

## **Balanced Regional Development**

### **SPECIAL DEVELOPMENT PLAN**

Karnataka has always demonstrated vibrant potential for growth. Despite the natural resource constraints and unfavorable conditions, the State could maintain above average performance in basic development indicators. It is placed at the median level on most of the development indicators. During the last five decades, the State has made efforts to achieve rapid growth through investments in agriculture, industry, infrastructure and other sectors.

“REPORT OF THE EXPERT GROUP TO REVIEW THE METHODOLOGY FOR MEASUREMENT OF POVERTY” is published by the Planning Commission, Government of India in June-2014, as per this report during 2011-12 the BPL Population in the state is 20.9%.

With the sharp North-South divide existing in the State, the regional gap emerged in the State on the eve of the reorganization of States in 1956. The new areas that joined the State from Hyderabad State and Bombay State were relatively less developed than the Old Mysore State. This area formed the Northern part of the State. In the absence of focused efforts in the past, the development gap increased over a period of time leading to marginalization and exclusion of the region and its people from the mainstream development process. Efforts have been made over a period of time to reduce the un developmental gap. However, there has been a growing realization that investment and focus on the area especially on initiatives to improve the human development indicators must be further accelerated.

#### **1.1 High Power Committee on Redressal of Regional Imbalances (2000-2002)**

For preparing a comprehensive report to eliminate regional imbalances in the state, Dr. D. M. Nanjundappa who was worked in State Planning Board was appointed wide Government Order No. PD 637 PM 97, Date: 3rd October 2000 as a Chairman of the High Powered Committee for Redressal of Regional Imbalance (HPCRRI).

The committee conducted a study and presented the Interim Report to the Government on 26<sup>th</sup> March 2001, and submitted the final report on 25th June 2002.

On the basis of 35 socio-economic indicators, assessed the level of development of 175 taluks in the state. These indicators were spread over various sectors such as agriculture, industry, economic infrastructure, social infrastructure, and financial and technical infrastructure. Taking the State average of development in these indicators as the benchmark (equal to 1), the Committee estimated Comprehensive Composite Development Index (CCDI) with appropriate weights and identified 114 taluks as backward taluks. These taluks were further classified into most backward, more backward and backward based on the value of CCDI. Taluks with CCDI of 0.53 - 0.79 were classified as most backward, those with CCDI of 0.80 -

0.89 as more backward and, taluks with CCDI of 0.90 – 0.99 as backward. The distribution of the taluks in these various groups in the State is given in Table 15.1.

**Table 1.1** indicates the extent of regional imbalances existing in the State which was identified by the Dr. D.M Nanjundappa Committee. Out of the 39 most backward taluks in the State, 26 taluks are in North Karnataka and 13 taluks are in South Karnataka, 21 in Kalburgi Division and out of the total 61 relatively developed taluks, 40 are in South Karnataka. The Committee has recommended a policy mix of resource transfer, fiscal incentives and special programmes for development of the 114 backward taluks in the State.

**Table 1.1 – Regional Development in Karnataka State**

<b>Sl. No.</b>	<b>Division</b>	<b>Relatively Developed</b>	<b>Backward</b>	<b>More Backward</b>	<b>Most Backward</b>	<b>Total Taluks</b>
1.	Bangaluru	18	09	13	11	<b>51</b>
2.	Mysuru	22	10	10	02	<b>44</b>
3.	Belgaum	18	14	12	05	<b>49</b>
4.	Kalburgi (HK Region)	03	02	05	21	<b>31</b>
<b>Total</b>		<b>61</b>	<b>35</b>	<b>40</b>	<b>39</b>	<b>175</b>
1.	North Karnataka	21	16	17	26	<b>80</b>
2.	South Karnataka	40	19	23	13	<b>95</b>
<b>Total (State )</b>		<b>61</b>	<b>35</b>	<b>40</b>	<b>39</b>	<b>175</b>

