

KARNATAKA ECONOMIC SURVEY 2014-15

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AGRICULTURAL AND ALLIED SECTORS

LAND UTILIZATION AND OPERATIONAL HOLDINGS

As per the land utilization statistics for 2012-13, out of the total 190.50 lakh hectares geographical area of the State, the net cropped area was 97.73 lakh hectares accounting to 51% of the total geographical area. Gross cropped area was 117.48 lakh hectares including 19.55 lakh hectares area sown more than once, this works out to 120 % cropping intensity.

Land Holdings

2010-11 Agriculture Census shows 78.32 lakh farm holdings operating 121.61 lakh hectares. Small and marginal holdings account for 76.44% of total holdings and operate only 40.05% of the total operated area, while semi-medium, medium and large holdings account for 23.57% of the total holdings and their operation land holding is 59.95% out of the total operated area.

Karnataka State falls in Zone X (Southern Plateau and Hilly region) and Zone XII (West Coast Plains and Ghat region) as per the Agro-climatic Regional Planning of Planning Commission. The State is divided into 10 Agro-climatic zones.

Cereals , Pulses , Oil Seeds , Cotton, Sugarcane and Tobacco account for 49%, 23%, 20%, 4%, 4% and 1% respectively of the total agricultural cropped area.

Karnataka having 2nd highest drought region and 2nd highest rain-fed area in the country and with pulses being half off cereals cropped area; doesn't our agriculture activity looks less sustainable and hence prone more to drought effects???

Paddy , Maize, Tur, Bengal gram, Cotton and Soyabean are witnessing higher trend in recent years, whereas as crops like Sunflower, Jowar , Ragi etc. are witnessing declining trend.

Table 7.1 Area and Production of Major Crops in the State
(Area in lakh hectares, Production in lakh tonnes)

Crop / Group	2014-15 *		2013-14**		Average growth over previous year (%)	
	Area	Prod.	Area	Prod.	Area	Prod.
Cereals	49.45	114.77	50.40	115.37	-1.89	-0.52
Pulses	24.32	15.24	25.06	17.73	-2.95	-14.06
Total food grains	73.77	130.00	75.46	133.10	-2.24	-2.33
Oilseeds	15.01	11.67	14.10	11.62	6.42	0.45
Cotton #	8.57	20.55	6.62	18.78	29.51	9.46
Sugarcane	4.40	397.10	4.20	379.05	4.76	4.76
Tobacco	1.05	1.10	1.09	0.90	-3.67	22.22

Lakh bales of 170 Kg. lint, ** Final Estimates of DE&S, * Revised Advance Estimates of Agriculture Dept.

Primary estimates based on the progress in **area coverage under various kharif and rabi crops, likely loss in yield on account** of long dry spell / excess rainfall in some parts indicate production of 114.77 lakh tonnes Cereals and 15.24 lakh tonnes of Pulses against the target of 119.13 and 15.87 lakh tonnes respectively.

Production of cotton is likely to be 20.55 lakh bales against the target of 13.15 lakh bales on account of higher area coverage.

The short fall in production of Pulses and Oil seeds can be attributed to crop diversification, decline in area coverage and stunted growth of rainfed crops in major parts of South and north Interior Karnataka.

SEEDS DISTRIBUTION

Karnataka Seed Mission

Karnataka Seed Mission Scheme is being implemented in the State since 2008-09 under RKVY.

Components have been included to strengthen **Certified Seed Production and Certified Seed distribution programmes** in the state.

Objectives:

- To achieve **enhancement in agricultural productivity through increased SRR & Comprehensive Development of all facts of seed sector** in Karnataka through a mission mode approach.
- To make **Karnataka a Global Destination for seed production.**
- To identify gaps in seed requirement, production and infrastructure for quality seed production and marketing.
- To have **farmer centric approach in varietal development**, seed production and marketing.

Swabeejabhivridhi Yojane - 2013-14

To **encourage farmers to take up seed production** in large area by allowing subsidy for foundation seed and creating infrastructure facilities for seed production.

Farm Machinery Custom Hire Service Centers

Considering the success of these Custom Hire Service Centers, it was **proposed to establish 500 Custom Hire Service Centers (CHSC) in 2012-13** and an amount of **Rs. 50 crore** was also allocated under RKVY for the purpose. However, due to Fiscal lapses the programme could not be implemented during 2012-13.

Govt fiscal lapses for just Rs 50 crore for farmers- unfortunate!!!!

Further, Expression of Interest was also invited for selection of functional co-operative societies/NGOs etc for the purpose of establishment of CHSC, however; **only 26 societies/NGOs have participated in Expression of Interest.**

Solar Pump sets - Chief Minister has announced in his budget speech of 2013-14 schemes for providing solar **pump sets upto 5HP to farmers.**

The Programme has to be implemented in Chitradurga and Bagalkote districts on pilot basis and **solar pump set will be distributed at 50% subsidy or maximum up to Rs.3 lakhs/solar pump set.**

National Mission on Micro irrigation

The Centrally Sponsored Scheme on Micro Irrigation is intended to provide **75 per cent subsidy to the farmers for adoption of Micro Irrigation systems.** The main objective is to achieve economic and judicious use of water. Under this scheme, **drip and sprinkler units are provided to the general farmers at 75% subsidy and 90% subsidy to farmers belonging to Scheduled Caste and Scheduled Tribe farmers.**

Accelerated Pulses Production Programme during 2013-14

Accelerated Pulses Production Programme (A3P) is another step forward for **vigorous implementation of pulses' development** and is being implemented from 2010-11.

Under this programme, **seed minikits, INM and IPM kits are freely distributed for organizing large scale demonstrations** in Red gram, Green gram, Black gram and Bengal gram.

Rashtriya Krishi Vikas Yojana (RKVY)

Government of India has launched a Special Additional Central Assistance Scheme called "**Rashtriya Krishi Vikas Yojana**" from 2007-08.

It incentivizes the States to increase public investment in agriculture and allied sectors and aims at achieving the goal of reducing the yield gaps in important crops and thus maximizes returns to the farmers.

National Food Security Mission (NFSM)

National Food Security Mission (NFSM) [(Rice) and (Pulses)] is a Central Sector scheme, being implemented in the State from 11th plan period (2007-08 to 2011-12) and is **continued for 12th plan period also for increasing production of Rice and Pulses through area and yield enhancement** in order to achieve the food security.

Integrated Scheme for Oilseeds, Oil Palm and Maize (ISOPOM)

Pulses have been included under NFSM w.e.f. April 2010 hence ISOPOM now supports only 3 crops viz., **Oilseeds, Oil Palm and Maize to increase productivity of these crops and to attain sustainability in Agriculture.**

National Mission of Oilseeds and Oil Palm

In India, every year about 90 lakh tones of edible oil is being imported. The edible oil is imported at a total cost of Rs.50, 000 crores per annum. Therefore, in order to decrease National foreign exchange and achieve self sufficiency in edible oil production, both Central and State Govt. are encouraging oil palm cultivation since 1990-91.

NMOOP is a **Centrally Sponsored Scheme** for the development of Oilseeds, and Oil Palm **started during this year** with the objective of increasing production and productivity of these crops and to attain sustainability in Agriculture.

The mission is proposed to be implemented through **three Mini Missions i.e. MM-I on oilseeds, MM-II on oil palm, MM-III on tree borne oilseeds.**

The Scheme is being implemented in all the 30 districts of the state. **The fund sharing pattern is 75% Central and 25% State share. In Karnataka, National Mission on Oilseeds (MM-I) operates in two sectors, state sector and ZP sector.**

Soil Health Mission:

Implementation of Soil Health Mission includes **collection of soil samples, analysis of soil samples for macro nutrients and micro nutrients, and this will be linked to K-Kissan project in issue of farmer passbook including soil fertility status and crop specific recommendation of nutrients to all the farmers of Karnataka.**

Objectives of Soil Health Mission are as follows:

1. To issue soil health cards to all farmers of the Karnataka in a span of three years, so as to provide a basis to include nutrient deficiencies in fertilization practices.
2. To diagnose soil fertility related constraints with standardized procedures for sampling and analysis and design taluka/block level fertilizer recommendations in the targeted districts.
3. To develop crop specific nutrient management in the districts for enhancing nutrient use efficiency.

National Mission for Sustainable Agriculture (NMSA)

Indian agriculture remains predominantly rainfed covering about 60% of the country's net sown area and accounts for 40% of the total food production. Thus, conservation of natural resources in conjunction with development of rainfed agriculture holds the key to meet burgeoning demands for food grain in the country. Towards this end, National Mission for Sustainable Agriculture (NMSA) has been formulated for enhancing agricultural productivity **especially in rainfed areas focusing on integrated farming, water use efficiency, soil health management and synergizing resource conservation.**

Mission Objectives

1. To make agriculture more productive, sustainable, remunerative and climate resilient by **promoting location specific Integrated/Composite Farming Systems;**
2. To **conserve natural resources** through appropriate soil and moisture conservation measures;
3. To **adopt comprehensive soil health management practices** based on soil fertility maps, soil test based application of macro & micro nutrients, judicious use of fertilizers etc.;
4. To **optimize utilization of water resources** through efficient water management to expand coverage for achieving '**more crop per drop**';
5. To **develop capacity of farmers & stakeholders**, in conjunction with other ongoing Missions e.g. National Mission on Agriculture Extension & Technology,

National Food Security Mission, National Initiative for Climate Resilient Agriculture (NICRA) etc., in the domain of climate change adaptation and mitigation measures;

6. To pilot models in select blocks for improving productivity of rainfed farming by mainstreaming rainfed technologies refined through NICRA and by leveraging resources from other schemes/Missions like MGNREGS, Integrated Watershed Management Programme (IWMP), RKVY etc.; and

7. To establish an effective inter and intra Departmental/Ministerial coordination for accomplishing key deliverables of National Mission for Sustainable Agriculture under the aegis of NAPCC.

NMSA has following **four (4) major programme components or activities:**

1. Rainfed Area Development (RAD):

2. On Farm Water Management (OFWM):

3. Soil Health Management (SHM):

4. Climate Change and Sustainable Agriculture: Monitoring, Modeling and Networking (CCSAMMN)

Bhoochetana 2009-10

Bhoochetana is a mission mode project of GoK implemented **to unlock the potential of rain-fed agriculture in the state which has the second largest rain-fed area (5.3 million ha) amongst the states in India after Rajasthan.**

Bhoochetana is a science-led development approach launched by the GoK to improve livelihoods of farmers in the state.

The overall goal of the Bhoochetana mission project was to **increase average productivity of selected crops in the selected districts by 20% in four years**

The consortium partners of the project are Karnataka State Department of Agriculture, UAS, Bangalore/ Dharwad/ Raichur and ICRISAT, Hyderabad.

The specific **objectives of the second phase of Bhoochetana Programme (2013-14 to 2016-17) are –**

1 To strengthen the Bhoochetana consortium for increasing the crops (irrigated and rain-fed) yields by 20 per cent over the first phase of Bhoochetana in five years in 30 districts of Karnataka through science-led development and new innovation systems.

2. To strengthen the institutional mechanisms such as seed villages, village seed banks, inputs supply, agricultural machinery hiring centers, farm extension through farm facilitators.

3 To assess the impact of climate change in different agro-eco regions of the state in terms of anticipated shifts in the crop growing periods, water availability, major crop yields, and evaluate adaptation strategies for developing climate resilient farming systems.

4 To document the process of consortium functioning, learning, increased crop yields, institutional development and capacity building of different stakeholders in the state.

GOK-CGIAR “Initiative for improving the Rural Livelihoods in Karnataka” (Bhoochetana Plus) scheme:

Objectives:

- **To form action oriented consortium** of CGIAR institutions to operationalize action research scaling-up model in partnership with Agriculture and line Departments viz; Animal Husbandry, Horticulture, , Rural Development & Panchayath Raj, etc in the **State to increase crop yields by 20% and farmers income by 25% over a period of four years.**
- **To establish four sites of learning on pilot basis, scaling-up approach integrated participatory research for development to benefit small and marginal farmers in irrigated and rain fed agriculture areas** representing the revenue divisions of the state

The Scheme implementation is planned for a period of four years (2013-14 to 2016-17)

The Scheme is in implementation in four districts viz., Bijapur, Chikkamagalur, Raichur and Tumkur on pilot basis in an area of 20000 ha in each district.

INSIMP (Initiative for Nutritional Security through Intensive Millets promotion Programme)

The **objective** of the programme is:

1. To **demonstrate improved production and post harvest technologies** in an integrated manner with visible impact to catalyze increased production.
2. **Promoting processing and value addition techniques to generate consumer demand** for millets based food production.

Karnataka Seed Mission

Components have been included to strengthen **Certified Seed Production and Certified Seed Distribution** programmes in the State.

The **objectives** of the scheme are -

1. To achieve **enhancement in agricultural productivity** through increased SRR & Comprehensive **Development of all facts of seed sector** in Karnataka through a mission mode approach.
2. To make **Karnataka a Global Destination for seed production.**
3. To **identify gaps in seed requirement**, production and infrastructure for quality seed production and marketing.
4. To have **farmers centric approach in varietal development**, seed production and marketing.

Model Organic Farming Village/Site Programme

In 2012-13 Rs.200 crore was earmarked for **Organic farming Promotional Programmes under the new scheme called "Amruthabhoomi Yojane".**

Savayava Bhagya Yojane

This mega programme initiated during the **later part of 2013-14** is an **extension of the earlier Organic village/site programme to hobli level** with few modifications in its implementation viz, **developing good marketing linkages and market development** for the organic products of the state. Government order was issued for implementation of “Savayava Bhagya” Yojane during 2013-14.

The programme is being implemented in **association with the NGO's** selected for each taluk transparently through e-tendering.

Important features of the programme:

- **Constitution of Site Committee comprising representatives from farmers associations, NGO representative and Department officer to prepare action plan for implementation of the Programme.**
- **District Organic Farming Steering Committee under the chairmanship of Joint Director of Agriculture** to approve action plans, inspection & monitoring
- **Advisory Committee (Technical Committee)** under the chairmanship of Director of Agriculture and District Level Steering Committee under the chairmanship of District Joint Director of Agriculture.
- **High Level Committee under the chairmanship of Hon'ble Minister for Agriculture** for monitoring and implementation of the Programme.

Raitha Samparka Kendra

The Department of Agriculture under “Raitha Mitra Yojane” established 747 Raitha Samparka Kendras (RSKs), **one per Hobli to provide services and information at single point required by the farmers.**

Based on the various agro climatic zones of the state, **the new food production technologies and skills are being implemented in the farmers' field** aiming to increase the state food production levels under this scheme.

Bimonthly and Fortnightly training programmes are being conducted at district level and taluk level respectively, to continuously upgrade and update the latest agricultural technologies and also the professional teaching skills of the Extension workers and Department Officers.

Sanction of Crop loans to the farmers through Commercial banks and Regional Rural Banks (RRBs) at 3%.

This scheme was launched during 2009-10 to provide interest subsidy of 1% for short term agricultural crop loans through commercial banks and Regional Rural Banks up to Rs.1,00,000 for the farmers who will repay the principal amount along with the interest before due date fixed by the banks, so that those farmers will get crop loan at 3% interest.

ATMA-Reformed Agricultural Extension System-CSS

Objectives of the Scheme:

- **Providing innovative and restructured technologies** by an autonomous agency through institutions at the State/District/Block levels.

- **Encouraging multi-agency extension strategies** involving Public/Private Extension service providers.
- **Ensuring an integrated, broad-based extension** delivery mechanism consistent with farming system approach.
- **Adopting group approach to extension in line with the identified needs** and requirements of the farmers in the form of CIGs & FIGs.
- **Facilitating convergence of Programmes** in planning, execution and implementation.
- **Addressing gender concerns by mobilizing farm women** into groups and providing training to them.
- **Moving towards sustainability of extension services** through beneficiary contribution.

Karnataka Krishi Mission

- **To induct plans, projects and programmes** for agriculture and agriculture related universities and line departments related to agriculture.
- **Streamlining and coordinating the functions of line departments** viz., agriculture, horticulture, animal husbandry and veterinary services, sericulture and fisheries etc., including agriculture and agriculture related universities in the State to provide technical information and services from a single window.
- **Bring new policies and guidelines which can improve the farm productivity to the level 4.5% per annum** and also increase the income level of farmers by convergence of line departments.
- **Drafting new programmes for sustainable agriculture**, conservation of natural resources like land, water and improving the fertility of soil and water use efficiency.
- **Promotion of organic farming.**
- **Intensify training to the farmers** in modern agriculture including marketing.
- **To provide infrastructure for seed storage, water harvesting and water use efficiency**, processing and value addition to the farmers through commodity groups.
- **To provide intervention for better prices to the farmers** through the commodity groups and future trading etc.
- To promote integrated farming to **increase the income of the farmers** even under rain fed condition.
- Guiding Universities for **producing professional and para-professional human resource** for changing situations in Agriculture.

- **Providing utmost priority for seed production** in field and horticulture crops, planting material, Animal poultry and fish breeds and seed production.
- **Establishment of Market extension departments** in UAS, Bangalore, Dharwad, Raichur and Shimoga, University of Horticultural Sciences, Bagalkote and Karnataka Veterinary animal and Fisheries Sciences University, Bidar with coordination of Govt. line departments.
- **Establishment of pilots centers of reclaiming saline and alkaline soils** for improving productivity of crops at a required time.
- **Initiating survey to identify farmers who have done out of box, to generate more income more than 2 lakh/acre under rain fed conditions and more than Rs. 50,000/acre under rainfed to bring their practices to the mainline research of Agricultural universities** for validating and recommending through line departments for adoption by all other farmers.

National Mission on Food Processing (NMFP)

This scheme is proposed to be implemented with the funding pattern in the ratio of 75:25 by Government of India and State.

