of the movement was that lack of effective leadership to lead the struggle. This resulted in a six point formula to abolish Mulki Rules, and Telangana Regional Committee, creation of state level planning board with sub-committees for different backward areas and establishing a Central University at Hyderabad to augment education facilities, etc.

**Dalit Movement:** Dalit Movement in Andhra Pradesh got consolidated after the major caste carnage occurred in 1985 in Karamchedu (Prakasam district). Local dalit group formations were there before the emergence of Dalit Maha Sabhas led by Katti Padma Rao in the entire state. The reservation policy and the 73rd constitutional amendment led to massive dalit consciousness among the rural dalits. Prior to that in 1983, the first caste violence took place during TDP regime in Padirikuppam in Chittoor district resulting in organised dalit movement. But the violence against dalits in Karamchedu gave a major boost to the movement. The entire dalit communities not only from Andhra Pradesh but also from neighbouring states organised themselves and protested against the incident. Dalit Maha Sabha worked to create consciousness among dalits by propagating Dr. B.R. Ambedkar’s ideology and succeeded in emerging as a pressure group within Andhra politics. By the end of 1980 they reached a stage where they could

---

decide the future of the state politics. In 1991 another major caste conflict occurred in Tchundur in Guntur district which too awakened not only dalits in Andhra but also in neighbouring states like Maharashtra and Tamilnadu to participate in the funeral procession of the victims. This indicates the height of the dalit consciousness in the state.\textsuperscript{65}

In the early 1990s, the process of development and elections led to the large scale mobilisation of dalits. At one point the state was in a dilemma after seeing the gathering at Gymkhana grounds in Hyderabad organised by various dalit groups which was addressed by Kanshi Ram, the Bahujan Samaj Party leader. These developments prompted the state to create and encourage divisions among dalits in the form of sub-group classification among dalits. This led to a confrontation among Malas and the Madigas in Andhra Pradesh by the end of 1990s. This was the major achievement of the state in dividing the dalits at the time of their great unity.

Dalit movement degenerated in the 1990s because neither Malas nor Madigas took the initiative to lead the movement. Dalit Movement in Andhra is still continuing with sub-caste group consciousness to fight for reservations etc. Political mobilisation also helped in pressurising the state to give some special privileges within the state structure, for instance making Bahiyogi as Speaker of the Parliament of India.

Women Movement (Anti-Arrack Movement):- An agitation by women that proved their strength to change the government policy began in Andhra Pradesh when they started anti liquor movement. The movement started in Dubagunta in Nellore district, and spread to various parts of the state. Andhra anti liquor movement stood as an example to women groups of Rajasthan and north eastern states to lead the movement. Liquor is the major income source for the state to run its welfare programmes. So state doesn’t want to ban liquor. But with the initiation of women groups in the state AP Pragatiseela Mahila Samakya and

\textsuperscript{65} Ibid.
areas located in Andhra Pradesh on the issues of cultivable land in tribal habitats, inclusion of cultivated land by tribals within the forest boundaries etc. These movements resulted in special initiatives by the state to introduce welfare programmes for the tribal people through introduction of ITDC (Integrated Tribal Development Corporation), Girijan Corporations etc. Despite this, the problems of poverty, hunger, unemployment are still persisting in the tribal regions due to the utmost negligence shown by the state. Therefore, there is a need to take cognisance of the traditional values and practices of tribal while formulating schemes for their development.

General Features of Andhra Economy

One prominent feature of the Andhra Pradesh economy has been that its growth rate has been consistently below the all-India growth rate. In the 1960s when the all-India growth rate was 3.51 percent, Andhra Pradesh’s was 2.92 percent in the 1970s when the all-India growth rate broke through to 5.27 percent; Andhra Pradesh’s became 4.52 percent. The per capita Net Domestic Product of Andhra Pradesh at current prices has been consistently below the all-India figure from 1931 onwards, except in 1974 and 1975 when the two were equal.