**1.2 The following main programmes have been implemented, as per the recommended in Dr. D.M. Nanjundappa report.**

- 1) Established of a Central University at Kalburgi,
- 2) A High Court Bench at Dharwad and Kalburgi have been implemented.
- 3) A Women's University has been established at Vijayapura.
- 4) Established IT parks in Kalburgi and Hubli
- 5) Establishment of Food Park in Kalburgi
- 6) A Textile Park and an Airport are in process in Kalburgi.
- 7) 6 new Government Medical colleges are established at Hassan, Mandya, Shimoga, Raichur, Belagavi and Bidar
- 8) In Dharwad mental hospital has been upgraded.
- 9) 38 Burns and dialysis wards are newly opened.
- 10) Horticulture University at Bagalkot and Horticulture College at Bidar has been established.

- 11) Revolving fund established to support agricultural pricing.
- 12) Hubli-Mumbai flight is open to public service
- 13) Karnataka Veterinary and Fisheries Science University at Bidar is Established.
- 14) Dairy Science College at Gulbarga is Established
- 15) Established Kasturba Gandhi Girls Schools In all the 39 Most backward Taluks
- 16) Dialysis wards are setup in 23 district hospitals and 34 taluks
- 17) Bidar - Kalbargi railway line, open to public service
- 18) Sainik School Established in Kodagu District.
- 19) Wide Government Order Number: ITY 124 TTM 84(211), Dated: 26/11/1988 Tourism Department has been declared as a Industrial Sector.
- 20) 49 Farmer Training Centers are established by the Agriculture Department.
- 21) Establishment of 172 new breeding centers.
- 22) APMC markets capable of operating independently in 162 Taluks out of 177 Taluks.
- 23) 3,71,517 houses built and 86,677 sites were distributed by the Rajiv Gandhi Rural Housing Corporation.
- 24) There are 53 medical colleges are already operating in the state. The department has announced that finding a land to setup a Government Medical Colleges on priority basis due to non availability of Private or Government Hospitals in Haveri, Yadagiri, Bagalakote, Citradurga, Chikkamagalur, Chikkaballapura and Ramanagara districts.
- 25) In 2018-19The department has initiated to set-up a government medical college in Kanakapura taluk, Ramanagar district.
- 26)From Mysore to Chennai Airlines Service are open to the public.
- 27) In 39 Most Backward Taluks constructed Teachers Quarters, Cluster Complex for Teachers are allowed to live there and allow education.

**B) Additional resource transfer to meet the development requirements**

An Eight-year Special Development Plan (SDP) has been recommended for implementation by investing Rs. 31000 crore which includes Rs. 15000 crore from Normal Plan and Rs. 16000 crore as additionally. In 2014-15 Eight-years is completed, Further 2015-16 to 2019-20 to resolve the Regional Imbalance with providing of Rs.3,000 crore of budget, it has been taken the decision in Belagavi Assembly on 15-07-2015. The Committee has also stated that the amount allocated every year should be escalated by a factor to include rise in prices. The

recommendations prescribe a participatory approach involving the people, voluntary organizations and Self Help Groups and adoption of a Decentralized planning approach to promote development and find long-term solutions to the problems of regional development.

### **14.1.3 Review of Recent Efforts towards Promoting Balanced Regional Development**

The State Governments has initiated programme for development of backward regions. The Special Development Plan (SDP) is a major recommendation of the Dr. D.M. Nanjundappa Committee. The Committee has estimated the required resource flow in the 114 backward taluks to bring them at par with other taluks in the State.

#### **A) Objectives**

##### **The objectives of the Special Development Plan are**

- To give a thrust to the development programmes in the 114 backward taluks to move towards a more balanced development in the State as a whole.
- To accelerate growth in the backward taluks through the stimulus of additional investment in various sectors and areas.
- To build infrastructure to make good the identified sector backlog in backward taluks.
- To establish the needed institutions/ organizations to redress the imbalances in the concerned sectors in backward taluks.
- To provide location-specific sectoral schemes in backward taluks in order to raise the level of services in these sectors to the level of State average.