The main objectives of NMFP are as follows

- To **augment capacity of food processors**, upscale their operation through **capital infusion, technology transfer, skill up gradation** and providing support.
- To provide **support to established SHGs' working in food processing** sector.
- **Capacity development and skill up gradation through institutional training** to ensure sustainable **employment opportunities** and reduce gap between requirement and availability of skilled manpower in food processing sector.
- To **raise standards of food safety** and hygiene to globally accepted norms.
- To facilitate food processing industries **to adopt HACCP and ISO certification norms.**
- To enhance basic infrastructure up to farm level, supply chain logistics, storage and processing capacity.
- To provide better support system to organized food processing sector.

Karnataka Agricultural Prices Commission

The Agricultural Prices Commission in the State will be an **Advisory body** to the State Government in the issues of **policies and programmes related to remunerative prices** for agriculture and horticultural commodities.

This Commission will consist of farmers, agriculture experts and agro-economists.

The Government will fix suitable prices based on the scientifically worked out recommendations of the Commission.

Computerization and co-ordination of departmental offices

K-KISAN project was framed for computerizing the offices of agriculture department from Raitha Samparka Kendras (RSKs) at hoblli level to Secretariat level.

The **main objectives** of the project were-

- **Timely information to the farmers** about agricultural production,
- **Strengthening and modernization of agricultural extension system** through information and communication technology &
- **Periodic review of physical and financial progress** under various schemes.

Watershed Development Programmes

Karnataka has given an important place for Watershed Development because about 75 percent of the cropped area in Karnataka depends on low and uncertain rainfall.

Karnataka Watershed Development Project-II (Sujala -3):

Introduction:

Karnataka Watershed Development Project-II(Sujala-3)is not a standalone project but links with the centrally financed IWMP which was started in the year 2012-13 and to be implemented over six years in the selected project districts – **Bidar, Chamarajanagar, Davengere, Gadag, Gulbarga, Kopal and Yadgiri for a period of 6 years from 2012-13 to 2017-18.**

Project is financed by World bank and Govt of Karnataka in the ratio 70:30.

Importance is given to development of Horticulture crops in rain fed areas.

Under this project various activities as demonstration of annuals and perennial crops, nutrition garden demonstration, establishment of soil,water and leaf analysis, lab for identification of soil problems, establishment of post harvest infrastructures and improving the market linkages and training to farmers will be taken up.

Prime Minister's Relief Package: (Sujala-II)

Introduction:

A Special Package i.e., Prime Minister's Rehabilitation Programme (Sujala-II PMRP [RIDF]) for ameliorating the hardship of farmers in districts reporting high incidence of suicides.

In the State, Belagavi, Hassan, Chitradurga, Chickamagaluru, Kodagu and Shivamoga districts have been identified. In this regard an amount of Rs.180.00 crore was allocated to the Government of Karnataka to implement the project on sujala model to treat an area of 1.50 lakhs ha under Forestry, Horticulture, Animal Husbandry, Land Treatment, Fisheries, Income Generating Activities and other programmes. The project was financed by NABARD.

Jalasiri:

During 2013-14 the scheme has been implemented by constructing water harvesting structures as well as trench cum bunds and field bunds/bunds. This scheme is implemented under SDP Taluks.

Objective of the Scheme:

Rain water harvesting, ground water recharge, drought proofing, employment to agriculture labours, protective irrigation to crops during critical conditions and facilitation of drinking water to animals.

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Externally Aided Projects under implementation

Sl. No.	Name of the project & Department	Name of the aiding agency
1	FOREST Karnataka Sustainable Forest Management & Bio-Diversity	JICA
2	WATER RESOURCES (MMI) National Hydrology Phase – II	World Bank
3	Dam Rehabilitation & Improvement	World Bank
4	Karnataka Integrated & Sustainable Water Resource Management	ADB
5	Agriculture & Horticulture Sujala III	World Bank
6	HEALTH & FAMILY WELFARE Karnataka Health Systems Development & Reforms (including Additional Finance)	World Bank
7	URBAN DEVELOPMENT Cauvery Water Supply Scheme- Stage IV- Phase II	JICA
8	Karnataka Municipal Reforms	World Bank
9	North Karnataka Urban Sector Investment Programme	ADB
10	Karnataka Integrated Urban Water Management Investment Programme	ADB
11	Karnataka Urban Water Supply Modernization Project	World Bank
12	Bus Rapid Transit System- Hubli-Dharwar	World Bank
13	PUBLIC WORKS Karnataka State Highways Improvement, Ph. II	World Bank
14	Karnataka State Highways Improvement, Ph.II	ADB
15	Sustainable Coastal Protection & Management	ADB
16	RURAL DEVELOPMENT & PANCHAYATH RAJ Jal Nirmal- A.F.	World Bank
17	Karnataka Panchayath Strengthening - Gram Swaraj	World Bank
18	ENERGY Bangalore Distribution Upgradation	JICA
19	FINANCE Karnataka Public Financial Management & Accountability System	World Bank

Crop Insurance Scheme

a. National Agricultural Insurance Scheme (NAIS)

NAIS is being implemented in the State since **Kharif 2000**. **All farmers irrespective of the size of their holdings, both loanee and non-loanee will be insured** against any loss of yield due to **natural calamities in the scheme**.

The scheme is **compulsory for loanee farmers and optional for non-loanee farmers**.

The premium paid by small and marginal farmers is subsidised to the extent of 10%.

b. Weather Based Crop Insurance Scheme (WBCIS)

This is an alternative scheme for NAIS framed by Government of India and was **launched in the country during Kharif 2007**.

The scheme compensates the **insured farmers against the likelihood of financial loss on account of anticipated loss in crop yield resulting from incidence of adverse weather conditions** and will cover the risk of weather parameters like rainfall, relative humidity, temperature, wind velocity etc.,

The scheme is **compulsory for loanee farmers** and voluntary for non-loanee farmers.

C. Modified National Agricultural Insurance Scheme (MNAIS)

Government of India modified NAIS and implemented the MNAIS for the first time in the country during Rabi & Summer 2010-11. **The modifications made by GOI are as follows**

1. Bringing unit of **Insurance to Grama Panchayat level** for major crops.
2. Fixing minimum level of **Indemnity to 70%**.
3. **Excluding 2 calamity years' data out of 7 years yield data** for calculation of threshold yield.
4. **Claim liability will be on insurance companies** and Government will provide only premium subsidy.
5. **Covering pre sowing and post harvest risk.**

Raitha Sanjeevini

This is an **insurance scheme for farmers**. Under this scheme, farmers who meet with an **accidental death or are permanently disabled** while being involved in farming / marketing activities are provided a compensation.

Janashree Bima Yojane

The Janashree Bima Yojane is an insurance scheme implemented in collaboration with Life Insurance Corporation of India for the **welfare of licensed weighmen, hamals and cartmen working in AMPCs**.

Under the scheme, for accidental death or permanently disability, an amount for Rs.75000/- and for natural death Rs. 30000/- is given as compensation.

Further, through this scheme **two children (who are students of 9th to 12th standards) of the registered persons are eligible to get scholarships** at the rate of Rs.100/- per month.

MARKETING

Minimum Support Price

Commission for Agricultural Costs and Prices, Government of India collects the information and views from all State Governments/Stake holders and recommends Minimum Support Prices for various crops to the Union Cabinet for fixing the MSP of various crops.

Procurement of commodities is undertaken by Food Corporation of India, NAFED, and KOF etc. in the event of price crash below MSP.

Minimum Floor Price Scheme

Minimum Floor Price Scheme is operated in Karnataka for **perishable agriculture commodities like onion, potato, tomato and green chilies.**

Computerized E-Tendering System

Implementation of E-tender system in APMCs as announced in the budget speech of 2012-13 – As announced in the budget speech of 2012-13, **Action has been taken for the establishment of e-trading facility in 50 APMCs for 11 major agricultural produce through NCDEX platform. E-trading facility has been already implemented through NCDEX platform in 26 APMCs.**

Rural Infrastructure Development Fund

Rural markets are the places where large number of small and marginal farmers sell Their agricultural produce. These markets are being developed by providing infrastructure for the benefit of farmers and traders. **The National Agriculture and Rural Development Bank of Government of India provides partial financial assistance for providing infrastructure facilities for rural markets. Remaining financial requirements are provided by the APMCs for the development of infrastructure facilities.**

Rural Godown Scheme/ Grameena Bhandar Yojana (Central and State Sector):

This scheme has been introduced in 2006-07 to help the farmers to store their commodities scientifically in godowns and to sell the same when the prices are high. Farmers can also get pledge loan on the basis of the commodities stored in the godowns.

The APMCs are implementing the rural godown scheme by getting 25% subsidy from Government of India.

Establishment of Private Wholesale Markets

In order to provide **25% subsidy and land for investment by the private entrepreneurs for the establishment of agricultural produce** wholesale markets, the Government has allocated Rs 200 lakh in the budget in 2011-12. Since **no application has been received from the private entrepreneurs**, the amount has not been released under this scheme.

Then will mere change in APMC laws to allow private players to setup market will deliver the result??

Pledge Loan Scheme

This scheme is being **implemented by the APMCs** by reserving 10% of their income by way of market fee and license fee. A **maximum of Rs.2.00 lakh per farmer is given as loan** for a maximum period of 6 months.

The loan is interest free for the first 3 months. This scheme is meant to help the farmers to **come out of the clutches of private money lenders**.

Technology Parks

The Government has accorded administrative approval for establishing Rice Technology Park with the **State-of-the-Art technology** for processing, grading, packing, branding, marketing and **export of rice in Karatagi of Gangavathi taluk** at an estimated cost of Rs.3719 lakhs.

Establishment of **Coconut processing unit at Konehalli of Tiptur**.

Establishment of **Tur Technology Park at Gulbarga** - Action has been taken to acquire the necessary land required for this project.

Establishment of **Maize Technology Park at Ranebennur**- Action has been taken to establish maize technology park in the proposed mega market yard of Ranebennur APMC.

OUTCOMES AND CHALLENGES

(a) Agriculture:

Slight decline has been observed in **production of Oilseeds**, which is mainly due to diversion of area to other crops. However, the important challenges **are:**

- Low growth rate in agricultural sector **-Karnataka shares large portion of the drought prone-** rainfed area of the country .
Frequent climatic aberrations and failure of technology to meet the challenge have together impacted the low productivity.
- **Fragmentation of land holdings and deteriorating soil health** - Cultivable land in the state is declining and at the same time, land used for non-agricultural purposes is increasing. The **average size of holding is 1.55 hectare** and the number of holdings having land **less than 1 hectare accounted for 49% of the total holdings in the state**, which in itself is a cause for concern.

Soil health is fast degrading. **Phosphorous and potash availability has declined** in many regions, so also the deficiency of micronutrients.

Small and marginal farmers with smaller land holdings face many **issues of low production quantity, leading to poor incomes, lack of access to institutional credit, lack of access to extension workers** providing information on market technology to name a few.

- **Dryland Agriculture-**

The **basic problem of dryland areas is one of a vicious cycle** that starts with degradation of the natural resource base through poor management leading to low productivity, This, in turn, leads to overexploitation of the existing natural resources and further degradation.

- **Efficiency in Irrigation –**

In the **irrigated areas lack of updated scientific water management techniques and proper awareness** among the beneficiary is the cause of concern.

The major constraints in Canal irrigation are:

Untimely **filling up of reservoirs and delay in letting of water in canals**, Tail Enders are not getting water, Breaching of canals.

Development of Saline alkali soils, major crop is Paddy whose water use efficiency is very low.

- **Technological and Extension Constraints -**

Technological innovations have always remains supply driven with least care to the demands on the field. That causes low adoption.

- **Slow capital formation -**

The low levels of agricultural growth are associated with **low investments in the sector.**

- **Inadequate of Safety Nets -** There are a few significant safety net programmes operating in the state. These include crop insurance scheme, minimum support prices, Raitha Sanjeevini, KSKs. These have to become efficient by totally revamping and **bringing in decentralized administration and implementation up to Panchayat level.**

- **Low level of Farm Mechanization -**

Popularizing the farm mechanization is needed along with training to the farmers to usage of advanced machineries. **Small implements needed to be popularized keeping in view the labour shortage and tiny size of holding.**

- **Agro processing –**

Decentralized processing facilities needs to be undertaken in the state for selected crops and fruits.

- **Watershed Development**

About 75% of the cropped area in Karnataka depends upon low and uncertain rainfall. **By continuous watershed development programmes only 58.60 lakh hectares have been treated upto March 2013.** The remaining 71.10 lakh hectares are yet to be treated.

- **Agricultural Marketing**

Karnataka ranks 7th in the Infrastructure Development Index (106.12) whereas the neighbouring states like Kerala (2nd rank) and Tamil Nadu (3rd rank) are ahead in the infrastructural development.

It is estimated that 15 per cent of crop produce is lost between the farm gate and the consumer because of poor roads and storage facilities thus adversely influencing income of farmers.

HORTICULTURE

Area under Horticultural crops in Karnataka. (lakh Ha.)

Crops	2013-14 (Estimated)
Fruits	4.00
Coconut	5.17
Spices	1.78
Vegetables	4.19
Cashew	0.74
Flowers	0.30
Others	2.96
Total	19.14

Comprehensive Horticulture Development

Karnataka State is in the forefront with regard to the development of Horticulture in the entire Country.

It is a matter of pride to note that the horticulture sector contributes 40% to the production under the combined agriculture sector in the state.

About 12 lakh farm families are engaged/ dependent on the horticulture sector and employment opportunities both direct and indirect are created to about 75 lakh people.

The development of horticulture in the State are ridden with many **problems and shortcomings** like **low value addition, poor marketing facilities and improper crop management practices.**

National Horticulture Mission (NHM)

Central Government and State Government assistance is **fixed at 85:15**. This scheme is now being implemented in all the 30 districts in the State. The main objective of introducing the NHM scheme was achieving the **all round development of Horticulture by integrating backward and forward linkages.**

Its approach is “end-to-end”, starting from **the production of planting material and finally ending with value addition and marketing/export of produce.**

Objectives:

- Enhancing production, quality and productivity of major Horticulture crops
- To adopt new innovative technology in horticulture
- To develop horticulture in clusters approach
- To increase income of farmers
- To provide employment opportunities to unemployed youths.

Suvarna Bhoomi Yojane

This is a scheme of depositing Rs. 10,000/- into the bank account of farmers, per agricultural family in order to **increase the agricultural income of small and very small farmers who perform dry farming** and perform less than 5 acres of arid land.

The project envisages covering Agriculture, Horticulture, Sericulture, Pisciculture, etc. **Department of Horticulture, GoK has taken a challenge on their hand to help 0.25 million small and marginal farm house holds (HHs) under SBY** and helping them to shift from low-value crops to high-value horticultural crops (fruit trees, vegetables, spices, and medicinal and aromatic plants).

Scheme primarily aims at the farmers of rain fed areas and farmers of command area are not eligible to take the benefits of this scheme.

Protected Cultivation of Flowers and Vegetables

A breakthrough in production technology that integrates market driven quality parameters with the production system, besides ensuring a vertical growth in productivity is required.

One such technology is "PROTECTED CULTIVATION".

Objectives:

1. **Farmers having small land holding would be benefitted by the technology, which helps them to produce more flowers and vegetables** crops each year from their land, particularly during off season when prices are higher.
2. The liberalization of industrial and trade policies paved the way for the development of **export oriented production of cut flowers under protected cover.**
3. **Generate self-employment opportunities** for skilled labours.
4. This scheme is helpful to increase the social and financial status of the farmers.
5. **Help to control pest and diseases.**

Integrated Farming in Coconut for Productivity Improvement Programme

The activities that are being implemented are –

- 1) **Laying out of demonstration plots** and their maintenance
- 2) **Distribution of plant protection chemicals**, organic manures, chemical and bio fertilizers for improvement in production and productivity of coconut
- 3) **Production of TXD hybrids coconut seedlings.**

National Medicinal Plants Mission

To implement the programmes like area **expansion of medicinal plants, development of nurseries, and establishment of Quality testing laboratory units.**

Providing Micro Irrigation Facility

Under this scheme, **subsidy is provided for drip irrigation, sprinkler irrigation and drip demonstrations for all horticulture crops, except coffee, tea, rubber and oil palm.** The assistance is available for a maximum area of **5 ha per beneficiary family.**

Horticulture Extension

There are 10 Horticultural Training Centers in the State which were working since 1950. **Ten months practical training programmes are being conducted to the farmers' children with modern technologies introduced in Horticulture;** to improve their own land and productivity of horticulture crops.

Integrated Disease and Pest Management Programme for Horticulture Crops

The Department of Horticulture, through its **plant protection programmes, provides bio-pesticides, botanicals, chemicals, pheromone traps and lures to control the pests and diseases of horticulture crops.** In addition, **pest surveillance is undertaken** in different districts to predict the outbreak of pest and diseases and, **create awareness** in the management of pests and diseases.

Post Harvest Management

The Government of Karnataka has been implementing a programme called **"Processing and value addition for Horticulture crops"**. It includes activities related to grape dehydration, red chilli powdering, vanilla processing, winemaking unit and desiccated coconut powder units.

Marketing

At the district level, 19 **Horticultural Produce Marketing and Co-operative Societies** have been established on the lines of HOPCOMS in Bangalore.

At present, these district HOPCOMS are **unable to work under profit due to lack of infrastructure and basic amenities.**

In this regard, a project for **strengthening of 19 districts HOPCOMS through Karnataka Horticulture Federation** has been approved under RKVY.

Outcomes and Challenging

- **Nearly 30% of the horticultural produce is wasted due to improper post-harvest management.**

Lack of awareness and education among farmers and traders and lack of adequate infrastructure such as pack houses, primary processing units, field storage structures are some of the reasons for improper post-harvest management.