The other noteworthy feature of the State’s Net Domestic Product is the nature of its composition. The percentage share of the Primary Sector has come down over the years in Andhra Pradesh as in the case of all India. In the case of Andhra Pradesh this percentage came down from 49.6 in 1974-79 (average) to 39.7 in 1985-89 (average) while the all-India figure came down to 43.7 to 35.8; i.e., while the drop in the case of Andhra Pradesh was about 10 percentage points. In the case of all-India it was about 8. The percentage share of this sector is still higher in Andhra Pradesh than in all-India despite this larger fall because this

---

68 Ibid.
share was larger even to start with. However, the interesting point is that while in the case of all-India the fall of 8 percentage points was matched by an increase in the share of the Secondary Sector of nearly 3 points and of the Tertiary Sector of about 5 points, in the case of Andhra Pradesh the 10 points drop in the Primary Sector was matched by an increase in the Secondary Sector of only 1 point (from 17 to 18 percent) while the Tertiary Sector increased by 9 points (from 33.4 to 42.3). Thus the Tertiary Sector in Andhra Pradesh in the present period is 42.3 percent against only 39.5 percent for all-India.\(^71\)

If we look at the growth rates of different sectors in the 1980s in the Economy, we find that the growth rate of Andhra Pradesh is lower than the all India growth rate for the Primary Sector (13.4 for Andhra Pradesh against 3.9 for all India) and the Secondary Sector (4.3 for Andhra Pradesh against 6.9 for all India).\(^72\) However, in the Tertiary Sector, Andhra Pradesh's growth rate was 6.7 against all India's 6.2 for Transport, Communication and Trade. For Banking and Insurance etc., the growth rate of Andhra Pradesh was 7.6 against 6.5 for all India while Public Administration, Defence etc., it was 3.2 for Andhra Pradesh against 6.4 for all India. The total growth rate of the Economy during this period was 4.5 for Andhra Pradesh against 5.6 for all India.\(^73\) Thus, in the critical productive sectors of Agriculture and Manufacturing etc., the growth rates of Andhra Pradesh have been lower than the all India growth rates.

The growth rate in Agriculture in the State has been 'sluggish' and there has been a decline in the total factor productivity. Its per hectare agriculture output is close to the all-India average while the per worker and per capita agricultural output are lower.

In general to Industrial development the position is that, despite the lower growth rate of the Secondary Sector and the lower share of the Secondary Sector

---

\(^{71}\) Ibid, Tables 1.3 and 1.4, pp. 9, 10.

\(^{72}\) B.P.R. Vithal, "Introductory Note" op.cit., p. 2, 3.

in the NSDP, the share of the Manufacturing Sector in the NSSP has gone up dramatically. It shows that it went up from 8 percent in 1960-61 to 18 percent in 1980-81 and 22 percent in 1987-88.\textsuperscript{74} The momentum started in the early 1970s has kept up.

In regard to human welfare indicators, Andhra Pradesh is lower than the all India average only in Literacy where the Andhra Pradesh figure is 30 percent against all India’s 36 percent.\textsuperscript{75} In other indicators such as Infant Mortality, Birth-rate, Death-rate and Expectation of Life at Birth, Andhra Pradesh is better than the all India average but lower than the other Southern States.

**Issues of Poverty and Employment:** In regard to both Poverty and Employment, while the basic features of these problems in Andhra Pradesh are similar those in the National Economy, there are some features peculiar to the State. While Poverty across rural classes is more pronounced than across broad regions, nevertheless, there are specific regional features of Poverty. In the more advanced Districts of the State, Poverty is more pronouncedly the problem of Agricultural Labour whereas in the backward Districts, the percentage of Cultivator Households below the Poverty Line is much larger than the corresponding percentage in the advanced Districts.\textsuperscript{76} In short, while Poverty is a class phenomenon in the advanced Districts, it is a regional phenomenon in the backward Districts.