#### **B) Allocations under Special Development Plan**

The Committee has estimated the financial resources required to promote development in various sectors, The focus of the SDP is on irrigation, rural development and social services. Sectors like energy and agriculture are also allotted additional financial assistance for development. The allocation to education, health and other social services is Rs. 8025 crore. The allocation to irrigation is Rs. 8000 crore and to rural development, Rs. 7100 crore. This allocation considers the rural character and agrarian conditions of most of the taluks among the 114 backward taluks. The allocations in SDP across the divisions were based on the Cumulative Deprivation Index (CDI). This is estimated on the basis of the distance of the CCDI Value from the State average ( $CDI=1-CCDI$ ). The allocations within the division and among the districts and taluks are again based on the respective CDI values. an the total additional investment of Rs. 16000 Crore, the share of Kalburgi division is maximum i.e. Rs. 6400 crore and the share of North Karnataka is 60 % of the total allocation. This is because the extent of development deprivation is more in Kalburgi Division i.e. 8.06 ( $8.06/20.26 =40\%$ ) which is just equal to the total deprivation of entire South Karnataka. The Government started implementation of Special Development Plan from 2007-08. Budget provision was made from 2007-08 every year for implementation of these recommendations in the backward taluks by various departments.

#### 1.4 Implementation of Special Development Plan

The programmes under SDP are planned on the basis of the requirements sent by the concerned departments. The progress of the works under SDP is reviewed at the State and district levels in KDP meetings every month and a DSS system has been Incorporated for providing online information about the programmes undertaken under SDP and the physical and financial progress achieved. A special head of account with the object code 133 is allotted for schemes under SDP.. A Special Cell has been established in the Planning Department to co-ordinate and monitor the implementation process. The amount allocated, releases made and expenditure incurred so far is given in Table 1.2. Thease information is furnished by the Implementing Departments. A state level monitoring committee is constituted under the chairmanship of Additional Chief Secretary and Development commissioner by Government Order No. PD 03 SDP 2014, Bangalore, Dated: 30.12.2014. A Special 39 Nodel officers as been appointed to monitoring the 39 most Backward Taluks, Government order is issued No P D 99 PSD 2015 dated 21.11.2015.

**Table 1.2 – Allocations Releases and Expenditure under Special Development Plan  
2007-08 to 2018-19(upto November-18)**

Year	Allocation (Rs.crores)	Releases (Rs.crores)	Expenditure (Rs.crores)	% of Release to allocation	% of exp.to releases
2007-08	1571.50	827.93	804.48	52.68	97.17
2008-09	2547.34	1369.26	1153.94	53.75	84.27
2009-10	2578.83	1731.12	1543.11	67.13	89.14
2010-11	2584.00	1924.47	1762.59	74.48	91.59
2011-12	2984.14	2529.99	2200.16	84.78	86.96
2012-13	2680.00	2464.83	2402.92	91.97	97.49
2013-14	2925.60	2053.65	2067.56	70.20	100.68
2014-15	2267.18	1370.54	1256.57	60.45	91.68
2015-16	2300.02	1967.49	1805.42	85.54	91.76
2016-17	3000.00	2744.28	2484.62	91.48	90.54
2017-18	3,000.00	2545.98	2496.77	84.87	98.07
2018-19 * (Upto Nov-18)	2789.19	1709.01	902.44	61.27	52.80
<b>Total</b>	<b>31,227.80</b>	<b>23238.55</b>	<b>20880.58</b>	<b>74.42</b>	<b>89.85</b>

\*

An amount of Rs.3007.00 Crore has been earmarked in 2018-19 Budget for SDP. Out of this Rs.217.81crore allocated to HKRDB Division for implementation through Planning Department. Finance department has been given Approval for payment of previous year's approved works along with general amount earmarked for HKRDB.