- In Karnataka, only 1% of the total production of fruits and vegetables is currently being processed** so as to produce value added goods of higher market value.
About **25-30% of the produce is lost due to inadequate cold storage** and transport facilities.
Demand for fruits and vegetable in Karnataka would be 145 lakh tonnes by 2020 and the **state's current cold storage facility would cover a mere 2% of the produce.**
Infrastructure of Modern Flower Auction House at Bangalore can be used for sorting, grading, cold storages, electronic auction system, banking and other value addition facilities.
Inadequate power supply and exorbitant power tariff for floriculture and processing sector is a constraint for functioning of cold storage facilities.
- Location of cold storage facilities** is a problem with most of them being situated in **away from farms.**
Cold storages **in rural areas do not have graded cooling for different types of produce** and cold storage chain suppliers incur high power tariffs charged at commercial rates.
Further, as highlighted in the Report by Planning Commission for Twelfth Five Year Plan, the Scheme for Cold Chain, Value Addition and Preservation Infrastructure **only provides ordinary cold chain and fruit ripening solutions** for consumption of fresh Fruits and Vegetables and thus **requires restructuring to incorporate organic linkages with processing of perishable Fruits and Vegetables.**
- Currently around 36% of the posts in the Department are vacant.** This naturally affects the implementation of many of the Department's programmes. One of the major reasons for high level of vacancies in this Department is the **shortage of qualified Horticulture graduates in the State.**

ANIMAL HUSBANDRY

The share of Animal Husbandry in Gross State Domestic Product (GSDP) of Agriculture and Allied activities was 20.51% during 2013-14.

The share of Karnataka in all India livestock and poultry population was 5.41% and 7.33%, respectively. The density of livestock in the state was estimated at 151.21 per sq.km and 47468 per lakh human population.

Livestock and Poultry Production: India ranks Second in the world (FAOSTAT Website year 2012) and **Karnataka State ranks eleventh among Indian States in milk production. The production of milk in the State was 5.99 million MT during the year 2013-14.**

Assistance to State for Control of Animal Diseases (ASCAD) :

Assistance to the State for control of animal diseases has **three components viz., systematic control of livestock disease of national importance, and animal disease surveillance.**

For the control of animal diseases component, **funds will be shared by the Centre and State on 75:25 basis** except the training component where 100% central grants are

envisaged. The funds will be provided for purchase of vaccines/ diagnostics / medicine and up gradation/strengthening of disease diagnostic labs/vaccine production facilities.

National Animals Disease Reporting System (NADRS)

Under this scheme outbreaks information will be collected and the same will be reported to the Central and State Government and important decisions will be taken from time to time.

National Project for Cattle and Buffalo Breeding:

National Project for Cattle and Buffalo Breeding has been re-designated as National Project on Bovine Breeding and Dairy Development from the year 2014-15.

Cattle Development :

Cattle breeding programme for milch animal production and conservation of indigenous breeds like Hallikar, Amrutmahal, Khilar and Deoni for drought purposes is carried out through artificial insemination and embryo transfer technology.

Indigenous breeds are propagated by selective breeding in the livestock farms located at Kunikenahalli in Tumkur, Ajjampura in Chikmagalur and Bankapura in Haveri districts.

Suvarana Karnataka Govu Samrakshane :

Rs.15.00 lakh is allocated for this scheme. The funds will be utilised to protect & conserve the local breeds of Cattle in the state through NGO's where in one time assistance of Rs.10.00 lakh is given per organization which has 10 acres of land and 50 native breeds.

Establishment of Regional Disease Diagnostic Laboratories

Regional Disease Diagnostic Laboratories will be established in 4 places in the State (Sira, Kolar, Bagalkote and Sirsi) through Animal Health and Biological Institute.

Pashu Bhavan:

It is proposed to construct "Pashu Bhavan" at Bangalore to accommodate all the offices of the department and its related organization to provide services under one roof for which Rs.1000.00 lakhs is allocated.

Opening of new veterinary dispensaries and up gradation of primary veterinary centers to veterinary dispensaries

Strengthening of Polyclinics:

Establish Veterinary Polyclinic with specialized services by subject specialists at district level.

In the Government order regarding reorganization of the department 30 Veterinary Polyclinics have been sanctioned with Deputy Director and Subject Specialist Posts. For polyclinics 30 technical adviser posts have been created.

During 2014-15 an amount of Rs.10.00 crores has been earmarked in the budget for establishment of one Super Specialty Hospital at Bangalore and also for establishment of Specialty hospital one each at Mysore, Gulbarga, Belgaum, Tumkur divisional level in the state.

Dairy Programme for women:

A special programme for Women namely Amrutha Yojane was started during 2007-08 with an initial amount of Rs.5000.00 lakhs.

This programme was started to help Devadasis, Widows, SC / ST women in order to improve their socio-economic condition by providing them milch animals.

The cost of unit was initially Rs.20, 000/- of which the subsidy component is 50% (Rs.10000/-)for Devadasis and Widows, 60% (Rs.12000/-) for SC women and 75% (Rs.15000/-) for ST women.

During the year 2010-11 the unit cost has been enhanced to Rs.35, 000/- with similar subsidy components.

Outcome:

The Government of Karnataka has encouraged the milk producers of the State by giving an incentive price Rs.4/- per liter of milk to the milk producers of the cooperative societies of the state.

- **There is an average milk procurement of 61.45 lakhs liters per day with an average liquid milk sales of 32.67 lakh liter per day, the balance being converted into different form of milk products.**
- **The school children/Anganwadi children are provided with 150 ml of milk a day to overcome nutritional deficiency** by introducing “Ksheera Bhagya yojane”.
- **Women Dairy Co-operative Societies are being organized** under the STEP Scheme for Women.
- **Landless farmers and other rural folk have taken up Dairy farming as a major of source of income which resulted in the economic upliftment of these farmers.**
- **KMF owns 5 cattle feed production plants** which supply an average of 40 MT per month of balance cattle feed to milk producers.
- **Input activities such Artificial insemination, Health coverage, Urea Molasses Brick, Liquid Nitrogen etc. are being provided at the door step of these dairy famers.**

Challenges :

1. **To ensure assured and remunerative market round the year for the milk produced by the farmer members.**
2. **To make available quality milk and other premier dairy products to urban consumers.**
3. **To compete with MNC's and private dairies with better quality of milk and milk products and in the process, sustain viability of the milk cooperatives.**
4. **To extend the milk procurement network in North Karnataka region.**

Animal Husbandry and Veterinary Services

- ***Limited value addition to Dairy products***

In Karnataka, **hardly 11% of the production is being converted** into value added products and remaining 89% being consumed as liquid milk.

- ***Dairy Cooperative Societies***

Out of the 12,262 registered Dairy Cooperative Societies 10,766 are functional. Efforts are needed to make others functional as well.

- ***Demand –Supply mismatch in Livestock Production***

Except for milk, which shows availability close to demand, the CAGR required to meet the expected demand by 2020 is 19% for meat and 16% for eggs, whereas the actual CAGR for the last four years (2005-2009) is only 8% for both meat and eggs.

- ***Lack of livestock extension***

Livestock extension remains a grossly neglected sector. **Only about 5% of the total farm households in India access information on livestock.**

Organised **slaughtering houses/facilities are too inadequate.**

Further **lack of access to organised markets and meagre profits** distract farmers from investing in to improved technologies and quality inputs.

- ***Lack of focus on disease control***

Frequent outbreaks of diseases such as influenza continue to affect livestock health and productivity.

- ***Lack of human resources***

Fisheries

Department's expenditure towards research and extension activities would have to be **intensified to reach higher number of potential fishermen.** Out of a total of 5.78 lakh persons enumerated to be inland fishermen, **4.65 lakh are said to be not engaged in fisheries activities.**

Apart from this, there are vacancies to the extent of 42% in the technical staff of the Department.

The constraints and gaps identified in the Department:

- There is shortage of **technical and clerical staff in the department.** The schemes are not being implemented effectively as **many posts of Assistant Director of Fisheries working at Taluk level are vacant.**
- **Inland fisheries are rain dependent,** the progress is being achieved based on good and in time rains received every year.

Results (Achievements) and challenges Achievements :

- **The increase in the overall fish production** of the state during the recent years

- **Construction of hygienic fish markets to provide fresh fish** to the public in clean environment and strengthen the marketing system for quick transportation.
- **Enhanced fish seed production** within the state.
- **Created awareness** among fishermen on stocking advanced **fish fingerlings**.
- **Reduced the pressure on near Shore Sea fishing** by encouraging deep sea fishing.

Future Challenges :

- Formulate management practices for **sustainable marine fish production**.
- Encourage **deep sea fishing and optimum utilization of unexploited resources**
- **Encouragement of commercial fish culture in inland** water resources
- **Introduction of new species** for fish culture
- **Create awareness among fishermen to reduce juvenile fishing** in marine fisheries.

Sericulture

- **Decline in area under cultivation and employment** in this sector indicates that more numbers of families are moving away to other occupations. The reasons for this development are (i) **Urbanisation**, (ii) **Depletion of ground water**, (iii) **Shortage of Agricultural labour**, (iv) **Fluctuations in Cocoon/silk Prices**, (v) **Reduction of customs duty from 30% to 15%**.
- Due to **urbanization the sericulture activities** in the traditional districts are finding a **down trend**. Hence there is a **need to shift** the focus from traditional districts to the potential area of **non-traditional Northern Karnataka districts**.
- Silk production involves a well-balanced cultivation of specific food plants, rearing of silkworm, industrial activities such as reeling, twisting, weaving, processing etc. It is therefore necessary to **look into the interest of all the stake holders in the entire silk production chain**.
- There is need to attract and **encourage large scale farmers to take up new mulberry plantation** by providing necessary assistance. 80% of the total silkworm seed production is by private sector. To ensure quality seed production, and update the knowledge of the private seed producers, **regular training is required and also to strengthen the infrastructure financial assistance** is to be provided for production of the BV dfls.
- **Rain water harvest and drip irrigation systems have to be encouraged** to a greater extent in mulberry cultivation to conserve the ground water level. **Community chawki rearing centres are to be encouraged**.
- Aiming at globally acceptable quality silk production, **installation of Automatic Reeling Machines will be promoted**.
- **Reeling activities require more working capital** for which sufficient financial assistance to be provided at **subsidized interest rates**.

- Farmers are the major part of the silk industry and any **fiscal initiatives should prioritize the interest of the sericulture farmers.**
- **Post cocoon sector is mainly run by minorities and SC/ST. Hence a special package for silk reellers to be announced.**
- To reduce the gap in the demand of imported raw silk, **Government has introduced production and productivity linked incentive to cocoons.**

Research and Extension services

There **needs to be an increase in research funding by the state**, as it needs to step in where the private sector fails.

Agriculture research has high payoffs associated with it relative to the investment costs, which indicates that research is under-funded in the state.

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Questions

1. Which among the following has highest cropped area in Karnataka?

- a. Pulses
- b. Cereals
- c. Sugarcane
- d. Tobacco

2. Swabheejabhivridhi Yojane aims at

- a. To encourage farmers to take up seed production in large area.
- b. To encourage seed industries to take up seed production in large area.
- c. To distribute seeds to farmers at subsidised rates.
- d. To encourage agriculture universities to indigenously produce drought resistant seed.

3. National Food Security Mission (NFSM) aims at

- a. Increasing production of Rice and Pulses through area and yield enhancement in order to achieve the food security.
- b. To distribute cereals to only BPL households through PDS.
- c. To distribute cereals to both BPL and APL households through PDS.
- d. None of the above.

4. Which among the following is incorrect w.r.t. Modified National Agricultural Insurance Scheme (MNAIS) ?

- a. Bringing unit of Insurance to Gram Panchayat level for major crops.
- b. Claim liability and providing premium subsidy will be on government
- c. Covering pre sowing and post harvest risk.
- d. All are correct.

5. Bhoochetana programme aims at

- a. Increasing the crops (irrigated and rain-fed) yields by 20 per cent over the first phase of Bhoochetana in five years in 30 districts of Karnataka through science-led development and new innovation systems.
- b. To strengthen the institutional mechanisms such as seed villages, village seed banks, inputs supply, agricultural machinery hiring centers, farm extension through farm facilitators.
- c. To assess the impact of climate change in different agro-eco regions.
- d. All the above.

6. Which among the following is incorrect w.r.t. Karnataka Seed Mission?

- a. To achieve enhancement in agricultural productivity through increased SRR & Comprehensive Development of all facts of seed sector in Karnataka.
- b. To identify gaps in seed requirement, production and infrastructure for quality seed production and marketing.
- c. To have farmer's centric approach in varietal development, seed production and marketing.
- d. None of the above.

7. Amruthabhoomi Yojane aims at

- a. Organic farming Promotional Programme.
- b. To encourage farmers to cultivate medicinal plants.
- c. To promote zero pesticide farming.
- d. None of the above.

8. Karnataka Krishi Mission aims at

- a. Bring new policies and guidelines which can improve the farm productivity to the level 4.5% per annum.
- b. Promotion of organic farming.
- c. Guiding Universities for producing professional and para-professional human resource for changing situations in Agriculture.
- d. All the above.

9. Karnataka Agricultural Prices Commission was set up to

- a. Only to advice State Government in the issues of policies and programmes related to remunerative prices for agriculture.
- b. To decide remunerative prices for agriculture.
- c. Commission will consist of farmers, agriculture experts and agro-economists.
- d. Both a & c.

10. Minimum Floor Price Scheme aims at

- a. Providing floor price for perishable agriculture commodities only.
- b. Providing floor price for cereals and pulses only.
- c. Both a & b.

11. Match the following technology parks with their location

- | | |
|------------|----------------------------------|
| 1. Rice | a. Karatagi of Gangavathi taluk. |
| 2. Coconut | b. Konehalli of Tiptur. |
| 3. Tur dal | c. Gulbarga. |
| 4. Maize | d. Ranebennur |

- a. 1-d;2-b;3-a;4-c.
- b. 1-a;2-b;3-d;4-c.
- c. 1-a;2-b;3-c;4-d.
- d. None of the above.

12. Decline in sericulture area under cultivation and employment is due to

- | | |
|---------------------------------------|---|
| a. Urbanisation | b. Shortage of Agricultural labour. |
| c. Fluctuations in Cocoon/silk Prices | d. Reduction of customs duty from 30% to 15%. |
| e. Only b & d. | f. All the above. |

13. What is the cropping intensity of farming in Karnataka for the year 2012-13?

- a. 110%
- b. 95%
- c. 120%
- d. 100%

14. According primary estimates based on the progress in area coverage under various kharif and rabi crops, which crop has seen increase in yield?

- a. Cotton
- b. Paddy
- b. Sugarcane
- d. All the above

15. Objective of Soil Health Mission is/are

- a. To issue soil health cards to all farmers of the Karnataka in a span of three years.
- b. To diagnose soil fertility related constraints with standardized procedures for sampling and analysis.
- c. To develop crop specific nutrient management in the districts.
- d. All the above.

16. National Mission for Sustainable Agriculture (NMSA) 2014 focuses on

- a. Rainfed areas focusing on integrated farming,
- b. Water use efficiency,
- c. Soil health management and synergizing resource conservation
- d. All the above.

17. National Mission for Sustainable Agriculture NMSA has which of the following activities?

- a. Rainfed Area Development (RAD):
- b. On Farm Water Management (OFWM):
- c. Soil Health Management (SHM):
- d. Climate Change and Sustainable Agriculture Monitoring, Modeling and Networking (CCSAMMN)
- e. All of the above.

18. Bhoochetana Plus operates during

- a. 2013-14 to 2016-17
- b. 2012-13 to 2016-17
- c. 2014-15 to 2016-17
- d. 2014-15 to 2017-18

19. Bhoochetana Plus objective is to

- a. To form action oriented consortium of CGIAR institutions to operationalize action research to increase crop yields by 20% and farmers income by 25% over a period of 4 years.
- b. To form action oriented consortium of CGIAR institutions to operationalize action research to increase crop yields by 25% and farmers income by 25% over a period of 5 years.
- c. To form action oriented consortium of CGIAR institutions to operationalize action research to increase crop yields by 20% and farmers income by 20% over a period of 5 years.
- d. None of the above.

20. K-KISAN project aims to

- a. Timely information to the farmers about agricultural production,
- b. Strengthening and modernization of agricultural extension system through information and communication technology.
- c. Periodic review of physical and financial progress under various schemes.
- d. Computerizing the offices of agriculture department from Raitha Samparka Kendras (RSKs) at hoblli level to Secretariat level.
- e. All the above.

21. Which is/are correct wrt Karnataka Watershed Development Project-II (Sujala -3)?

- a. Operates in Bidar, Chamarajanagar, Davengere, Gadag, Gulbarga, Kopal and Yadgiri for a period of 6 years from 2012-13 to 2017-18.
- b. Project is financed by World bank and Govt of Karnataka in the ratio 70:30.
- c. Importance is given to development of Horticulture crops in rain fed areas.
- d. All the above.

22. Karnataka Watershed Development Project-II (Sujala -3) involves which of the following activities?

- a. Demonstration of annuals and perennial crops, nutrition garden demonstration.
- b. Lab for identification of soil problems.
- c. Establishment of post harvest infrastructures and improving the market linkages.
- d. All of the above.

23. Jalasiri scheme aims to

- a. Constructing water harvesting structures as well as trench cum bunds & field bunds/bunds.
- b. Rain water harvesting, ground water recharge, drought proofing.
- c. Protective irrigation to crops during critical conditions.
- d. Facilitation of drinking water to animals.
- e. All of the above.

24. According to Area under Horticultural crops in Karnataka. (lakh Ha.), which crop has highest cropped area

- a. Fruits
- b. Coconut
- c. Vegetables
- d. Flowers

25. Which among the following has highest production (in tonnes) in Karnataka?

- a. Cereals
- b. Pulses
- c. Sugarcane.
- d. Cereals and Pulses together.

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INDUSTRY

Trends in Industrial Production

The manufacturing sector has the highest weight of about 81.1% followed by electricity sector (11.8%) and the mining sector (6.9%).

The overall organized industrial sector of Karnataka has registered 3.66% growth in 2013-14 as compared to 2012-13.

Within the organized industrial sector, Electricity sector has boosted up with highest growth of 11.49% followed by the manufacturing sector (2.92%) and mining sector registered negative growth of (-20.48%).