In regard to Employment, the special feature of Andhra Pradesh is that the more advanced Districts in the State have a higher ratio of Agricultural Labourers to Cultivators, a lower Work Participation Rate and a higher wage Rate. On the other hand, the relatively backward Districts have a lower ratio of Agricultural

\textsuperscript{75} B.P.R. Vithal, “Introductory Note” op.cit., p. 2.
Labourers to Cultivators, a higher Work Participation Rate but a lower Wage Rate.  

In conclusion though the state has the highest work participation rate in the country due to a high rate of participation in work by women and children in rural areas, Andhra Pradesh finds itself among the states having a low per capita income. Within the State, some of the districts having a low work participation rate have a large concentration of agricultural labour who are paid high wage rates. On the other hand, there are districts having a very high work participation rate but a lower proportion of agricultural labour and lower agricultural wage rates. Open unemployment does not seem to pose a major problem in rural areas. Disguised unemployment and seasonal unemployment appear to be the main problem.

**Agricultural Issues:** Andhra Pradesh is more favourably placed in terms of factor endowments than all India: it has a higher irrigation ratio and per hectare fertiliser and labour inputs (CMIE, 1990). Yet, Andhra Pradesh has not been able to achieve results compatible with these advantages, and its per hectare agricultural output is very close to the all India average. However, it has a higher yield in irrigated crops but a lower yield for rainfed crops. It seems that the gains due to the comparative advantage of irrigated crops could not compensate for the losses due to the comparative disadvantage of rainfed crops. Because of its adverse land-man ratio, per worker and per capita agricultural output are lower in Andhra Pradesh. The per capita agriculture output in the rural areas was lower in Andhra Pradesh by 21 percent relative to all India in 1988-89.  

Despite massive public investment in agricultural infrastructure and the rapid spread of modern inputs inspired by policy incentives, agricultural growth has been slow in Andhra Pradesh: the net value added from agriculture increased at a dismal rate of 1.9 percent per annum between 1970-71 and 1986-87. The

---

performance of the food-grain sector is equally worrisome. The per capita food-grains production in Andhra Pradesh increased from 170 kgs, in triennia ended 1969-70 to 175 kgs. in triennia ended 1988-89 (i.e., annual growth rate of 0.2 percent) and in Punjab from 473 kgs. to 881 kgs.79

A distinctive feature of Andhra Pradesh agricultural economy is that its labour productivity in agriculture remained stagnant during 1970-71 to 1986-87.80 Surprisingly, during this slow growing phase, Andhra Pradesh has emerged as one of the major rice surplus states and also as a major supplier of commercial crops such as tobacco, chillies and cotton. Further, the period has also witnessed the entry of rich peasants into industry along with a flow of agricultural surpluses from agriculture into industry. The grains in comparative advantage of the manufacturing and service sectors and the growing regional concentration of agriculture surpluses explain the flow of surpluses into the non-agricultural sector.

The factors which strengthen the inverse relationship between agricultural growth and poverty are weak in Andhra Pradesh. The recent period is marked by sharp regional variations in agricultural growth and poverty are weak in Andhra Pradesh. The recent period is marked by sharp regional variations in agricultural growth. For instance, 6 out of 21 districts viz., East Godavari, West Godavari, Nellore, Prakasam, Chittoor and Nalgonda accounted for 75 percent of the incremental rice production in the post-HYV period.81

Issues Related to Industrial Development:- The industrial process in the State had gained momentum in the early 1970s. The contribution of manufacturing sector to state domestic product in Andhra Pradesh went up from 18.06 percent in 1980-81 to 22.11 percent in 1987-88. It is still far below that of Maharashtra (35 percent) and less than the national average (little over 28 percent).82

However, in the manufacturing sector, structural diversification has taken place over the period though a few traditional agro-based industries such as food products, tobacco and tobacco products, textiles etc., still dominate the industrial economy of the State. Their relative importance has declined significantly since the mid-seventies in favour of modern high-tech industries such as chemical and chemical products, electrical machinery, basic metal and alloy industries, cement etc.\(^3\) Thus the nature of industrialisation was such, that the traditional, agro-based industries gave way to the modern non-agro-based and capital intensive industries. The emergence of capital intensive industries is due to massive public sector investments and starting of a large number of resource based industries in the private sector in general and particularly in cement and paper sectors.