**Table 1.3- Department wise Amount Earmarked, Releases and Expenditure Details**

**2007-08 to 2018-19(upto November-18)**

**(Rs. Crores)**

Sl. No.	Sectors	Total allocation 2007-08 to 2018-19	Amount released 2007-08 to 2018-19 (upto Nov-18)	Expenditure 2007-08 to 2018-19 (upto Nov-18)	% of Release to allocation	% of exp. to release
1	Agriculture & allied sectors (including forest)	2057.43	1329.34	1203.34	64.61	92.24
2	PWD	2150.42	1838.26	1458.72	85.48	79.23
3	Rural Development	5294.26	4137.89	3787.00	78.16	91.39
4	Housing	3442.54	3176.04	3065.52	92.26	95.54
5	Irrigation (Major& Minor)	6178.01	4535.60	4143.65	73.42	93.30
6	Power	1801.71	1316.51	1137.49	73.07	84.88
7	Industries	356.71	133.00	102.05	37.29	76.73
8	Infrastructure	1720.47	1249.67	1219.48	72.64	97.58
9	Transport	1043.50	829.68	709.91	79.51	85.14
10	Home	173.20	180.13	172.34	104.00	95.68
11	Social Sectors (health & education)	3150.52	2189.61	1984.25	69.50	89.69
12	Labour & Social Welfare	1730.25	1098.59	707.71	63.49	63.62
13	Women & Child Development	469.20	346.83	331.48	73.92	97.83
14	Tourism Development	637.58	554.93	553.95	87.04	99.82
15	Urban Development	938.00	246.65	246.65	26.30	100.00
16	Information & Technology	84.00	75.84	57.06	90.29	75.24
<b>Total</b>		<b>31227.80</b>	<b>23238.57</b>	<b>20880.60</b>	<b>74.42</b>	<b>89.85</b>

As seen in Table 1.3, the amount released is 74.42% of the planned allocations but the utilization is 89.85%.

### **Major Achievements under SDP**

#### **A. Major successful works undertaken under SDP**

The SDP has concentrated on the following core sectors in which allocations are being made on priority basis so that outcomes are visible – (i) Agriculture and Allied Sectors; (ii) Health; (iii) Education; (iv) Housing; (v) Infrastructure; (vi) Irrigation and (vii) Tourism.

**In this sectors, during 2018-19 the following main programs are implementing**

#### **1. Agriculture and Allied Sectors**

##### **a. Agriculture**

Agricultural Inputs and Quality Control programme total budget allocation is Rs.152.91 Crores in 2018-19 Budget, under this Establishment of Farm Machinery Centers – Rs.62.91 Crores and For Agricultural Budget Scheme – Rs.90.00 Crores has re-allocated.

##### **b. Horticulture**

In 2018-19 Budget for Horticulture department total Rs.48.16 Crore has been sanctioned, under this PMKSY-National Mission on Sustainable Agriculture Scheme – Rs.18.06 Crore, Comprehensive Horticulture Development Scheme – Rs.5.10 crores and National Horticulture Mission Scheme – Rs.25.00 Crores has been allocated.

## **ii. Health**

Construction and up gradation of primary health centers have been taken up. Action has also been initiated for improvement of health facilities by establishing Suvarna Aarogya Suraksha Trust. Dialysis wards have been established in 23 district hospitals and 34 taluks hospitals. During 2016-17 established 3 New Medical Institutions in. Chamarajnagar, Koppal and Kalaburgi.

In 2018-19 Rs.261.53 crore has been earmarked to Health and Family Welfare Department Under the Special Development Plan, Under this for Karnataka State Drug Logistic & Ware Housing Society – Rs.3.00 crore, National Health Mission (NHM) – Rs.79.78 crore, Aarogya Karnataka – Rs.118.43 crore and Hospital Construction / Upgradation – Rs.60.32 crore has been allocated.