Manufacturing Sector

Karnataka accounted for 5.27% of the total number of registered factories in 2011-12 in the country. The contribution of registered factories of Karnataka stood at 6.76% of total fixed capital, 6.84% of total output, and 11.5% of Gross Value Added (GVA) in the same year.

Net value added, total input per worker, total output per worker and annual wages per worker reveal that Karnataka lagged behind the all-India average in terms of Labour productivity and total output per worker.

Karnataka accounted for 4.37% of total number of unorganized manufacturing enterprises and 4.33% of the total unorganized manufacturing employment in the country in 2010-11.

In terms of GVA per worker, at a value added of Rs.87299, Karnataka performed better than the all-India average.

In addition to the manufacturing sector, service sector enterprises play a crucial role in Karnataka's economy.

Karnataka accounted for 4.9% of the total service sector enterprises and 4.8% of the total service sector enterprise workers in the Country.

In terms of both GVA per enterprise and GVA per worker, Karnataka stood first in the country and accounted for more than twice as much as that of all-India average in terms of GVA per enterprise as well as GVA per worker.

Micro, Small & Medium Enterprises

MSME units have been categorized broadly into those engaged in manufacturing and those providing /rendering services. Under the Act, Micro, Small and Medium Enterprises (MSMEs) are classified as under-

Enterprises	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (Service)
Micro	Upto Rs. 25 lakh	Upto Rs. 10 lakh
Small	Above Rs.25 lakh upto Rs.5 crore	Above Rs.10 lakh upto Rs.2 crore
Medium	Above Rs.5 crore upto Rs.10 crore	Above Rs.2 crore upto Rs.5 crore

Of the 24206 units that were registered in Karnataka during 2012-13, about 22% (i.e. 5318 units) of the units were related **to manufacturing of wearing apparel, dressing and dyeing of for which occupied the top position** followed by Publishing ,Printing and Reproduction of recorded Media with around 11% registration.

Industrial Policy 2014-2019

The major strategies include:

1. Creation of quality infrastructure with comprehensive facilities.
2. Human resource development through capacity building and skill up gradation.
3. Facilitation mechanism and procedural reforms.
4. Encouragement for **industrial development in Hyderabad Karnataka Area**.
6. Promotion of MSMEs.
7. Special thrust for encouraging **SC/ST entrepreneurs**.
8. Encouragement to **Women entrepreneurs**.

Two exclusive industrial estates and areas for women entrepreneurs and a reservation of **five per cent in all the industrial estates/areas for women entrepreneurs** had been proposed in the policy.

9. Encouragement to **Minorities**, Backward Classes, **Physically** challenged persons, Ex-Servicemen entrepreneurs
10. Encouragement to **Non Resident Kannadigas (NRKs)**
11. Encouragement for **export promotion**.
12. Encouragements to **units adopting energy efficiency measures**.
13. Encouragements to **renewable energy projects**.
14. Encouragements for adoption of **green and clean practices**.
15. Support for **R&D and Digital Direct Manufacturing**
16. **Intellectual property rights** initiatives
17. Promotion of investment and trade
18. Encouragement for anchor industries
19. Incentives and **concessions for Large, Mega, Ultra Mega, Super Mega enterprises:**
20. Focused manufacturing industries
21. Budget Support

Karnataka aims to attract **investment worth Rs 5 lakh crore in the next five years** under a new industry policy unveiled today.

The policy is targeting an **industrial growth rate of 12 per cent annually** and seeks to enhance the **contribution of manufacturing sector to the state GDP from 16.87 per cent to 20 per cent**.

For spreading investments and industrial activity across the State, we have created zones depending on the backwardness of the taluk/district and we have also identified them based on the level of industrial activity in the regions,” the official added.

The zones created are Hyderabad Karnataka region (Zone 1), Special Zone, Most Backward Zone (Zone – 2), More Backward Zone (Zone – 3), Backward Zone (Zone – 4) and Industrially Developed Zone (Zone – 5).

The policy proposed to form **at least five industrial areas every year** over an area of 5,000 to 8,000 acres.

The policy proposes to associate with Union Government in implementing the **Chennai-Bangalore-Chitradurga Industrial Corridor (CBCIC) and Bangalore Mumbai**

Economic Corridor (BMEC) with the help of external assistances from Japan and United Kingdom

In order to take the maximum benefit from industrial corridor, **the state has proposed four more industrial corridors**, which will be located in **Dharwad-Koppal-Raichur, Chitradurga-Haveri-Karwar, Raichur-Bagalkot-Belgaum and Tumkur-Shimoga-Hassan** sectors

The Cabinet also approved the **proposal to set up 1,000 micro enterprises in the rural areas with a capital investment of Rs 10 lakh through district industries centers** with a view to encourage self employment among youths through a various existing programmes and in coordination with financial institutions.

Incentives

Tax-related incentives are in the form of **interest-free loans of 100 per cent of value added tax (VAT) and Central sales tax (CST) with the maximum of 100 per cent of value of fixed asset for a period of seven to 14 years** depending upon investment (size) and zone.”

Challenges in the Industrial Sector

- **Low Growth in Manufacturing -**
Contribution of Manufacturing to GSDP in Karnataka has **remained stagnant since 2007-08 ranging between 29% to 30.7%.**
- **Regional Imbalance in Growth -**
The distribution of income generated from industry sector is largely concentrated in a few districts in the state. Of the **total income generated from manufacturing 59.6% is generated from Bangalore Urban and Rural districts alone.**
- **Inadequate Industrial Infrastructure –**
In the State, **road density (road length per 100 sq. Km.) works out to 39.34 Kms .**
There is **district disparity** in the road density which adversely affects the industrial growth in the regions.

Major Industrial Policy Initiatives

Textiles Industries

Karnataka Nuthana Javali Neethi 2013-18

Targets of the proposed policy areas under

Attraction of **investments in Textile sector to the tune of Rs.10000 crores.**

New employment **opportunities to 5 lakhs people.**

Nuthana Javali Neethi 2013-18 has got the following specialties compared to other States.

- Maximum Financial Assistance is being provided to MSME sector, 15% to 20% of investments with a ceiling of Rs.2 crores.
- **Power subsidy at the rate of Re.1/- per unit** to all the industries in the entire gamut of Textile value chain.
- **Existing industries** are also assisted with **subsidy of 15% to 20% with a ceiling of Rs.1.00 crore.**
- **Sick co-operative spinning mills** are assisted with **subsidy of 20% with a ceiling of Rs.2 crores.**

More emphasis will be given for development of technical Textile sector.

- **Textile industries** are provided with **capital subsidy** as well as interest subsidy.
- **Financial assistance to the tune of 40% with a ceiling of Rs.20.00 crores** is provided to Textile industries to facilitate themselves with infrastructural facilities under Textile parks in Green Field and Brown Field zones.
Training will be provided to 3 lakhs unemployed people in skill development centres established by Government.
- **Financial assistance of Rs.10 crores will be provided for setting up of centre of excellence** for the overall development of Textile sector in the State.

Karnataka Information Technology and Biotechnology Services

The IT Revolution in Karnataka began in 1984. **A major landmark of this revolution was realized with the Software Technology Park of India establishing its first Earth station at Bangalore in 1992.**

This catalyzed the positive growth in the IT sector resulting in the State's software exports reaching Rs.82000 crore in the year 2012 through about 2250 companies.

Karnataka continues to be the most preferred destination for all global IT & BT giants due to numerous favourable factors such as a Pro-active Government, Talent pool of highly trained professionals, Investor friendly opportunities, Industry friendly Labour Laws, Salubrious Climate, Excellent Law & Order situation, Absence of Natural Calamities and a cosmopolitan social life in the cities particularly in Bangalore.

Information and Communication Technologies Industry

The ICT policy(2011) has the following salient features –

- **Set up IT Investment Region (ITIR)** near Bangalore International Airport Limited, Bangalore with excellent infrastructure and Investor-friendly Policy environment.
- Set up a **Research Hub in Bangalore along with a prototype and testing laboratory**, with State funding limited to 50% of the total cost of setting up the necessary infrastructure for the same. The balance of 50% of the cost would be from the industry or mobilized through PPP mode.
- Encourage **partnership between educational institutes and industry to identify specific areas of research and provide incentives** for students to take up doctoral and post-doctoral research in the areas of Information Technology and Software Product Development.

- Set-up an **Innovation Park on PPP mode for MSMEs** at Bangalore, comprising of **Plug and Play office space**, simulation facilities connected over internet, etc., with **State Government support of viability gap** funding limited to 20% of the project cost.
- Encourage setting up of **Special Economic Zones (SEZs) dedicated to MSMEs** in Mysore, Mangalore, Hubli- Dharwad Gulbarga and Belgaum in the KIADB industrial areas.
- Support creation of **clusters with MSME providers and a few large users of IT.**
- **Self-certification of statutory compliances** by the IT companies.
- **Preference to MSMEs in Government procurement orders**, encouraging the big companies to partner with MSMEs as front-end.
- **Encourage companies to donate 3-year-old computers to Government schools** and also provide free broadband access to schools.
- Initiate, enable and **encourage “Buy Local” program for Karnataka-based Defense, Nuclear energy, Satellite programs** and Public sector enterprises and state departments to source from local IT/BPO/Telecom companies.
- **Initiate an online web portal** to act as a networking platform/market place and as an **e-procurement mechanism, specific to software products** and services for entrepreneurs, start-ups, product companies, investors, academia, customers and government.
- **Satellite townships would be developed to decongest Bangalore city.** Government will promote Green satellite townships at Ramanagaram, Devanahalli, Hoskote and Bidadi.
- Set up an **Institute of Information Technology in North Karnataka,**
- **School and College curriculum will include soft skills** like communication skills and personality development.
- **Promote Centers of Excellence across atleast 100 Engineering and Degree colleges** in Bellary, Gulbarga and Shimoga districts.
- Set up and promote **e-learning centers in the semi urban and rural areas.**
- **Create Cyber halls in clusters** to facilitate students/public to use internet easily and freely, along with distance learning/e-learning centers.
- **Collaborate with industry and strive to increase public awareness** about the importance of respecting creativity and **risks associated with using pirated software** thereby encouraging them to buy licensed software.
- Put **online Kannada encyclopedia and textbooks** on science, mathematics, literature, history and geography online at Government schools.
- **Enforce intellectual property laws through creation of specialized enforcement units** with dedicated resources to investigate and prosecute intellectual theft.
- **Simplify filing of returns and maintenance of registers** and records, annual returns and combined registers etc. by IT companies.

Karnataka's I4 Policy 2013 – IT, ITES, Innovation Policy - Karnataka's new IT policy looks beyond Bangalore

Karnataka I4 Policy (IT, ITES, Innovation Incentives Policy) The Government has brought out new IT Policy i.e., **Karnataka I4 Policy (IT, ITeS, Innovation Incentives Policy)** where in several incentives are being offered to new IT / ITES and other knowledge based sectors to set up their facility in Tier2/3 Cities across Karnataka.

- As the country's preferred IT destination, **the policy aims to achieve a whopping Rs.4 lakh crore (Rs.4 trillion) software exports from the state by 2020** accounting for over **40% of the country's total exports.**
- **Some of the highlights of the i4 policy are as under:**
- **Employment Linked Incentivization of Land Allotment(E-LILA)** outside Bangalore Urban and Rural districts' Limits.
- Land will be allotted at the rate of 1 acre for every 1000 jobs created.
- **Land allotment for IT / ITeS, Animation-Computer Graphics Imagery (CGI) / Knowledge based industries at concessional rates.**
- Start-up companies to be provided plug and play space **with internet at concessional rates of Rs.5-15 per square feet depending on location.**
- **Thrust to promote Tier2/3 cities.**
- **Dept. of IT, BT and S&T to act as Single Window Agency** for clearance of IT / ITeS / Start-ups / other Knowledge based industries. Projects up to Rs.100 crore will be cleared by the agency while the state high-level committee, headed by the **Hon'ble Chief Minister will evaluate investments above Rs.100 crore for approval.**
- **Reimbursement of PF/ESI of Rs.2000 Per month per employee for 2 years** for all new employment created in Tier2/3 Cities.
- **Exemption of Karnataka Industrial Employment (Standing Orders) Rules, 1964** to IT / ITeS / Start-ups / other Knowledge based industries **for a period of 5 years.**
- **Stamp Duty Exemption of 75% in Mysore and Mangalore** for IT /ITeS /Start-ups /other Knowledge based industries in addition to other locations.
- **Skill development programme for training unemployed youth** in basic IT/BPO/ESDM/Telecom etc.

Electronic Hardware Industry -

The **Global Electronics Hardware** manufacturing market is estimated to be 1500 Billion USD, over **45% of which is in the Asia Pacific region. India's share in the Asia Pacific region is just 1.5% while, Karnataka's contribution to India's Electronic hardware market is just 6%.**

Government of Karnataka announced the Karnataka Electronic Hardware Policy on 29 January 2011

The policy has the following salient features -

1. **Set up Karnataka Electronics Innovation Fund with an initial corpus of Rs. 25 Crore**, which will provide funding to entrepreneurs for developing vendor resources with a focus on **indigenization of quality tooling for electronic products.**

2. Grants to encourage Research and Development (R&D) activities.
3. Research grant for innovative electronic hardware products.
4. **“Destination Karnataka Team”** shall be set up, consisting of members from the Government and Industry, to make efforts to **proactively market Karnataka as the preferred destination** in the region for investments in manufacturing of Electronic Hardware products.
5. **The Electronics Hardware Manufacturing Hubs (EHMH) shall be set up in the following corridors identified**, which shall be operated in line with the Special Economic Zone policy
 - **Bangalore-Tumkur: for semiconductors**, alternative/solar energy, aerospace, medical electronics, and embedded systems.
 - **West Karnataka: Shimoga-Hassan, for manufacture of electronics components**, plastics, metal- fabrication, and for electronics manufacturing services.
 - **North Karnataka: Hubli-Dharwad, for automotive electronics**, high-tech machining, and high-tech tooling.
 - **Mysore-Nanjangud: existing electronics hardware manufacturing base for medical electronics and computer peripherals.**
6. Set up a **“Mobile Hand Set Manufacturing Cum Assembly Hub”** in 100 Acres of land in the IT Investment Region, proposed to be developed near BIAL at Bangalore.

Karnataka's Electronics Systems Design and Manufacturing Policy 2013

1. Emerge as the **leading contributor to India's ESDM sector** by accounting for at least 10% of the USD \$400 billion by 2020,
2. **Generate over 20% of the country's total ESDM exports** target of USD \$80 billion by 2020,
3. Develop core competencies in specific ESDM verticals such as telecom, defence electronics, avionics and energy ,
4. Make Karnataka the country's preferred destination for investments in ESDM, and
5. **Generate at least 240,000 new jobs, 25% of India's PhDs and 5000 patent filings in ESDM sector** in Karnataka by 2020,
6. Increase the value-addition that is done in Karnataka.

Semiconductor Policy

Recognizing the growth potential of the **semiconductor industry in Karnataka, the State Government has announced a Semiconductor Policy in February 2010** with the following salient features –

- a) As a policy support to **encourage Innovation and R & D in Chip Design, Product Development, Telecom etc.**, Government will set up a fund known as **“Karnataka Fund for Semi-Conductor Excellence” of Rs.10 crore.**
- b) Government of Karnataka would provide additional amount of **Rs.25 crore**, towards 26% contribution to the KITVEN -IT Fund for raising funds from the market **to assist start up semi-conductor units engaged in design and embedded software.**
- c) To **encourage setting up of ATMPs in the State**, Government of Karnataka would provide incentives set up in the State by lowering the threshold investment for ATMPs./ eco-system units with investment above Rs.400 crore and upto Rs.1000 Crore.

d) Government of Karnataka would provide **financial assistance to firms for filing IP in accordance with the incentives provided in the Industrial Policy 2009-2014.**

e) To **encourage setting up of semiconductor units in Tier-2 cities** other than Mysore, Mangalore, Hubli an incentive of Investment Promotion **Subsidy would be provided** in accordance with the Karnataka Industrial Policy 2009-14.

Biotechnology Industry

Over 60% of all biotechnology companies in India having a base in Bangalore, driving 50% of the total revenues in the national biotechnology sector.

Karnataka's pharmaceutical sector exports 40% of the total pharma produce and accounts for 8% of the country's total pharma revenue. The **State ranks 10th in the number of pharma manufacturing units in the country.**

Government of Karnataka has announced the Karnataka **Biotechnology Policy II in July, 2009.**

The policy has the following salient features –

- i. **Increase the quality of human resources** by supporting specific educational and research institutions such as the Institute of Agri-biotechnology (IABT), the Institute of Bioinformatics and Applied Biotechnology (IBAB), the Centre for Human Genetics (CHG), and BT Finishing Schools.
- ii. **Provide general infrastructure** such as high-quality roads, a mass transit system, better power supply, and airports.
- iii. **Create specific infrastructure** such as **focused biotech parks** in the areas of agriculture, marine biotech and animal husbandry.
- iv. Provide specific **fiscal incentives.**
- v. Simplify **administrative procedures.**
- vi. To **spread awareness about investment opportunities in biotechnology**, genomics, bioinformatics, biofuels, contract research, etc., among the entrepreneurial community.
- vii. To encourage the **growth of bioinformatics in Karnataka.**

The challenges for achieving the set goals are:

Development of **physical infrastructure, development of IT infrastructure, manpower development** and making available land, especially in tier 2/3 cities.

VTPC has proposed to have trade facilitation centres at Mysore, Mangalore, Hubli, Gulbarga and Davangere to facilitate the exporters to enhance their business activities from the State.

These centres would involve in conducting of capacity building programmes in their jurisdiction to encourage exports.

They also liaison with DICs and trade bodies in conduct of various programmes and **interaction meets with the agencies/organizations** of Govt. of India Dept., and State Govt. **to address the grievances of exporters.**

In the budget speech of the Hon'ble Chief Minister of Karnataka for the year 2013-14, an announcement was made for establishment of international desks in Japan, Taiwan, USA and Germany to attract investment for the State.