The country made great strides in exports of readymade garments and leather products. However, the production of cloth in mill sector is only 9.6 million metres in Andhra Pradesh compared to 92.9 million metres in Karnataka and 174.4 million metres in Tamil Nadu. Andhra Pradesh accounts for 0.2 percent of cloth and 4.3 percent of yarn production in Mill Sector compared to 38.7 percent of cloth and 17.6 percent of yarn by Maharashtra.\(^4\)

Some of the important factors responsible for the accelerated industrialisation of the State in 1970s and early 1980s are the following:\(^5\)

i) Central sector investment resulted in creation of large number of small-scale and ancillary units.

ii) Promotional organisation revived adequate financial support from the State government, to enable them to play the envisaged catalytic role.

iii) Budget allocation to infrastructure like power and water was commensurate with requirements resulting in surplus power.

---

\(^3\) Ibid, p. 21.

\(^4\) Ibid, p. 21.

\(^5\) Ibid, pp. 22, 23.
iv) Changes in the input structure of agriculture and creation of surpluses helped favourable growth impulses for the industrial sector, in view of the supply and demand linkages.

v) Industrial relations, political patronage, and social environment were conducive to growth.

vi) The incentive schemes were attractive enough to induce entrepreneur to take to new ventures.

In view of the above favourable factors, Andhra Pradesh experienced a consistently high annual growth rate during the seventies and the early eighties. In spite of all these impressive achievements, Andhra Pradesh is still considered industrially backward. Its share in some of the all-India aggregates is not only far below that of such industrially developed states as Maharashtra, Gujarat, West Bengal and Tamil Nadu but is also lower than its share in the total population. 86

Andhra Pradesh is one of the leading producers of cement, paper, polished granite, solvent extraction oils, electronics and drugs and pharmaceuticals. The spectrum of industrial development in the State in the last three decades mostly covers traditional/conventional industries, particularly based on local resources. 87

Human Development:- Andhra Pradesh has done reasonably well in reducing income poverty. The poverty ratio for Andhra Pradesh was only 15.8 percent as compared to all India poverty ratio of 26 percent in 1999-2000. 88 On the other hand, Andhra Pradesh’s rank is nine for both gender development index and human poverty index out of 15 states. The literacy rate in Andhra Pradesh increased from 34 percent in 1981 to 61 percent in 2001. If we consider 32 States/Union Territories, Andhra Pradesh is ranked 22nd in terms overall literacy and 29th in literacy for Scheduled Castes and Scheduled Tribes. Andhra Pradesh’s literacy

87 V. Lakshmana Rao, 
rate of 61 is lower than only that of Bihar and Orissa. Even the literacy rates of Rajasthan and Madhya Pradesh are higher than that of Andhra Pradesh.\textsuperscript{89}

Improvement in literacy is important for empowering women. Rural female literacy increased from 14 percent in 1981 to 35 percent in 1997 in Andhra Pradesh. In other words, around 65 percent of rural women were illiterate in Andhra Pradesh even in 1997.\textsuperscript{90} The literacy rates for Scheduled Castes and Scheduled Tribes show that only 16 percent of SC women and 7 percent of tribal women in rural areas were literate in 1991. The infant mortality rate (IMR) is an important health indicator. The level of IMR is lower in Andhra Pradesh as compared to the all-India average. However, the IMR has not declined much in rural Andhra Pradesh in the 1990s. During the 1980s, the IMR declined from 93 to 73 per thousand in rural Andhra Pradesh. However, in the 1990s it declined from 73 to 70 only.\textsuperscript{91} Child labour is another major human development problem. Andhra Pradesh has the highest incidence of child labour while Kerala has the lowest incidence in the country. In the age group 10-14, around 34 percent of the children worked in Andhra Pradesh while only 1.3 percent of children in the same age group worked in Kerala in 1993-94. The malnutrition among children is around 50 percent in Andhra Pradesh and this is much higher than those for Tamil Nadu and Kerala.\textsuperscript{92}