## **iii. Education**

Dr. D.M. Nanjundappa Committee had recommended the establishment of top educational institutions in north Karnataka, more specifically in the Hyderabad - Karnataka region. The major institutions established in this sector include the Women's University at Vijayapura, Central University at Kalburgi, University of Horticulture Sciences at Bagalkot, Karnataka Veterinary and Fisheries Sciences University at Bidar and Dairy Science College at Kalburgi. To promote education in 39 most backward taluks, additional programmes have been introduced to strengthen the school infrastructure. Cluster complex is being established in 39 most backward taluks with a view to provide teachers' quarters in backward taluks/regions to enable the teachers to stay in rural areas and provide quality education to children. Opening of residential schools on Kasturba Gandhi Balika Vidyalaya (KGBV) model is also taken up in these taluks as female literacy rate is low. An Rs 10.00 Crores as allocated to Pre-university Examinations.

Infrastructure facilities like School buildings, drinking water and sanitary facilities as provided, to establish Model high schools amount as been given model under NABARD Scheme.

A sum of Rs.34.59 crore has been allocated in 2018-19 and is being implemented to fund the establishment of new schools and colleges and to create assets.

**Higher Education:** Rs.70.00 crore has been allocated for First Grade Colleges Building constructions during 2018-19.

## **iv. Housing (2017-18)**

Rural housing is one of the major sectors under SDP. The programmes that are being implemented in the backward taluks under SDP include the Ashraya-SDP Rural housing scheme. The allocation for these scheme during the period 2018-19 is Rs.194.53 crore for constructing of 16,211 houses.

## **v. Infrastructure Development**

One of the prime objectives of SDP is to fill up the gaps in infrastructure in the backward taluks and fasten the development process in these taluks. Under energy sector, the focus is on provision of electricity to villages, hamlets and tandas. Schemes of Rural Load Management System (RLMS) are being implemented. The Minor airports at Bidar, Kalburgi, Vijayapura, Belgaum and Hubli are provided with additional funds for completion. The Committee had identified 90 taluks (61 in north Karnataka and 29 in south Karnataka) out of 175 taluks which have road length less than the State average. Under the Special Development plan, rural roads, NABARD-assisted roads and suvarna rasthe vikasa yojane and also many road development schemes were undertaken. The Programmes are implemented by Public Works Department, the allocation during the year 2018-19 is Rs.302.67 crores.

Under road transport sector, assistance is given to four divisions for construction of new depots, up gradation of existing bus stands, provision of toilet facilities, asphaltting within bus stands and construction of waiting rooms etc. in 2018-19 Rs.150.00 crore has been earmarked to Transport Department. Rs.87.37 crore has been provided for the cost sharing of railway schemes under the infrastructure scheme. Rs.250.00 crore is allocated for rural drinking water supply, Rs.187.50 crore is allocated for Namma Grama Namma Rasthe, Rs.62.50 crore is allocated for Rural Road Development (NABARD), Rs.34.00 crore is allocated to Rural Water Supply Scheme under SDP and Rs.66.98 crore is allocated to Rural Area Road Works (NABARD) during 2018-19.

## **vi. Irrigation**

Assistance is provided for development of major irrigation in backward taluks. The Dr. D.M. Nanjundappa Committee had recommended development of irrigation as a major strategy for increasing agricultural production and productivity in backward taluks. Assistance is provided under the programmes of Karnataka Neeravari Nigama Limited (KNNL) and Additional funds are being provided for early completion of major irrigation schemes to KNNL. Works such as promotion and modernization of tanks, rejuvenation of tanks, lift irrigation and construction of barrages are taken up in most backward and more backward taluks. Expenditure for irrigation is around 20.1% of total SDP expenditure during the 11<sup>th</sup> Five Year Plan. Assistance is given to complete the existing schemes soon so that benefits reach the farmers in time. This may thus help to expand the irrigation facilities and increase agricultural productivity and output. Allocation to major irrigation is Rs.569.18 crore during 2018-19.