In this regard, it is proposed to **establish the liaison office at VTPC to facilitate establishing international desks in the above countries.**

Foreign Direct Investment (FDI)

The total FDI inflows to the State in the last decade accounted for 6% of the total FDI inflows to India and **Karnataka stands third among Indian States, in terms of quantum of FDI inflows.**

Karnataka Udyog Mitra (KUM)

Karnataka Udyog Mitra (KUM) is a **single contact point for all investors who are looking at setting up enterprises** / business in Karnataka.

It acts as a Secretariat for State High Level Clearance Committee (SHLCC) for projects above Rs. 50 crores & State Level Single Window Clearance Committee (SLSWCC) for projects between Rs. 3 to 50 crores.

Energy Sector

Karnataka Renewable Energy Policy 2009-14:

The policy proposes the sublease of the developed lands to the Renewable Energy developers for a period of 30 years and renewed for a period of 5 years at a time after the lease period subject to fulfilment of conditions stipulated by the Government.

The State Government will assign the Power Purchase Agreements to the ESCOMs at the time of allotment.

The policy proposes the establishment of an AkshayaShakthiNidhi (Green Energy Fund) to facilitate Renewable Energy project financing and Energy Conservation and Efficiency measures.

“Green Energy Cess” of INR 0.05 (five paise) per unit would be levied on the electricity supplied to commercial and industrial consumers.

Karnataka Solar Policy 2014-2021

The new policy for 2014-2021 envisages solar power generation of 2,000 MW by 2021 in the state.

The new solar policy which encourages households to generate solar power on their roof-tops and sell the surplus energy to the state grid.

The policy envisages generating 450 MW energy in the 2014-15 financial year.

The policy also promotes production of solar power by land-owning farmers with a minimum capacity of 1 MW and maximum capacity of 3 MW per farmer.

Cumulative capacity under this category is fixed at 300 MW.

The government will facilitate purchase of energy generated under this category through ESCOMS at the tariff fixed by the Karnataka Electricity Regulatory Commission.

Karnataka Tourism

Tourism as an Economic Activity:

In view of integrated development of Tourism in the State action has been taken to bring **new tourism policy for (2014-19). In the overall period of this policy (5 Years), it is estimated that 15,000/- Crores of private investment** will be made in tourism sector.

To minimize the same period **5.4 lakhs of employment opportunities** will be generated. To minimize the financial burden to state **PPP scheme has been introduced** to attract more number of Mega investors.

Establishment of Karnataka Tourism Infrastructure Limited.

Karnataka Tourism Trade Facilitation Act Action has been taken to establish separate entity called Karnataka Tourism Infrastructure Limited in order to **implement all the infrastructure projects of the Department.**

Action has been taken to enact Karnataka Tourism Trade Facilitation Act 2014. In order to Control, Encourage, Facilitate all the Tourism related activities also to provide legal frame work for Tourism Industry.

Action has been taken to bring in New Tourism Policy (2014-19) in order to encourage the private investors by giving concessions and subsidy under this policy in the tourism sector.

Karnataka Tourism Vision Group is established under the Chairmanship of Sri Mohandas Pai which comprises members from the experts in various sector like Art, Culture, Education, Tourism etc. to give the road map for Karnataka Tourism development and this committee submitted **it's report action has been taken to implement the same at an estimated cost of Rs.50.00 crores.**

Adoption of Tourist Destinations under Corporate Social Responsibility

In India for the first time a Noval programme Adoption of Tourist Destinations under Corporate Social Responsibility has launched in Karnataka this regard Government has issued the order. Initially 46 places have been identified and tremendous response has come from corporate entities.

Execution of 7 point strategy in tourist destinations:

1. Development of Last Mile Connectivity
2. Development of Accommodation.
3. Supply of publicity Material
4. Hygiene & Sanitation
5. Safety and Security of tourists
6. Drinking Water Facility
7. Signages and Heritage

Questions

1. Which among the following is/are correct?

- a. In Karnataka, Gross Value Added (GVA) per worker in unorganized manufacturing enterprises is more than all-India average.
- b. In Karnataka, Gross Value Added (GVA) per worker in organized manufacturing enterprises is more than all-India average.
- c. In terms of both GVA per enterprise and GVA per worker, Karnataka stood first in the country and accounted for more than twice as much as that of all-India average in service sector.
- d. b & c.

2. Which among the following is/are correct wrt Karnataka Nuthana Javali Neethi (2013-18)?

- a. New employment opportunities to 5 lakhs people.
- b. More emphasis will be given for development of technical Textile sector.
- b. Maximum Financial Assistance is being provided to MSME sector.
- d. All the above.

3. Which among the following is/are correct wrt ICT policy (2011)?

- a. Set up IT Investment Region (ITIR) near Bangalore International Airport Limited.
- b. Encourage setting up of Special Economic Zones (SEZs) dedicated to MSMEs in Mysore, Mangalore, Hubli- Dharwad Gulbarga and Belgaum.
- c. Preference to MSMEs in Government procurement orders.
- d. Initiate, enable and encourage "Buy Local" program to source from local IT/BPO/Telecom companies.
- e. All the above.

4. Which among the following is/are in-correct wrt Karnataka's I4 Policy 2013?

- a. Offers incentives and exemptions to facilitate existing & new firms to set up software or hardware development centres in tier-1, tier-2 & tier-3 cities in the state.
- b. Single-window agency for expeditious approvals, extends exemption from the state labour laws under the Industrial Employment Act for another five years.
- c. To achieve a whopping Rs.4 lakh crore (Rs.4 trillion) software exports from the state by 2020 , accounting for over 40% of the country's total exports.
- d. All the above.

5. Which among the following is/are correct wrt Karnataka's Electronics Systems Design and Manufacturing Policy 2013?

- a. Emerge as the leading contributor to India's ESDM sector by accounting for at least 10% of the USD \$400 billion by 2020.
- b. Generate over 20% of the country's total ESDM exports target of USD \$80 billion by 2020.
- c. Generate at least 240,000 new jobs, 25% of India's PhDs and 5000 patent filings in ESDM sector in Karnataka by 2020.
- d. All of the above.

6. Karnataka Udyog Mitra aims at

- a. Single contact point for all investors who are looking at setting up enterprises / business in Karnataka.
- b. Developing skills of un-employed youth in industrial sector.
- c. Generate 10 million jobs at the end of 2020 in industrial sector.
- d. Both b & c.

7. Which sector has the highest growth in industrial sector in Karnataka?

- a. Electricity
- b. Manufacturing
- c. Mining Sector
- d. None of the above

8. New Industrial Policy of Karnataka operates during

- a. 2014-2019
- b. 2014-2018
- c. 2014-2020
- d. 2013-2019

9. New Industrial Policy of Karnataka aims to achieve

- a. Industrial growth rate of 12 per cent annually and seeks to enhance the contribution of manufacturing sector to the state GDP from 16.87 per cent to 20 per cent.
- b. Industrial growth rate of 10 per cent annually and seeks to enhance the contribution of manufacturing sector to the state GDP from 16.87 per cent to 25 per cent.
- c. Industrial growth rate of 12 per cent annually and seeks to enhance the contribution of manufacturing sector to the state GDP from 16.87 per cent to 20 per cent.
- d. None of the above.

10. Karnataka Renewable Energy Policy operates during

- a. 2009-14
- b. 2010-15
- c. 2009-15
- d. 2014-18

11. Karnataka Solar Policy operates during

- a. 2014-21
- b. 2014-20
- c. 2015-20
- d. 2014-18

12. Karnataka Solar Policy aims to

- a. The new policy envisages solar power generation of 2,000 MW by 2021 in the state.
- b. The policy also promotes production of solar power by land-owning farmers.
- c. Both a & b.
- d. Only a.

13. Karnataka Tourism operates during

- a. 2014-19
- b. 2015-19
- c. 2014-20
- d. 2014-18

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ECONOMIC INFRASTRUCTURE

POWER SECTOR

Installed capacity and capacity additions

The total installed generation capacity both in the public sector and private sector including the State's share in the central generation stations (CGS) as on 31.03.2014 was 14029 MW. **The installed capacity in the public sector was 8420 MW (including CGS allocation) and the private sector's share was 5609 MW. The private sector capacity includes mainly the renewable energy sources of power generation with a share of nearly 72%.**

The status of the installed capacity of **Hydel power generation as on 31-12-2014 includes share of 25.54% in total installed capacity** (Figure 11.1). This share increases to 30.90% if mini-Hydel is included. **The contribution from wind power is the third highest at 3170.43 MW after hydro and coal thermal.**

Out of the total installed capacity of 14803MW as on 31-12-2014, the renewable energy accounts for 5068 MW with a share of 34.23 %.

Average cost of power generation is higher in thermal plants as compared to hydel plants and the State's reliance on thermal plants for power generation has increased over the years.

As a result, **the average cost of power generated (paise/kWh) has been increasing.**

Purchase of power from other States and energy exchanges

Towards meeting shortages in electricity supply, **Karnataka buys power from neighbouring States, other States and from energy exchanges.**

There is an increase in this source of purchase of energy in the recent years mainly due to **growing demand for power influenced by economic development as well as because of rate of new capacity additions lagging** behind the growth in electricity demand.

Other reason could be **unpredictability of monsoon rainfall** because the State depends on hydel plants for most of its power generation.

Another trend that could be observed is the **reduced average cost of electricity with the increase in the quantum of power purchase.**

Transmission and Distribution losses

Karnataka's power sector has reduced its T&D losses from 27.5% (in 2004-05) to 19.07% in 2013-14. It is expected to bring down T&D losses to about 18.44% by March 2015.

Re - structured Accelerated Power Development Reforms Programme

The aim of the programme is **to strengthen the power distribution network and reduce overall AT&C losses.** The scheme is **implemented in two stages - Part-A and Part-B.**

Part-A includes **implementation of IT applications / energy auditing and establishment of IT based consumer service centres** while, Part-B consists of implementation of **regular distribution network strengthening projects** such as strengthening 11kV distribution system, re-conductoring of 11kV lines and below, and strengthening, renovation & modernization of 11kV substations, transformers / transformer centres.

Electricity consumption pattern in the State

In the year 2013-14, the agricultural sector (water pumping through irrigation pump sets) accounted for highest share of electricity consumed with a share of 35.83.% with domestic occupying a distinct second position with a share of 20.35%.

However, in terms of paying for the electricity, the agricultural sector pays the least where as **the commercial consumers pay the highest tariff.**

Demand Side Management (DSM)

The Government of Karnataka has implemented and in few cases proposes to implement new programmes to conserve energy as part of its demand side management (DSM) initiatives. Some of the important programmes are-

1. Making the currently optional **Time of Day Tariff compulsory for industrial consumers** and especially for HT consumers having sanction load of 500 KV A and above.
2. **Installing Energy efficient street lighting systems** and Electronic Time Switches for street light installations for switching "ON" and "OFF".
3. **Segregating agricultural loads** from the existing 11kV feeders through **Niranthara Jyothi scheme to provide 24X7 uninterrupted power supply to non-agricultural loads in rural areas.**
4. Adoption of **High Voltage Distribution System (HVDS) for agricultural loads.**
5. Encouraging consumers to use solar water heaters.
6. **Adoption of Bachat Lamp Yojana** launched by Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.
7. **Mandatory use of solar water heating systems for all residential buildings** with a built up area of 600Sq. feet and above falling within the limits of Municipalities / Corporations and Bangalore Development Authority, etc.
8. **Mandatory use of CFLs in Government buildings/Aided institutions/Boards/Corporations.**
9. **Mandatory use of energy efficient irrigation pump sets** that conform to standards prescribed by the Bureau of Energy Efficiency.
10. **Promotion of energy efficient building designs.**
11. **Mandatory use of electronic ballasts (Choke)** instead of conventional copper chokes in fluorescent tube lights.
12. **Implementation of High Voltage Distribution System in ESCOMs. Upgrading the network into 11kV HVDS** by installing appropriately rated transformers, e t c., **will reduce the network losses** substantially from the present level. **The quality of power supplied to consumers will also see a substantial improvement.**

BESCOM is currently implementing a **smart grid pilot project** and a project for implementation of **smart meter technologies for online recording** of energy consumption and provision of post-paid/pre-paid options to consumers of electricity

Rural Electrification

Niranthara Jyothi Yojane (NJY)

Niranthara Jyothi Yojane is a major project that **aims to segregate the rural area loads into agricultural and non-agricultural loads so as to provide 24 hours of quality power supply to rural households**, drinking water supply, rural industries and fixed hours of power supply to the irrigation pumpsets.

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

The scheme aimed at **electrification of over 100,000 un-electrified villages and free electricity connections to 23.4 million rural below poverty line (BPL) households** in India. Under this scheme, the Government of India provides the required financial support with 90% as grant and the remaining 10% as a loan by Rural Electrification Corporation Limited.

Karnataka Renewable Energy Development

Government of Karnataka enacted a policy on **renewable energy (for the period 2009-14) on 19.01.2010**. The State Government has also published its Solar Policy for 2014-2021 for giving impetus to exploitation of solar energy.

Karnataka Renewable Energy Development Limited is the Nodal agency of the State for renewable energy projects and it envisages private sector investment for renewable energy development in the State.

Wind energy accounts for major share in the capacity.

Table 11.14: Capacity additions under Renewable Energy

(in MW)

Sources	Capacity addition during 2011-12	Capacity addition during 2012-13	Capacity addition during 2013-14	Capacity addition during 2014-15 (upto 31 st December 2014)
Wind Power	215.05	201.65	183	230.50
Small/Mini Hydro	34.85	51.01	40.65	26.65
Co-Generation	184.00	180.00	76	0
Solar	3.00	5.00	17	43
Biomass	0	2.50		10
Total	436.90	440.16	328.74	310.15

Source: KREDL

New Initiatives, challenges and Outcome: Initiative taken up in 2014-15

Initiative taken up in 2014-15

- The State Government has proposed to **implement solar energy projects** through Karnataka Renewable Energy Development Ltd.(KREDL) **by providing solar water pumps to beneficiaries.**
- **Providing solar water pumps to SCP/TSP beneficiaries** under SCSP and TSP schemes.
-
- Installing **LED street lights** in all the ESCOMs in a phased manner.
- **Up gradation of Distribution Automation System** in other corporation areas.
- **The HVDS implemented** on pilot basis will be continued in other sub division of ESCOMs after detailed study of the scheme.
- **Smart Grid and Smart Meters scheme** will be implemented on pilot basis.
- **Implementation of Green Energy Corridor scheme** with the assistance of KPTCL and KFW.

Outcome:

- The State Government has also published its Solar Policy for 2014-2021 for giving impetus to exploitation of solar energy. KREDL is the Nodal agency of the State for renewable energy projects and it envisages private sector investment for renewable energy development in the State.
- **Niranthara Jyothi Yojane is a major project that aims to segregate the rural area loads into agricultural and nonagricultural loads so as to provide 24 hours of quality power supply to rural households,** drinking water supply, rural industries, Milk Storage, Hospitals, Police Stations, Telephone Exchanges etc., and fixed hours of power supply to the irrigation pumpsets. It is aimed to complete the implementation by March-2015.
- The Department has implemented new programmes to conserve energy as part of its demand side management (DSM) initiatives. BESCOM is currently implementing a smart grid pilot project and implementation of smart meter technologies for online recording of energy consumption and provision of post-paid/pre-paid options to consumers of electricity.
- Karnataka's power sector has reduced its T&D losses from 27.5% (in 2004-05) to 19.07% in 2013-14. It is expected to bring down T&D losses to about 18.44% by March 2015.

Challenges

- **Demand and supply shortage is about 10%** and ensuring continuous power supply with this shortage of power is a herculean task which the power utilities i.e., KPTCL and ESCOMs are endeavouring to achieve.
- **Adjusting to the changed technological advancement** by all the utilities of the Power Sector in the state like KPTCL, KPCL and ESCOMs is the need of the hour.
- The **power utilities are adopting the advanced technology** in the Generation, Transmission and Distribution sectors like **smart grid, renewable energy and Advance Technology** in Thermal and Hydel Generation.
- **Optimum utilisation of natural resources under renewable energy sector.**

- Achieving **financial viability of Distribution utilities** is big challenge in the context of procuring high cost power and continuous borrowings for CAPEX works.
- **Generation capacity addition to meet the growing demand** for achieving self sufficiency.

ROADS

In the State, the average length of the PWD roads (viz; NH, SH & MDR) per 100 sq.km area is **39.34 km**.

Among the districts, the **road length per 100 sq.km in Mandya district has the highest road length of 70.36km**. and Gulbarga district has the lowest length of 24.58 km.

Table 12.30 - Road length in Karnataka (In km.)

Type of Road	Year	
	2012-13	2013-14 (Sept-13)
National Highways	4490	4688
State Highways	20770	20572
Major District Roads	49959	49959
Municipal Roads	8366	8366
Other Roads	148412	148412
All Roads	231997	231997

Source: Public Works Ports and Inland Water Transport Department.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

PMGSY was launched in the State during December, 2000 with the objective of **providing rural connectivity by way of all-weather roads to eligible habitations having a population of 500 and above** by the end of 2007. Under this programme, Rs.3642.12 crore has been spent and **16049.60 km of road length has been asphalted up to September 2013**.

As on date, the State has 2235 unconnected habitations.

Challenges

- The road network in the State shows **disparity in inter-district connectivity** of National Highways and State Highways. This disparity in connectivity needs to be set right.
- Rural Roads - Rural connectivity is a key component in the overall development of the state. Rapid development of roads can have a multiplier effect on the overall growth of backward regions. **Investment in roads has one of the**

largest impact on poverty alleviation and increase in total factor productivity .