According to the Sixth All-India education Survey, 1997, around 34 percent of the primary schools in Andhra Pradesh have only one teacher and another 43 percent of schools have only 2 teachers. Some estimates show that Andhra Pradesh has to spend 3.32 percent of the State Domestic Product (SDP) every year for five years for universal schooling of children in the age group 6-11. In other

\textsuperscript{89} Ibid, p. 191.  
\textsuperscript{90} Ibid, p. 191.  
\textsuperscript{91} Ibid, Table 6, p. 198.  
\textsuperscript{92} Ibid, Tables 2 and 3, pp. 192, 194 and 196.
capitalist development. It can be discerned from her study that the agrarian structure and various classes suffered from the technological, capital, entrepreneurial and demand constraints in Andhra. This indicates that the process of expansion and reproduction of capital is found missing. The flight of capital from the agrarian structure to the other sectors is also witnessed due to decline in the total factor productivity.97 These sectors include cinema, liquor deals, real estate, hotels, etc. These forms of capital movement, apart from affecting balanced economic development, caused many changes in Andhra political economy.98

The Green revolution also created the neo-rich class not only among the existing dominant peasants castes like Reddis and Kammas but certain other castes like Kapus and Rajus who have become equally assertive and articulate. It also created an elite from the backward castes, who occupy places of importance. Infact, these backward castes form the major support base of the Telugu Desam Party. However, the forward castes do not seem to be inclined for creating fresh space of accommodation. As a result, conflicts were witnessed between the traditionally dominant elite and the emerging elite. These conflicts are more manifested in the formal and organised sector like public sector, education system and bureaucracy. It is also clearly reflected in sharp conflict in the area of reservations.99

The 'accommodative politics' practised by the Congress Party in Andhra Pradesh for a long period to patronise competing groups and to ensure the continuity of the dominant groups is no longer possible in this scenario.100 The policies of accommodation while initially effective cannot be sustained because of proliferating number of claimants for patronage. This whole process resulted in

the alienation of important social groups, giving birth to the regional party in the early 1980s.

In the rural sector internalisation of these new elite is sought to be achieved through the development of Panchayat Raj institutions like Mandal system which was introduced by the TDP regime. The rural development policies largely reflect this reconciliation process. As one author succinctly describes these changes in Andhra political economy: If Krishna-Godavari anicut development led to the ascendance of the peasant castes which challenged the power and dominance of the Brahminical castes, the new social classes coming from the green revolution are challenging the dominance of peasant castes. This is, however, to gain greater share in the structure of dominance.

**Industrial Change and the Class Contradictions:** The agrarian surplus created conditions necessary for certain level of industrialisation. From the 70s, there has been a steady growth in industrial sector. The ownership of industry which was dominated by trading communities from outside Andhra like Marwaris and Gujaratis underwent a change. The dominant landed castes like Kammass, Reddis, Rajus and Kapus started the new industries with their surplus incomes from agriculture. The number of chemical, electronic and automobile industries went up, as a result, the proportion of agro-processing industry declined. This industrial growth indicates the rise of regional capitalist class which forms the main support-base for the Telugu Desam Party which assumed power in 1983.

The paucity of power and irrigation impeded the overall rate of growth and led to almost a crisis in the industrial sector. Despite the change of regimes in Andhra Pradesh, power and irrigation needed to step up growth and pace of development both of agriculture and industry continue to be one of the major and

---

103 G. Ram Reddy, op.cit.
chronic problems of Andhra political economy.\textsuperscript{105} The inability of the party in power to provide these two avenues of infrastructure resulted in the withdrawal of support for that party by both the agrarian and industrial elite. Inherent limitations of capitalist development coupled with the overall inefficiency of the system, natural calamities and droughts aggravated the problem.