## **vii. Tourism**

Innovative works have been proposed and are in the process of implementation in



tourism sector which is emerging as a high growth area in the service sector. Tourist infrastructure at various places in backward taluks has been taken up for development. An amount of Rs. 432.40 crore has been spent so far as against the earmarked outlay of Rs. 537.58 crore. Approach roads to tourist places have also been constructed at various tourist places.

The implementation of recommendations of Dr. D.M Nanjundappa Committee remains as an ongoing agenda. The Special Development Plan and the Backward Region Grant Fund are major programmes operating to reduce regional imbalances. These efforts have led to an increase in the levels of economic and human development in most backward and more backward taluks. This is evident from the growing enrolment of children in schools, decline in dropouts and out-of-school children etc. Road connectivity has increased and most villages are now covered by all-weather roads. Levels of employment and income are on the rise.

**Table 1.4**

**Aggregate Resource Transfer to Backward taluks in Different Categories**

**2007-08 to 2018-19**

**(Rs. crore)**

<b>Year</b>	<b>Most Backward Taluks</b>	<b>More Backward Taluks</b>	<b>Backward Taluks</b>	<b>District Schemes in Backward Taluks</b>	<b>Total Allocation</b>
2007-08	376.00 (23.93%)	161.66 (10.29%)	136.62 (8.69%)	897.22 (57.09%)	1571.50 (100%)
2008-09	870.09 (34.16%)	615.05 (24.14%)	406.87 (15.97%)	655.34 (25.73%)	2547.35 (100%)
2009-10	1270.18 (49.25%)	554.57 (21.50%)	384.40 (14.91%)	369.68 (14.34%)	2578.83 (100%)
2010-11	908.89 (35.17%)	639.65 (24.75%)	382.05 (14.79%)	653.41 (25.29%)	2584.00 (100%)
2011-12	1204.50 (40.36%)	793.39 (26.59%)	528.00 (17.69%)	458.25 (15.36%)	2984.14 (100%)
2012-13	1182.09 (44.11%)	748.99 (27.95%)	377.30 (14.08%)	371.62 (13.87%)	2680.00 (100%)
2013-14	1477.18 (50.49%)	916.75 (31.34%)	531.67 (18.17%)	-	2925.60 (100%)
2014-15	1174.47 (51.80%)	701.54 (30.94%)	391.17 (17.26%)	-	2267.18 (100%)
2015-16	1143.98 (49.74%)	678.08 (29.48%)	477.95 (20.78%)	-	2300.02 (100%)
2016-17	1428.64 (47.62%)	943.85 (31.46%)	627.51 (20.92%)	-	3000.00 (100%)
2017-18	1598.40 (53.68%)	940.06 (31.57%)	437.58 (14.69%)	1.58 (0.05%)	2977.92 (100%)
2018-19	1437.67 (51.54%)	884.16 (31.70%)	467.36 (16.76%)	-	2789.19 (100%)
<b>Total</b>	<b>14072.09 (45.09%)</b>	<b>8577.75 (27.49%)</b>	<b>5148.48 (16.50%)</b>	<b>3407.10 (10.92%)</b>	<b>31205.73 (100.00%)</b>

**A. Additional Resource Transfer to Most Backward Taluks**

The allocations under SDP have helped the backward taluks in different categories to get additional resources to accelerate the development process. A comparison of distribution of allocation among three categories viz., most backward, more backward and backward taluks is presented in Table 14.4. It is observed that the share of most backward taluks in total allocations has increased from 23.93% in 2007-08 to 51.54% in 2018-19. These also include the allocations made under district sector schemes. However, this has to increase to 60% as per the recommendations of HPCRRI Committee. However, this additional resource transfer has promoted development activities in the backward areas.