- **About 64% of State Highways and 99% of Major District Roads carriage way width are Single Lane.** To ease the traffic congestion most of the State Highways and some of the Major District Roads **needs to be upgraded to two lane width.**
- **To accommodate growing population** of vehicles, roads have to be widened on National Highways. At present **only 19% of National Highways are having 4 lane carriage way width.**
- **Rural connectivity- Only 48% of the village roads are all weather roads** and remaining 52% of the roads are **needs to be upgraded to all weather roads.**

TRANSPORT

Karnataka State Road Transport Corporation(KSRTC)

The average age of KSRTC fleet is 3.7 years and is one among the only three SRTUs in India having average age of fleet less than four years.

With a workforce of 38849 and 8398 fleet, KSRTC is operating 46.96 lakh kms, earning daily Rs.7.06 crores, carrying 25.25 lakh commuters and also **providing services to 13330 villages out of 20196 villages.**

The Corporation running under financial loss for many years had a turn around and started making profit since 2001-02.

RAILWAYS

The Rail density in State is 16kms per 1000kms.

Railways and Airways

- **Karnataka has poor railway density** with very few districts having direct train connectivity. **Karnataka has the lowest rail route and broad gauge densities** as compared to other Southern States.

The rail density in State is 16 kms per 1000 kms. The State Government with a view to increase the rail density and increase the pace of implementation, **new railway projects will be taken up on 50:50 cost-sharing basis.**

- **The major challenge in implementing the Metro project was in the preparation of DPR in the short time made available to the contractor.**

For commencing flight operations on selected routes through a private airline operator by offering following concessions:

- GoK to underwrite seats/offer concessions on flying miles.
- Abolish taxes on ATF.
- Smaller ATRs could be considered, viz CESSNA.

- Permit Group B officials for air travel.

MINOR PORTS POLICY

The State Government has implemented Minor Ports Development Policy 2014 in 2014-15.

The objectives of the policy are.

- (i) to increase the share of Karnataka state in the export and import sector, in National and international Trade and commerce, in the post liberalisation and globalization era ;
- (ii) to cater to the needs of increasing traffic of Karnataka and its neighboring states by providing efficient facilities and services and to support the country's domestic and international trade;
- (iii) to create sufficient infrastructure facilities by both Government and private efforts to handle 5-10% of India's total cargo in Karnataka maritime waters in the days to come ;
- (iv) to enhance the potential of ports, with public and private participation.

TELECOMMUNICATION

Urban teledensity in Karnataka (170.38) is above all India teledensity (146.96). However, Karnataka stands in 2nd position among the southern States in Urban teledensity and 4th in rural teledensity .

BANKING AND FINANCE INCLUDING COOPERATIVES

The population per branch in Karnataka is 7748 which is less than national average and also many states.

In aggregate deposits and Gross credit the state holds 4th and 5th rank respectively. Thus, Karnataka state is moderate in its banking network as well deposit mobilization and in gross credit flow.

Table 11.28 : Category wise Bank Branch network - year ending

SL No	Banks	March 2012	March 2013	March 2014
1	Commercial Banks	5610	6052	6876
2	Regional Rural Banks	1374	1460	1547
3	Karnataka State Co-operative Apex Banks	40	40	0
4	KASCARD	177	178	201
5	DCC Bank	615	630	672
6	Karnataka Industrial Co-operative Bank	38	38	38
7	KSFC	31	32	32
Total		7885	8430	9366

Source: SLBC, Karnataka

Priority Sector Advances

Domestic banks are required to provide **40% of their net bank credit to the Priority Sector.**

As on March 2012 showing an increase of Rs.18302 crore recording a growth of 15.13% with contributing to **40.39% in total advances made by them, thus exceeding the norms fixed by the RBI.**

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Questions

1. Which of the following is/are in-correct wrt power sector in Karnataka?

- a. Hydel power generation has the highest share in the total power capacity followed by thermal energy.
- b. Agricultural sector (water pumping through irrigation pumpsets) accounted for highest share of electricity consumed.
- c. The private sector capacity includes mainly the renewable energy sources of power generation with a share of nearly 60%.
- d. Solar energy has the highest share in renewable energy sources of power.

2. Re - structured Accelerated Power Development Reforms Programme aims at

- a. To strengthen the power distribution network and reduce overall AT&C losses.
- b. Implementation of IT applications / energy auditing and establishment of IT based consumer service centres.
- c. Implementation of regular distribution network strengthening projects such as strengthening 11kV distribution system.
- d. All the above.

3. Niranthara Jyothi Yojane (NJY) aims at

- a. To provide continuous power supply to SEZ through 11kV distribution system.
- b. To provide 24 hours quality power supply to both urban and rural areas by reducing AT&C losses.
- c. To segregate the rural area loads into agricultural and non-agricultural loads so as to provide 24 hours of quality power supply to rural areas.
- d. Both a & c.

4. With respect to Karnataka Renewable Energy Development, which is/are correct

- a. Wind energy accounts for major share in the capacity.
- b. Solar energy accounts for major share in the capacity.
- c. Solar Policy for 2014-19 for giving impetus to exploitation of solar energy.
- d. Both a & c.

5. In the State, the average length of the PWD roads (viz; NH, SH & MDR) per 100 sq.km area is highest for

- a. State highways.
- b. Municipal roads.
- c. Major district roads.
- d. National Highways.

6. MINOR PORTS POLICY 2014 aims to

- a. to cater to the needs of increasing traffic of Karnataka and its neighboring states by providing efficient facilities and services and to support the country's domestic and international trade;
- b. to create sufficient infrastructure facilities by both Government and private efforts to handle 5-10% of India's total cargo in Karnataka maritime waters
- c. Both a & b.
- d. Only b.

NATURAL RESOURCES AND ENVIRONMENT

Area under forests

The estimates of Forest Survey of India (FSI 2011) on the basis of satellite data show that the estimated forest cover is 18.83% and the tree cover is 3.08% of the geographical area totaling 21.91%

Forest accounts for the second largest land use after agriculture.

Table 9.1: Classification of Total Forest Area in Karnataka (Source-Annual Report 2011-12)

Sl. No.	Legal Status	Area (Sq.Km.)	% age of geographical area
1	Reserved Forest	29550.19	15.40
2	Protected Forest	3585.22	1.86
3	Village Forest	49.05	0.03
4	Unclassified Forest	10117.92	5.27
5	Private Forest	54.07	0.03
	Total	43356.45	22.60

Uttar Kannada has highest total forest area in absolute terms and Kodagu highest total forest area of 76% of geographical area.

The forest resources of the State are under severe pressure with drastic fall in the area of dense forest cover between 2001 and 2007.

The forest cover (%) of the State has slightly declined when compared to the Country's forest cover (%) during the period.

Table 9.5-Forest cover in Different Forest Types

Sl. No	Types of Forests	% of forest area
1	Wet Evergreen Forests	16.70
2	Semi-Evergreen Forests	13.56
3	Moist Deciduous Forests	24.20
4	Plantation/TOF	8.24
5	Dry Deciduous Forests	24.34
6	Thorn Forests	11.93
7	Sub-Tropical Broad Leaved Hill Forests	1.03
	Total	100.00

National Parks and Wildlife Sanctuaries

The State has 5 National Parks and 26 Wildlife Sanctuaries covering an area of 9290.707 sq.km which form 21.43% of the State's forest area.

Table 8.7 (a): Wildlife Preservation: National Parks / Bird Sanctuary / Wildlife Sanctuaries

Sl. No.	Circle	Division	National Park / Wildlife Sanctuary	Area (in Sq.Kms)
1	2	3	4	5
1	CCF Bangalore Circle	1. DCF, Bannerghatta National Park	1. Bannerghatta National Park	260.51
		2. DCF, Ramanagara Division.	2. Ramadevara Betta vulture Sanctuary	3.46
2	CCF, Mysore Circle.	3. DCF, WLD, Mysore	3. Adichunchanagiri Peacock Wildlife Sanctuaty	0.84
			4. Ranganathittu Bird Sanctuary	0.67
			5. Arabithittu Wildlife Sanctuary	13.50
			6. Melkote Wildlife Sanctuary	48.82
3	CCF, Chamarajanagar Circle,	4. CF & Director Chamarajanagar	7. BRT Tiger Reserve	538.52
		5. DCF, Cauvery WLD, Kollegal	8. Cauvery Wildlife Sanctuary	1027.53
		6. DCF Kollegal (T) Dn,	8. Malai Mahadeshwara Wildlife Sanctuary	906.187
4	CCF, Kodagu Circle	7. DCF, WLD, Madikeri	10. Pushpagiri Wildlife Sanctuary	102.92
			11. Talacauvery Wildlife Sanctuary	105.59
			12. Brahmagiri Wildlife Sanctuary	181.29
5	CCF, Mangalore Circle	8. DCF, Kudremukh WL Dvn, Karkala	13. Kudremukh National Park	600.57
			14. Someshwara Wildlife Sanctuary	314.25
			15. Mookambika Wildlife Sanctuary	370.37
6	CCF, Kanara Circle,	8. CF & Director, Dandeli	16. Dandeli Tiger Reserve	886.41
			17. Anshi Tiger Reserve	417.34
7	CCF, Shimoga Circle	10. DCF, WL Dvn., Shimoga	18. Shettihalli Wildlife Sanctuary	395.60
			18. Sharavathi Wildlife Sancurary	431.23
			20. Gudavi Bird Sanctuary	0.73
8	CCF, Chikmagalur, Circle	11. DCF, WL Dvn., Chickmagalur	21. Bhadra Wildlife Sanctuary	500.16
9	CCF, Dharwad Circle	12. ACF, WL Sub-Dvn, Ranebennur	22. Ranebennur Blackbuck Sanctuary	118.00
			23. Attiveri Bird Sanctuary	2.23
10.	CCF, Bellary Circle	13. ACF, WL Sub-Divn, Kamalapura	24. Daroji Bear Sanctuary	82.72
		14. DCF, Davanagere (T) Dvn, Davanagere	25. Rangayyadurga Four Horned Antelope Wildlife Sanctuary	77.23
		15. DCF, Bellary	26. Gudekote Sloth Bear Sanctuary	38.48

Table 8.7 (b): Conservation & Community Reserves

Sl. No.	District	Name	Area (Sq. km)
1	Haveri	BankapuraPeacockConservationReserve	0.56
2	Tumkur	Mydhanhalli (Jayamangal) Blackbuck Conservation Reserve	3.23
3	Chikkamagalur	BasurAmrutMahalKavalConservationReserve	7.36
4	UttaraKannada	HornbillConservationReserve	52.50
5	UttaraKannada	AghanashiniConservationReserve	298.52
6	Uttarakannada	Shalmala Conservation Reserve	4.89
7	UttarKannada	BedthiConservationReserve	57.30
8	Mandya	KokkareBellurCommunityReserve	3.12
	Total		428.48

Bandipur National Park - 872.24 sq. Km is the largest National Park.

Cauvery Wildlife Sanctuary (Chamarajanagar) 1027.53 sq. Km. is the largest Wildlife Sanctuaries.

Uttara Kannada - Aghanashini Conservation Reserve 299.52 sq. Km. is the largest Conservation & Community Reserves.

Karnataka **rank first in the tiger population** in India.

Since 2006, this monitoring exercise is being undertaken every four years.

Phase I	Field data collected at the beat-level (i.e the primary patrolling unit) by trained personnel using a standardised protocol.
Phase II	Analysis of habitat status of tiger forests using satellite data.
Phase III	Camera trapping was the primary method used, where individual tigers were identified from photographs based on their unique stripe patterns. This information was analysed using a well-established scientific framework. Camera trapping was carried out by teams of wildlife biologists and local forest personnel.
Phase IV	Monitoring of tiger source populations under National Tiger Estimation in Karnataka.

About 4500 species of flowering plants, 500 species of birds, 120 species of reptiles, 70 species of frogs and 800 species of fish are in the forests of the state.

Karnataka Biodiversity Board

The Karnataka Biodiversity Board was established vide section 22 of the Biodiversity Act 2002, by the State Government in August, 2003.

Main objectives of the Board are -

1. **Implementation of Biological Diversity Act 2002** and Karnataka Biological Diversity Rules 2005.
2. **Conservation Biological Diversity.**
3. **Promotion of in-situ and ex-situ conservation** of biological resources, **incentives for research**, training and public education to increase awareness with respect to biodiversity.
4. Planning schemes and programmes for the sustainable utilization of Biological Diversity.

Activities and performance of the Board

1. Constitution of Biodiversity Management Committees (BMCs)

Till date 4384 BMCs have been formed at Gram Panchayat level, 92 BMCs at Taluk Panchayat level and 13 BMCs at Zilla Panchayat level.

2. People's Biodiversity Register (PBRs)

PBR is a panchayat level register that **documents local biodiversity and local community knowledge on biodiversity** including its conservation and traditional uses. The PBRs are prepared in various districts at Gram panchayat level.

3. Declaration of heritage sites

Karnataka Biodiversity Board has declared the following as heritage sites under section 37(1) of Biological Diversity Act 2002 –

Sl. No	Location	Taluk	District	Extent	Remarks
1	Nallur	Devanahalli	Bangalore(R)	53 acres	400 years old unique Tamarind grove.
2	Hogrekhan	Kadur	Chickmagalur	2508.15 acres	Biodiversity rich area and a crucial link in the western ghat ecosystem with Bababudanagari and Kemmannugundi
3	GKVK, UAS,	Bangalore	Bangalore(U)	167 ha.	Site of urban biodiversity
4	Ambaragudda	Sagar	Shimoga	3857.12 acres	Natural Biodiversity heritage site

Challenges and Problems faced by the Forest Department to protect conserve and develop forest wealth.

1. Filling the post of frontline staff

It may be seen that around 33.4% of sanctioned posts are vacant

2. Providing special allowance and amenities to the staff working in sensitive, border and naxal areas.

3. Observing uniform method for selling of seedlings to Farmers/Public/Organizations raised under different schemes.

But the seedlings raised under various schemes are being sold to them at different price.

4. Prevention of encroachment, consolidation of forest lands by demarcating the forest, revenue lands by joint survey .

Schemes

Special Component Plan –

In the wake of climate change, the State has developed schemes to **encourage tree planting** as a coping strategy for climate change. The special component plan was re-introduced during 2012-13 **to uplift SC families by planting fruit-bearing seedlings on their land** and in localities of SC families in rural/urban areas.

In addition, other benefits such as solar lamps, Sarala oles and LPG stoves are distributed to beneficiaries.

Tribal Sub-Plan –

In the wake of climate change, the State has developed schemes to encourage tree planting as a coping strategy for climate change. **The Tribal Sub Plan was re-introduced during 2012-13 to uplift ST families by planting fruit-bearing seedlings on their land and in localities of ST families** in rural/urban areas. In addition, other benefits such as solar lamps, Sarala oles, LPG stoves and meadar bamboos are distributed to beneficiaries.

Krishi Aranya Prothsaha Yojane-

In order to encourage **participation of farmers in enhancing tree cover** in the areas outside the forests, the Government launched a programme titled “Krishi Aranya Prothsaha Yojane” in 2011.

Maguvigondumara Shalegonduvana -

In order to **create awareness regarding the nature environment among school children and to encourage them to plant trees**, this new scheme launched in 2011-12 was provided a budgetary provision of Rs.1crore. Here, the protected area around educational institution will be identified for planting seedlings of fruit-yielding, flowering and shade trees by providing seedlings to school authorities for planting in their premises.

Daiveevana Scheme (Devarakadu) -

A unique programme for development of Daiveevana on 100 ha. area in each district was initiated in 2011 in which forest & public lands of religious significance are taken up for planting of tree species of religious, medicinal and native traditional species.

A nursery is also proposed in each of these Daiveevanas to distribute such seedlings to the visitors to such place who intend to plant them in their area.

Samrudda Hasiru Grama Yojane (SHGY):

The Government is implementing “Samrudda Hasiru Grama Yojane” in the selected villages across the state on experimental basis to **make villages self reliant.**

Accordingly, 80 Village Forest Committees (VFCs) were selected for implementation. The objectives of the scheme are as under.

- To enhance the natural resource base in these villages by afforestation and conservation of forests and by conserving Natural Resources.
- To recharge and enhance the availability of ground water through Soil and Moisture Conservation Works.
- Promote energy efficient lifestyle by Promoting gobar gas, Sarala ole, LPG, etc.,

ENVIRONMENT

Air Quality Management:

KSPCB is monitoring the ambient air quality of Bangalore city at 15 stations, 13 stations under the National Ambient Air Quality Monitoring Programme (NAMP) and 02 stations under the Continuous Ambient Air Quality Monitoring programme (CAAQM).

According to the revised national ambient air quality standards (of 16-11-2009), 3 parameters are monitored viz Respirable Suspended Particulate Matter (RSPM), Sulphur dioxide (SO₂) and Nitrogen dioxide (NO₂).

The Respirable Suspended Particulate Matter (RSPM) values are observed to be higher than National standard of 60µg/M³ limit in Bruhat Bangalore Mahanagarapalike area.

Comprehensive Environmental Pollution Index (CEPI):

MoEF, Government of India had declared **Baikampady Industrial cluster in Dakshina Kannada District and Bhadravathi industrial cluster in Shimoga District as critically polluted areas** with CEPI score 73.68 and 72.33 respectively and **Raichur, Bidar and Peenya industrial areas are classified as severely polluted clusters** ranking 53, 54, 66 respectively.

The Central Pollution Control Board has conducted monitoring of Bhadravathi Industrial cluster under CEPI programme during Feb-Apr 2013 and reassessed the CEPI score. The CEPI score has come down from 72.33(2009) to 45.27 (2013). The severely polluted areas viz. Peenya, Rai chur and Bi dar are kept under surveillance and action is taken to get the pollution control measures implemented effectively.

Similarly, the Central Pollution Control Board has conducted monitoring of Baikampady Industrial cluster under CEPI programme during Feb-Apr 2013 and reassessed the CEPI score. The CEPI score has marginally decreased from 73.86 to 67.62, which calls for review of action plan.

The severely polluted areas viz. Peenya, Raichur and Bidar are kept under surveillance and action is taken to get the pollution control measures implemented effectively.