The neo-rich classes like liquor contractors, cinema producers, real estate dealers and money lenders arose due to massive leakage of public funds and perverted capitalist development.\textsuperscript{106} The conflict and competition among them partly explains the authoritarian styles and misappropriation of power and public funds by the chief ministers. Industrial growth became capital-intensive. It was not able to give any relief to the increasing educated unemployed. The youth unrest continued to grow. The industrial growth led to public protests against degrading environmental pollution and also an agitation against the proposed atomic plant at Nagarjuna Sagar.

The agrarian rich and the industrial class continue to make claims and counter-claims on the limited water in the multi-purpose electric projects as the inadequate irrigation potential and the power shortage in the state are making them dissatisfied.

**Regional Disparities**

The state is traditionally divided into three regions on political, geographical and developmental basis. They are Coastal Andhra (9 districts), Rayalaseema (4 districts) and Telangana (10 districts). According to S. Subrahminyam and others, both Coastal Andhra and Telangana are too big and heterogeneous to be treated as single regions and the average picture hides


\textsuperscript{106} R. Radha Krishna et. al., *Distance in Levels of Living Temporal and Spatial: A Case Study of Andhra Pradesh*, CESS, 1983.

When Andhra Pradesh was formed in 1956, it carried its own legacies: a legacy of Delta irrigation with which the Coastal Region has been blessed; a legacy of social under-development which the Telangana Region inherited from the former princely state; and the legacy of a denuded ecology and the rain-shadow region in which Rayalaseema falls. Andhra Pradesh was formed on 1st November 1956 by merging the nine Telangana districts with the erstwhile Andhra State formed in October, 1953. At the time of formation, there were wide regional disparities in development (mentioned above regarding legacies), Telangana occupying the lowest position. On the eve of its formation an agreement known as Gentlemen’s Agreement was signed under which Telangana Regional Committee was constituted to assist the development of Telangana area. While failure in the strict implementation of the Gentlemen’s Agreement led to the separatist movement in Telangana in 1969, some emotional problems which

emerged in response to separate Telangana Movement and Mulki rules which are there to safeguard the interests of Telangana people, led to Jai Andhra separatist movement in 1972.\textsuperscript{110} As a consequence, a six-point formula was announced in 1973 by the Union Government after consultation with all concerned. Again Telangana separatist movement reemerged in 2001 in response to the Union Government policy of separate states for Uttaranchal, Jharkhand and Chattishgarh, and to Naidu’s governance.

Regarding present classification of Andhra Pradesh into five regions, North Coastal Andhra has high rainfall and moderate irrigation facilities, but its level of agricultural development is moderate.\textsuperscript{111} The average size of land holding is very small and land productivity is low. South Coastal Andhra has highly developed agriculture with high irrigation ratio. Rayalaseema receives very low rainfall and irrigation. Further, surface irrigation is quite low and the region extracts ground water excessively. As a result, water levels of wells are declining. South Telangana receives moderate rainfall but irrigation ratio is low as in the case of Rayalaseema. This region also depends mostly on wells. North Telangana receives high rainfall and moderate level of irrigation. Surface and ground water are developed in a balanced way. On the basis of agricultural development South Coastal Andhra occupies top position followed by North Telangana, North Coastal Andhra, Rayalaseema and South Telangana. Thus, Telangana region lost its homogeneity with rapid growth of North Telangana and relatively poor performance of South Telangana.\textsuperscript{112}

The economy of the state is basically agrarian. Net sown area accounts for 40 percent of the geographical area. Rayalaseema districts were not as backward as north coastal Andhra, but were not as developed as south coastal Andhra districts. Because of the low rainfall, these districts were often subjected to