Plastic Waste Management:

As per Plastic Waste (Management and Handling) Rules, 2011, the Karnataka State Pollution Control Board is the prescribed authority for enforcement of the provisions of these rules related to registration.

As an initiative in the State, use of plastic carry bags of less than 40 microns is prohibited and the carry bags of higher thickness are priced in order to discourage the usage. Further, the State Government has banned use of plastic in selected places like National Parks, religious places, important parks, etc

Municipal Solid Waste Status and Management:

Solid Waste Management

Out of 219 local bodies in the State, 213 urban local bodies have established landfill sites. Only about 5% of waste is converted, composted and other useful purpose.

Increasing the percent of usage of waste is a challenge that the urban local bodies have to face and succeed in the interest of environment protection.

Safe disposal of construction debris without mixing with the municipal solid waste is an another aspect the urban local bodies have to attend on top priority.

Scientific disposal of slaughter house waste is another sector which requires priority. **In order to achieve this, modern abattoir is planned** in major cities of the State. **Proposal of establishing such modern abattoir at Harohalli for Bangalore City and 12 other towns is to be executed** in a time bound manner by the local bodies.

KSPCB is the first Board to frame guidelines on

- (1) Buffer zone/No development Zone around landfill site**
- (2) Municipal Solid Waste Management in big campuses/universities**
- (3) Management of construction debris waste and**
- (4) siting of slaughter Houses.**

Ozone Layer Protection:

The 1987 UN Montreal Protocol outlawed chloro fluoro carbon gases (CFCs) that erode Earth's ozone layer, which protects the planet from cancer-causing solar rays. Further expansion of the Antarctic ozone hole has been halted, but full recovery is not expected until mid-century or later. Usage of CFCs is therefore discouraged.

Action initiated by KSPCB for control of pollution in mining activity

KSPCB has taken steps to strictly implement the provisions of the Water (Prevention & Control of Pollution) Act 1974, and the Air (Prevention & Control of Pollution) Act 1981 irrespective of the size of mining area.

The mines have been categorized as A, B and C categories. The Hon'ble Supreme Court during September 2012 have **given directions to restart A and B category mines for capacities as per the R & R plan** approved by the Central Empowering Committee .

The details relating to production, water & air pollution control measures adopted by the mines, compliance to previous consent conditions, etc., are verified thoroughly while issuing consents for operation.

Further, the Board stipulates the following pollution control measures while issuing consents to the mining activity in line with the R&R Plan (Reclamation and Rehabilitation Plan) -

- (i) To provide check dams, gully-traps etc., to prevent the run off from carrying the fine particles of ore & silt,
- (ii) Fines, sub-grade ore, mineral rejects, over burden and side burden etc., to be stored as dumps in the mine lease area and to be stabilized,
- (iii) Retaining walls have to be provided to stabilize the dumps,
- (iv) Afforestation has to be carried out on the slopes of the dumps,
- (v) Sprinkling of water constantly in the mine lease area including approach roads,
- (vi) To metal and asphalt the roads inside the mine lease area as well as the approach road to the mines,
- (vii) To transport ore in a covered truck in wet condition always.
- (viii) Bag filters for all raw material processing and de-dusting facilities,
- xi) Electrostatic Precipitator (ESP) to the Kiln with interlocking between the working of Kiln and the ESP.

Issues and Challenges in Mining Sector

Activities	Environmental Impacts
Mine water pumped out during drainage operations	Water Pollution
Spent water from handling plants, dust extraction and dust suppression systems	
Effluents from preparation and beneficiation plants	
Wash-offs from waste/ tailing dumps	
Overburden and mine waste and tailing dump sites	Land degradation
High level of dust particulate matter due to mining and transport of ores	Air pollution
Mineral beneficiation giving rise to emissions of flume gases	
Fragmentation of forest land	Loss of biodiversity
Diminished green cover	
Blasting, drilling, underground mine equipment, heavy earth moving machinery, drills, dumpers, crushing and cleaning equipment	Noise pollution

Pollution Control Status in Stone Crushers:

There are 3091 Stone Crushing units in Karnataka State and as on 31.03.2014, 1566 are in operation.

The State Government has passed an ordinance on 07-09-2011 called “The Karnataka Regulation of Stone Crusher Ordinance 2011”, later enacted as “The Karnataka Regulation of Stone Crusher Act 2011” on 05-01-2012.

According to the above said Act and Rules, all crushers shall have to be operated in the safer zones only except the crushers established for temporary period for specific govt. Development projects with specific time frame. The licensing authority of the

district/ individual crushers shall identify the safer zones and the licensing authorities shall declare and issue notification for them after fulfilling of following distance and other siting criteria.

The conditions for declaring safer zones of stone crushers are

- 1. 200 mtr away from National Highway or State Highway.**
- 2. 100 mtr away from Major District road (MDR) or other roads.**
- 3. 500 mtr away from Revenue Village, temples, schools.**
- 4. Away from boundary of Municipal Corporation, city Municipal Corporation, town Municipal Corporation.**
- 5. Minimum of 1 acre land.**

CLIMATE CHANGE

Karnataka's annual rainfall is 1,151 mm on an average. Around 80% of it is received during the southwest monsoon, 12% in the post monsoon period, 7% during summer and 1% in winter.

Rainfall Pattern

As per the Final Report of the Karnataka Climate Change Action Plan there is a declining trend in rainfall during the southwest monsoon:- 1 mm per day per 100 years or 6% in 50 years.

India Meteorological Department (IMD) by contrast holds that its own data is indicative of a slight rise in annual precipitation. **Projections made for the period 2021 to 2050 under a SRES A1B scenario predict a decline in annual rainfall for the south-western and north-eastern regions of the state.**

A wide region from the north-western part of the state including the coastal districts to the south-east is projected to see significant increases.

Temperature

A warming trend in northern interior Karnataka has been observed for the period June to September. Both minimum and maximum temperature was found to have risen by up to 0.6°C over the last 100 years.

According to projections made (SRES A1B scenario), **average temperatures may rise further by 1.7°C to 2.2°C by the 2030s.** Projected increases are more pronounced in the northern districts.

As per the Final Report of the Karnataka Climate Change Action Plan, overall reduced precipitation and continuous warming is a possible, perhaps most probable, scenario for Karnataka.

GHG emissions

For Karnataka, annual emissions of the major three greenhouse gases are estimated at 80 million tons of CO₂-equivalent (or 4.6% of India's emissions).

In this, CO₂ accounts for 73% of GHG emissions, methane for 23% and NO for 3.3%.

In terms of sectoral distribution, electricity generation accounts for 35.9% of annual GHG emissions, industry for 22.6%, agriculture and allied sectors for 20.2%, transport for 10.4%, households (excluding electricity) for 7.3% and waste for 3.6%

ENVIRONMENT IMPACT ASSESSMENT – A Key to Ensure Sustainable Development

Pursuant to the EIA Notification, 2006, State Level Environment Impact Assessment Authority and the State Expert Appraisal Committee were constituted during June 2007 for a period of three years. The Authority and committees were then reconstituted on the recommendations of the State Government.

The SEIAA, Karnataka received a total number of 2106 applications since inception upto 3rd October 2013. Out of these applications 2016 applications have been disposed and 90 are pending at various stages of decision making process for want of additional information from the proponents.

The process of scrutinizing the projects seeking Environmental Clearance comprises of the following four steps.

i) Screening: The process of determining whether or not the project or activity requires further environmental studies for assessment of its impact on the environment and to arrive at the mitigative measures.

ii) Scoping: The process by which the Expert Appraisal Committees determine detailed and comprehensive Terms of Reference (TOR) addressing all relevant environmental concerns for the preparation of Environment Impact Assessment.

iii) Public Consultation: The process by which the concerns of local affected persons are ascertained with a view to take into account all the material concerns in the project.

Public consultation normally has two components comprising of

(a) Public hearing and

(b) response from the concerned persons having plausible stake in the environmental aspects of project in writing.

The opinion, suggestions and the concerns that emerge from the public consultation are to be incorporated in the Environment Impact Assessment Report and the same has to be appropriately addressed.

iv) Appraisal: The process of detailed scrutiny of the projects along with relevant details by the expert Appraisal Committee and making categorical recommendations to the regulatory Authority concerned either for grant of Environmental Clearance on stipulated terms and conditions or rejection of the application together with reasons for the same.

The Regulatory authority concerned viz., the State Level Environment Impact Assessment Authority in the State level for 'B' category activities or the Ministry of

Environment and Forests, Government of India at Central level for 'A' category activities takes appropriate decision either to grant or reject Environmental Clearance taking into account the recommendation made by the Expert Appraisal Committees.

WATER RESOURCES

The gross irrigated area as percentage of total cultivated area has doubled from 16% in 1980-81 to 34% in 2011-12.

Among all irrigation sources, **tube wells/bore wells accounted for the highest proportion** of 37 per cent of the net irrigated area followed by canals (34%) and dug wells (12%).

The major demand on water resources emerges from agriculture (irrigation) – 84% of utilizable water, industries (mainly chemical industries) – 3.6% of state water and the domestic sector (municipal water supply) – 4.4%. Increase in ground water dependence, over- extraction of groundwater, unutilised potential for collection of rainwater use and groundwater recharge, scarce use of treated water, low priced irrigation water has caused a considerable scarcity of water resources.

Command Area Development

- The Command Area Development(CAD) programme promotes on-farm development **works like construction of field channels, land leveling/shaping and realignment of field boundaries**, wherever necessary, adoption of Warabandi and construction of field drains etc.
- **To increase the water productivity by using right quantity of water at right time** so as to save as much of water in irrigation sector which can be diverted to other sectors viz., industry & drinking water.
- To encourage water **conservation practices at the needy areas to increase ground water potential recharge.**
- To encourage consumptive use of water where the ground water table is good and excessive to avoid ill effects.
- To encourage and to adopt/implement on pilot basis the **drip & sprinkle irrigation in the command tail ends** so as to encourage new technology in the application of water.
- To encourage/construct **number of godowns to facilitate the storing of the food crops** grown by the farmers at the time of needs.
- To strengthen the **water users co-operative societies on revenue model.**

Minor Irrigation-Surface Water

Irrigation works with an atchkat up to 2000 hectares are classified as minor irrigation works.

Government has established Karnataka Jala Samvardhane Yojana Sangha (JSYS) within the framework of Registration of Societies Act, 1960 to develop and strengthen minor irrigation tanks with community participation.

It will promote capacity building, provide strategic resources and logistic support for training and orientation, promote and undertake efforts for integrated, multi-dimensional interventions in related sector and ensure timely and adequate flow of funds from all possible sources, including World Bank. This programme was continued with the state funds as the period of World Bank funding ended in February, 2012.

Karnataka Integrated and Sustainable Water Resources Management Investment Program (KISWRMIP)

Asian Development Bank (ADB) has come forward with a Multi-tranche Financing Facility (MFF) for Karnataka Integrated and Sustainable Water Resources Management Investment Program (KISWRMIP) estimated to cost \$ 225 Million.

The ADB loan component share is \$ 150 Million & State share is \$75 Million. The program comprises of the following;

- 1. Strengthening of basin institutions for IWRM,**
- 2. Modernization of Irrigation system infrastructure and management**
- 3. Operationalization of program management system**

Upper Krishna Project (UKP)

It is estimated that the UKP is likely to irrigate about 6.22 lakh hectares of land falling under drought prone districts of Bijapur, Bagalkote, Gulbarga and Raichur. The potential created upto March 2013 is 46,511 hectares.

Not even 10% potential is realised. The Krishna Water Disputes Tribunal-II judgement is a lifeline.

Upper Krishna Project Stage – III

The Krishna Water Disputes Tribunal-II has passed an award in December, 2010 allocating 177 TMC of water to Karnataka State. Out of this, 130.90 TMC is the share of UKP Stage -III.

It is proposed to provide irrigation for 5.30 lakh hectares of command area falling under Bijapur, Bagalkota, Gulbarga, Yadgir, Raichur, Koppal and Gadag districts of Northern Karnataka.

Government has accorded administrative approval for implementation of Micro-Irrigation System as a Pilot project under 2nd Stage of Ramthal (Marol) LIS which increases irrigation command area under UKP Stage – III works.

Challenges

- **The height of Almatti Dam has to be raised** from FRL 519.60 mtr to FRL 524.256 mtr.
- **During the implementation of Upper Krishna Project Stage – III it is estimated that 20 villages and part of Bagalkot town will be getting submerged. Accordingly, 90,640 acres of land will be submerged** in the back waters and about 37,000 acres of land is required for providing Rehabilitation and Infrastructure. **Around 86,538 project displaced families both in urban and rural areas** are to be shifted and resettled.

- As per the right to fair **compensation and transparency in LAQ and R&R Act 2013** it is estimated that **Rs.10,901.38 crores** is required for Land acquisition and Rehabilitation and Resettlement.
- **Mobilization of funds for completing all ongoing and fresh works within the time frame** of five years will require huge funds. Mobilizing funds for the schemes is a challenge.

Yettinahole Project

The project envisages diversion of 24 TMC of flood waters from Sakaleshpura (West) in Hasan district to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge.

Issues and Challenges in the Water Resources Sector

- **Decline of groundwater resources -**

There is significant decline of groundwater resources in the State, due to the **high dependence on groundwater for irrigation, lack of groundwater recharge structure** and for the water requirements of urban centres.

There was earlier lack of regulations governing groundwater extraction, a gap which is now being addressed by the **Karnataka Groundwater Act, 2011**.

In some districts **presence of arsenic has been found in groundwater**, which can be attributed to **sulphide mineralisation and the mining activity** in the nearby areas.

- **Inability to optimally harvest rainwater**

More than **50% of the rainfall is received in around 10-20 days**, which results in intense rains spread over very few days.

The current landscape in the State is **not geared up to absorb such incessant rains, resulting in flash floods** and significant degradation of the land through soil erosion and loss of vegetation.

Since the **rain water is not harvested in an optimal manner** it results in droughts during the summer months.

- **Issues in major and medium irrigation**

There exists a gap between irrigation potential created to irrigation potential utilised. Many of the initiatives taken by the government to increase the area under irrigation through programmes (e.g. Command Area Development) and institutional changes (such as involvement of users association in operations & maintenance and participatory irrigation management), have brought down the gap in the recent years. **However, a gap of 3.2 lakh ha corresponding to 12.8% of the irrigation potential created exists.**

- **Command Area Development –**

There is **lack of commensurate investments** in Command Area Development.

The gap in utilisation can be attributed largely to farm factors such as to the **absence of field/distribution channels, levelling of land, poor maintenance of minor canals and channels, lack of farmer participation** and poor management of the resource.

Certain portion of the command area which is affected **due to water-logging thus leading to alkalinity and salinity**.

Since the commencement of planning, the **State's emphasis has been on the construction for both old and new projects, and not on increasing the utilisation of already commissioned projects.**

- **Degradation of traditional tanks**

The reasons for the **drastic reduction in the Net Irrigated Area under tanks include poor maintenance of traditional tanks**, and drastic decline in the average command area under tank irrigation mainly **due to siltation and inadequate maintenance of catchments and command areas.**

To address this, the World Bank funded **Community Based Tank Management project** implemented through the Jala **Samvardhane Yojane Sangha** is a case in point.

- **Issues in water charges and water charge recovery**

The existing **water charges in the State are low and fails to reflect the true cost of water supply**, which has led to two related problems, one being **poor financial recoveries** and the other being **the inefficiency in usage.**

- **Common lands not put to productive use** - which include lands which are **permanent pastures and grazing lands, revenue wastelands, canal banks, quarry sites of dams etc.**

The lack of vegetation in the canal banks has led to erosion and siltation in the canals, reducing the capacity of canals significantly.

Lack of empowerment of the Panchayati Raj institutions in managing the common lands has led to degradation of the common land and encroachments.

A policy similar to the Joint Forest Management concept for forest lands could be developed in order to leverage the common lands to generate rural livelihoods and promote the rural economy.

Questions

1. Which is/are correct statement?

- a. Deciduous forest has the highest forest cover in Karnataka.
- b. The forest resources of the State are under severe pressure with drastic fall in the area of dense forest cover between 2001 and 2007.
- c. 22.61% of the State's geographical area is under forest cover.
- d. All the above.

2. Which is/are in-correct?

- a. The State has 5 National Parks and 26 Wildlife Sanctuaries.
- b. Bandipur National Park is the largest National Park.
- c. Cauvery Wildlife Sanctuary (Chamarajanagar) is the largest Wildlife Sanctuaries.
- d. Uttara Kannada - Aghanashini Conservation Reserve is the largest Conservation & Community Reserves.

3. Daiveevana Scheme aims to

- a. Development of Daiveevana on 100 ha. area in each district was initiated in 2011 in which forest & public lands of religious significance are taken for planting trees.
- b. Development of Daiveevana on 100 ha. area in each district was initiated in 2011 in which forest & farm lands.
- c. Trees of religious, medicinal and native traditional species are preferred.
- d. Both a & c.

4. Which among the following is/are heritage sites under section 37(1) of Biological Diversity Act 2002?

- a. Nallur, Devanahalli.
- b. Hogrekhan, Kadur, Chickmagalur
- c. GKVK, UAS, Bangalore
- d. Ambaragudda, Sagar, Shimoga.

5. Upper Krishna Project Stage – III aims to

- a. To provide irrigation for 5.30 lakh hectares of command area falling under Bijapur, Bagalkota, Gulbarga, Yadgir, Raichur, Koppal and Gadag districts of Northern Karnataka.
- b. It is estimated that 20 villages and part of Bagalkot town will be getting submerged.
- c. The height of Almatti Dam has to be raised from FRL 519.60 mtr to FRL 524.256 mtr.
- d. All of the above.