\textsuperscript{110} Ibid.
\textsuperscript{112} Ibid, p. 56.
droughts and famines. The percentage of irrigated area is low. The Telangana area at the time of formation of Andhra Pradesh was most backward, oppressed and exploited, with medieval feudal set up and with autocratic and hated rule of Nizam.113

Telangana area can be divided into two sub-regions, North Telangana and South Telangana. Rainfall is higher in North Telangana than in South Telangana. Industries were established in Sirpur-Kagaznagar, Ramagundam, Warangal (Azamzahi Textile mills), Singareni Collieries in Kammam district.114 In Hyderabad Lalaguda Railway workshop and some other industries were established.115 Under the Nizam Sagar project irrigation was developed to some extent. Between the two regions of Telangana North Telangana was more developed when compared to South Telangana.

**Agriculture:** The dynamic nature of the concept of the region necessitates five fold classification of the state rather than the traditional three fold classification. The three districts of North Coastal Andhra exhibited very poor performance in contrast to the good performance of South Coastal Andhra. Similarly, North Telangana showed exceptionally good performance, leaving South Telangana far behind.

Rural poverty appears to be quite high in North Coastal Andhra and South Telangana regions as output generated from one hectare of land falls short of the poverty line income by more than 30 percent.116 High man-land ratio in the former and low land productivity in the latter mainly contributed for this. Regional disparities in land productivity are related to disparities in extent as well as quality of irrigation. The low productivity regions of South Telangana and Rayalaseema have a very low irrigation ratio and also receive low rainfall.

---

115 Ibid, p. 27.
Irrigation increased significantly in all the regions except North Coastal Andhra. However, the low productivity in this region is not due to low extent of irrigation but due to poor quality of tank irrigation. Another distressing aspect in the irrigation development is over exploitation of ground water in low rainfall areas with low recharge potential. In the low rainfall regions of South Telangana and Rayalaseema, ground water accounts for more than 70 percent of total irrigated area. On the other hand, the high rainfall North Coastal Andhra has very low share of ground water in the irrigated area. Fertiliser consumption is lowest in this region and is not commensurate with its irrigation ratio. Fertiliser consumption is also low in Rayalaseema. While poor quality of irrigation is responsible for low fertiliser in-take in North Coastal Andhra, low irrigation coupled with low rainfall is responsible for low in take in Rayalaseema region.

The low average productivity of crops at the state level is due to poor performance of certain regions. South Telangana exhibits low yields for all crops. North Coastal Andhra has an extremely low yield of rice. Rayalaseema exhibits very poor performance in the yield of oil seeds, the most dominant crop of the region. Similarly, the performance of Cotton is poor in North Telanagana which has a high share in cropped area.

Regional variations in wage rates are lower than variations in land productivity and there is not much association between these two. South Telangana has higher wage rate than North Coastal Andhra despite its lower land productivity. Similarly, North Telangana has the highest wage rate, though its productivity is much lower than in South Coastal Andhra. The disparity in wage rates declined significantly over time. The Naxilite movement in the two Telangana regions might have contributed to the increase in wage rates. But its

---

117 Ibid, p.103.
118 Ibid, p.104.
120 Ibid, p.104.
impact on female wage rates is negligible. The decade of nineties witnessed deceleration in growth rate of wages, more significantly of male wages.

**Industry:** With a low share of 12 percent in Net State Domestic Product (NSDP) and about 10 percent in total workers, Andhra Pradesh is industrially backward. The rapid and high rate of decline in the share of agriculture is mainly due to speedy growth of service sector rather than manufacturing. The 90s witnessed steep deceleration in the growth rate of registered manufacturing sector from 10.1 percent in the eighties to 5.9 in the 90s. The unregistered manufacturing sector has attained high growth rate in the nineties as against 3.5 to 4.5 percent in the earlier decades.¹²¹

Manufacturing sector employment in total workforce is highest in North Telangana region at 19 percent followed by South Telangana at 10 percent.¹²² The agriculturally prosperous south coastal Andhra Pradesh has a very low share of manufacturing to total workforce. But North Telangana has shown negative growth rate in the 90s. The share of females in manufacturing employment has been increasing over time. While the share is about 20 percent in all other regions, North Telangana has the highest share of 50 percent. The participation of Scheduled Tribes as entrepreneurs is commensurate with their share in population but there is a wide gap in the case of Scheduled Castes. Their gap is very high in the two Telangana regions.

The employment in the registered manufacturing sector has been growing at a very low level of 1.5 percent per annum since 1981.¹²³ Employment per factory is lowest in Rayalaseema and highest in North Coastal Andhra followed by South Telangana. Value added per worker is highest in South Telangana and Lowest in North Telangana. The agriculturally prosperous South Coastal Andhra has no significant role in the manufacturing sector.

¹²¹ S. Subrahminyam and Deepita Chakravarty, "Regional Disparities in Industrial Development", in Development of Andhra Pradesh, op.cit., p. 170.
¹²² Ibid, p. 171.
¹²³ S. Subrahminyam, "Regional Disparities" in Andhra Pradesh at Millennium, op.cit, p. 7.
The share of workers in the manufacturing sector is the lowest in Rayalaseema followed by South Coastal Andhra. These two regions experienced decline in manufacturing activity in the eighties. Even Northern Coastal Andhra exhibited poor performance in industrial activity during the eighties. In the nineties, only South Telangana showed significant growth. North Telangana, North Coastal Andhra and South Coastal Andhra showed poor performance in manufacturing in the nineties. North Telangana exhibits the distinct feature of high share of rural areas as well as women in manufacturing activity. Bidi making is the most dominant activity in this region, in which women and child labour is high. In registered manufacturing, South Coastal Andhra experienced decline and North Coastal Andhra experienced low growth in workers between 1981 and 1998. Value added per worker is the lowest at Rs. 0.24 lakh in North Telangana and followed by South Coastal Andhra at Rs. 0.74 lakh. North Coastal Andhra specialised in mineral and metal products, South Coastal Andhra and North Telangana in food and beverages and Rayalaseema in machinery and equipment. South Telangana has more diversified pattern of industrial development with a higher share of food and beverages.

Social Development:- Regional variations exist in human development index and also in sectors like education and health. While inequality is narrowing down in literacy and primary education, it is not so in infant mortality.

The index for 2001 reveals interesting patterns across districts and regions. North Coastal Andhra occupies the lowest position in the overall Index. But in education, the region shows better performance than North Telangana. Because of its lowest performance in health as well as per capita income, the region turned out to be the most backward in Andhra Pradesh. Among the three districts in the

---

region, Vizianagaram is highly backward in education and health and Srikakulam is highly backward in per capita income. Those two districts occupy second and third positions from the bottom in the aggregate index of development. South Coastal Andhra occupies the top position. Krishna and Guntur districts in the region occupy top positions among all the districts in the state. Prakasam is the most backward district in the region because of its backwardness, in education and standard of living. The district, however, has attained high position in health. South Telangana, though occupies second position, is far behind South Coastal Andhra. However, Mahbubnagar district in this region occupies the lowest among the 23 districts in the state because of its lowest position in income as well as education. Nalgonda district in the region also has a low value of overall indexes. If the position of these two districts is improved, this region will be on par with South Coastal Andhra.

The other two regions viz., Rayalaseema and North Telangana occupy, more or less, the same position in overall development. Among the four districts in Rayalaseema, Kurnool and Anantapur are relatively more backward than the other two districts. Kurnool occupies the lowest position because of its backwardness in education. Anantapur is backward in health as well as education. Among the five districts in North Telangana region, Warangal and Adilabad are highly backward, the former due to its low per capita income and the latter due to its low literacy as well as per capita income.

130 Ibid, p. 9.
131 Ibid, p. 10.
132 Ibid, p. 11.