6. Yettinahole Project aims to

- a. Diversion of 24 TMC of flood waters from Sakaleshpura to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge.
- b. Diversion of 24 TMC of flood waters from Dakshin kannada to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge.
- c. Diversion of 34 TMC of flood waters from Sakaleshpura to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge.

d. Diversion of 34 TMC of flood waters from Dakshin kannada to Kolar and Chikkaballapura (East) to meet the drinking water needs and filling up of tanks for groundwater recharge.

7. Which district has the highest forest area?

- a. Shimoga
- b. Uttara kannada
- c. Kodagu
- d. Chikamagaluru

8. Which district has the highest percentage of forest area of the total geographic area?

- a. Shimoga
- b. Uttara kannada
- c. Kodagu
- d. Chikamagaluru

9. Samruddha Hasiru Grama Yojane (SHGY) aims to

- a. To enhance the natural resource base in these villages by afforestation and conservation of forests and by conserving Natural Resources.
- b. To recharge and enhance the availability of ground water through Soil and Moisture Conservation Works.
- c. Promote energy efficient lifestyle by Promoting gobar gas, Sarala ole, LPG, etc
- d. All of the above.

10. As per Plastic Waste (Management and Handling) Rules, 2011, is correct

- a. Use of plastic carry bags of less than 30 microns is prohibited.
- b. use of plastic carry bags of less than 20 microns is prohibited.
- c. use of plastic carry bags of less than 40 microns is prohibited.
- d. None of the above

11. UN Montreal Protocol aims to

- a. Ozone Layer Protection.
- b. Reduce air pollution.
- c. Reduce water pollution.
- d. None of the above.

12. Which of the following statements is/are correct?

- a. Electricity generation accounts highest GHG contribution.
- b. Industry accounts highest GHG contribution.
- c. Agriculture and allied sectors.
- d. None of the above.

13. As per the ENVIRONMENT IMPACT ASSESSMENT, arrange the steps followed in correct order

- | | |
|--------------|------------------------|
| a. Scoping | b. Public Consultation |
| c. Screening | d. Appraisal |

Ans: a. 1-a,2-c,3-d,4-c
c. 1-c,2-a,3-b,4-d

b. 1-c,2-a,3-d,4-b
d. 1-a,2-c,3-b,4-d

14. Karnataka Integrated and Sustainable Water Resources Management Investment Program is sponsored by.

- a. World bank and State
- b. World bank, State and Center
- b. ADB and State
- d. ADB, State and Center

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FISCAL DEVELOPMENT AND STATE FINANCES

BUDGETARY DEVELOPMENTS IN 2014-15

Table 3.5 Important Budgetary Indicators: Karnataka

Indicator		Unit	2013-14 (R.E.)	2014-15 (B.E.)
1.	Aggregate Receipts (Revenue + Capital)	Rs. crore	114627.71	133573.34
2.	Revenue Receipts	Rs. crore	94270.36	111038.62
3.	State's Own Tax Revenue	Rs.crore	61530.40	69869.75
4.	Per Capita State's Own Tax Revenue	Rupees	9782.26	10985.81
5.	Sales Tax / VAT Collection	Rs. crore	32849.81	37250.00
6.	Share of Sales Tax /VAT in the State's Own Tax Revenue	%	53.39	53.31
7.	Non-Tax Revenue including Grants from the Centre	Rs. crore	18764.97	24608.86
8.	Share of Non-Tax Revenue in Revenue Receipts	%	19.91	22.16
9.	Debt Receipts	Rs.crore	17978.85	25042.26
10.	Share of Debts Receipts in Aggregate Receipts	%	15.68	18.75
11.	Per Capita Receipts	Rupees	18223.80	21002.10
12.	Aggregate Expenditure (Revenue + Capital)	Rs. crore	114617.90	133599.87
13.	Developmental Expenditure	Rs. crore	81454.10	94133.19
14.	Per Capita Development Expenditure	Rupees	12949.78	14800.82
15.	Share of Developmental Expenditure in Total Expenditure	%	71.07	70.46
16.	Per Capita Expenditure - Social Security & Welfare	Rupees	1488.87	1730.58
17.	Per Capita Expenditure on Health, Family Welfare, Water Supply and Sanitation	Rupees	1195.21	1365.95
18.	Per capita Expenditure on Education, Sports, Art and Culture	Rupees	2807.59	3290.89

R.E.: Revised Estimates, B.E.: Budget Estimate

Per capita are calculated on projected population of 2013 and 2014 which is based on 2001&2011 population census

Tax Revenue

The State's revenue receipts have revealed further gains with their share increasing to 16.21% of GSDP in 2014-15 from 15.67% in 2013-14(RE). Further it is

encouraging to note that the **growth in Revenue receipts is primarily due to the growth of tax revenue.**

The State continues to have **an overall revenue surplus**, albeit at reduced levels. In 2014-15 development expenditure increased by about 15% compared to 2013-14(RE). However, nontax-revenues continued to remain at low levels .

Sales tax/VAT is the main source of tax revenue comprising about 53.31 % of own tax revenue in 2014-15, with a growth rate of 18.17 %.

Non-Tax Revenue

Non-tax revenue as a percent of GSDP has revealed a decline from 1.98% in 2005-06 to 0.67% in 2014-15. This is an important fiscal challenge faced by the State which warrants **necessary measures to recover user charges at optimal levels.** The ratio of non- tax revenue to total receipts has been continuously declining over the years.

In many departments, **the revision of user charges, fees, fines and other such non-tax receipts have not taken place** for many years.

Even with revision of rates and better collection mechanisms, increase in revenues from this avenue may not be large due to existing low base.

Capital Receipts

Capital receipts include loans from Government of India, internal debt - ways & means, open market loans (net), public account, recoveries of loans & advances and contingency funds (net).

Capital receipts of Rs.22534.72 crore in 2014-15(BE) accounts for an increase of 10.70% over 2013-14(RE) level.

Expenditure

Developmental Expenditure as % of total expenditure 70.65%. Karnataka has the highest level of per capita development expenditure compared to major states.

The per capita development expenditure in Karnataka during 2013-14(BE) Rs.13246 respectively.

Water & power development followed by agriculture and allied services have large share in the Economic Services, while in social services, Education sector followed by Social security & welfare gets the largest share.

Education and Water resources development are significant components of State's development expenditure.

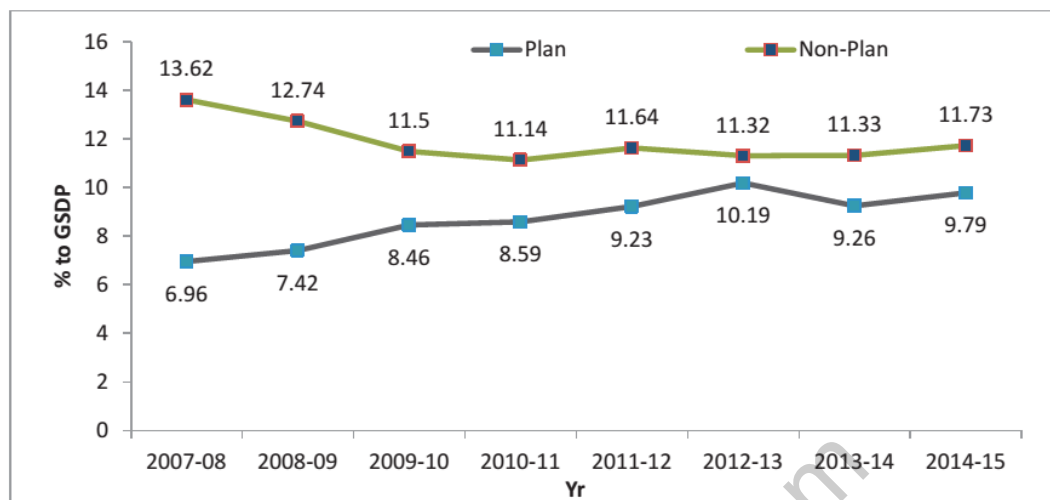
Non-development expenditure is expected to increase to Rs.34643.31 crore in 2013-14 from Rs.28902.96 crore in 2012-13, **accounting for 19.86% share in total expenditure.**

The share of expenditure on social services has increased from 5.92% of GSDP in 2008-09 to **6.87 % in 2014-15** while the **share of capital expenditure decreased** from 3.68% of GSDP to 2.92% of GSDP during the **same period which is a matter of concern.**

Expenditure Reforms Commission has suggested that capital expenditure should be insulated from such adhoc cuts and the state should maintain the **capital outlay at least at 5 percent level of Gross state domestic product.**

Trends in the share of plan and non-plan expenditure

Figure 3.8: Plan and Non Plan Expenditure as a Percent of GSDP



It can be seen that there has been a gradual increase in the plan expenditure of the State.

Restricting the non-plan expenditure has been possible due to the austerity measures adopted by the Government from time to time such as restrictions on fresh recruitment, vehicle purchases, foreign tours and training, holding Government functions in star hotels and total ban on travel in business class in flights.

However, the State government still has a fairly large amount of expenditure locked up under “committed expenditure” category.

Committed Expenditure

Committed expenditure on salaries, pensions, interest, subsidies, administrative expenditure, devolution to PRIs and ULBs, etc constitute about 94 percent of the total uncommitted revenue receipts i.e. total revenue receipts minus tied grants from Government of India.

Hence, only 6% of uncommitted revenue receipts are available for new initiatives and existing capital expenditure commitment.

With such limited fiscal space available for manoeuvrability, containing the committed expenditure which is largely revenue in nature vis-a-vis capital expenditure which is one of the key challenges currently being faced by the state.

FISCAL CONSOLIDATION

The State's fiscal deficit declined marginally from 2.98% in 2013-14(RE) to 2.92% of GSDP in 2014-15(BE). The State has achieved revenue surplus consistently.

Further, the State has a capital outlay of 101.03% in the GFD as compared to 110.52% of all States average in 2013-14(BE). The fact that the entire fiscal deficit is devoted to capital Expenditure is welcome as it helps sustain rapid growth.

State's fiscal consolidation efforts have continued to be effective with all the fiscal indicators contained within the stipulated limits of the Karnataka Fiscal Responsibility Act, 2002 (KFRA).

The Government has been maintaining revenue surplus since 2004-05 as mandated by the KFRA.

Over the last few years, the fiscal deficit could also be maintained within 3% of GSDP as mandated by the KFRA except in 2008-09 and 2009-10 when it was 3.2% as a result of additional expenditure for economic stimulation prompted by the Government of India.

Liabilities - The total liabilities of the State Government has increased at a CAGR of 16.34%. The total liabilities are however, within the limit of 25% prescribed by the 13 Finance Commission.

KARNATAKA VIS-A-VIS-OTHER STATES

Revenue deficit as a proportion of gross fiscal deficit (GFD) is lower than all States average for all the time points presented and the surplus in the recent years has been larger than the other States.

The other important expenditure indicators such as the proportion of State tax revenue in the revenue expenditure and that of non-development expenditure in the aggregate disbursements also place Karnataka in a better position.

Development Expenditure: An Inter-State Comparison

The State has a larger size of per capita development expenditure as compared to the National average and that of many other States.

Karnataka has the second highest level of per capita development expenditure during 2012-13.

Eleventh Five Year Plan (2007-12):

The State's plan spending has been growing significantly. The outlay for the Eleventh Five Year Plan was Rs.101664.00 crore at 2006-07 prices which was 133% more than the Tenth Five Year Plan's outlay of Rs.43558.22 crore. Karnataka's plan achievement is impressive.

Twelfth Five Year Plan (2012-17):

The State's plan spending has been growing significantly. The outlay for the 12th Five Year Plan is at Rs. 255250.00 crore. Out of this around 40% is from Borrowings (net), 36% is from own resources, 13% from IEBR and remaining 11 % is from central assistance to State Plan.

The State has one of the highest per-capita plan expenditure among major states in the country at Rs.7472 in 2013-14.

Centrally Sponsored Schemes:

Government of India has restructured major Centrally Sponsored Schemes into 66 schemes. From 2014-15 onwards, Central Assistance for these schemes will be through the State Plan. As a result, these resources will also be a part of the State Plan in future.

Developmental Outlays by Major Sectors

Sl. No.	Sectors	% to Total
A.	State Plan	
L	Economic Services	
1	Agriculture & Allied Activities (Including Co-operation)	8.96
2	Rural Development	4.81
3	Special Area Programme (including HKDB, MADB & ADP)	2.05
4	Irrigation and Flood Control	15.58
5	Energy	7.43
6	Industry and Minerals	1.37
7	Transport	8.14
8	Science, Technology & Environment	1.08
9	General Economic Services	1.66
	Total - I: Economic Services	51.09
II.	Social Services	
10	Education, Sports, Art & Culture	12.00
11	Health	4.61
12	Water Supply, Housing & Urban Development	
	(a) Water Supply	3.73
	(b) Housing	3.49
	(c) Urban Development	7.86
13	Information and Publicity	0.05
14	Welfare of SCs, STs & OBCs	7.38
15	Labour & Labour Welfare	0.71
16	Social Welfare & Nutrition	4.59
	Total - II: Social Services	44.42
I.	General Services	2.28
	Total - A : State Plan	97.79
B.	Irrigation Projects Pending Approval (Non-Plan)	0.01
C.	Centrally Sponsored & Central Plan Schemes (GOI Share)	2.20
	Grand Total	100.00

New Schemes announced in 2013-14 Budget

Rajiv Gandhi Panchayathi Sashakthikaran Abhiyana –

The main objective of the Scheme is **to enhance capabilities & efficiency of Panchayaths and Grama Sabhas** and also to enable democratic decision making and accountability in Panchayaths.

State Disaster Mitigation Fund -

The State Government purposes to **set up 9 natural calamities relief fund with a view to provide Capital Assets and relief for the man- made disaster** which are not covered under Government of India.

Weavers Package -

This package includes previous **arrears of electricity subsidy; interest subsidy on working capital loan availed from Commercial Banks, re-imbursement of 20 % rebate on Handlooms Products etc**

Major Policy Announcements in the 2013-14 Budget

- **Anna Bhagya Yojane -**

Distribution of 30kg Rice at Rs.1 to poorest of the poor (BPL) covering 98.17 lakh beneficiaries.

- **Incentive to Milk Producers:**

Rs.818 crore provided for enhancement of incentives to milk producers from Rs.2 to Rs.4 per litre benefiting 7.5 lakh beneficiaries.

- **Runa Mukta Bhagya:**

For one time **waiver of overdue loans** availed by **Scheduled Caste, Scheduled Tribe, Backward Classes and Minorities** from Corporations of Social Welfare Department.

- **Ksheera Bhagya:**

Supply of 150ml milk thrice in a week to 1.04 crore schools and anganwadi children.

- **Swabeejabhivruddhi Yojane:**

Rs.10 crore provided for Swabeejabhivruddhi Yojane to **promote production of more quantity of quality seeds by farmers.**

- **Manaswini:**

Pension Rs.500/-per month to **more than 40 years unmarried and divorcee women under BPL.**

- **Maithri:** Pension Rs.500/- per month for **transgenders.**

Description of Major New Schemes for the year 2014-15

- **Krishibhagya:**
Implementation of “Krishibhagya” scheme for improving **livelihood of rain dependent farmers** community thereby benefiting 53 lakh farmers.
- **Niramaya:**
Health insurance scheme for the children belonging to BPL families and suffering from Autism, Cerebral Palsy, mental retardation and multiple disabilities.
- **Yashaswini :**
The highly successful “Yashaswini” Health Scheme has been confined so far to rural areas only. For extending the scope of the scheme to urban areas, Rs.10 crore has been reserved in 2014-15.
- **Priyadarshini:**
In order to enrol more women in Co-operatives, Rs. 1 crore share capital assistance is provided to Women Cooperative Associations in 2014-15.
- **Ashakiran:**
It is proposed to establish Cooperative Societies exclusively for physically challenged persons. An amount of Rs. 1.00 crore is provided in 2014-15.
- **Akshara Ganitha kits:**
To facilitate teaching of mathematics in simple way to enable the 4th and 5th standard students to understand mathematics Akshara Ganitha kits are proposed to be provided to students of Government schools in Hyderabad-Karnataka area in 2014-15.
- **Gnana Kendras:**
It is proposed to establish Gnana Kendras in 2014-15 in 250 Grama Panchayats in Hyderabad – Karnataka area, by constructing Library Buildings.
- **Sneha Shivira:**
Under this programme, 12-day residential training programmes will be conducted in clusters of 4-5 anganwadi centres, for mothers and care givers of moderate to severely malnourished children, to impart skills in preparation of cost effective nutritious food, feeding practices and health and hygiene.
- **Jaladhara:**
Under this scheme drinking water facility through tap connection is proposed to be provided to 5 lakh houses belonging to SC & ST and wherever needed, 1000 separate overhead tank will be constructed in SC/ST colonies

Issues and Challenges

- **Tax effort plateau –**
Having already achieved the highest tax to GSDP ratio, any further increase in the tax effort is fairly challenging.

Similarly , achieving a **higher level of tax buoyancy is difficult** as the marginal increase in the taxes from a high base is likely to be lower .

- **Low non-tax revenue -**

Apart from enforcement and monitoring of own tax efforts, special emphasis needs to be given for mobilizing non tax revenues during the coming years. **Government is committed to rationalizing user charges and reviewing the same regularly .**

Further, **Government is also guided by the recommendations of Expenditure Reform Commission.**

- **Low recovery of loans and advances -**

The State's **borrowings are more expensive than the loans advanced by the government.**

The recipient **boards and corporations are unable to service the loans** given to them by the State government in view of **low recovery of cost of their services from the consumers.**

- **Low financial returns on investments**

The **return from investments** of more than Rs.44295 crore by the State government was **just 0.14% % during 2011-12.**

While the Government is borrowing at a high cost from market for these investments, the returns are much lower .

- **Linkage between expenditure and outcomes -**

Inspite of maintaining **one of the highest per capita plan expenditure**, the State has been able to achieve economic growth at all-state average level only .

Ensuring the desired levels of outcome from ever increasing outlays for the development mandate is **one of the key governance challenges.**

Karnataka continues to be behind Maharashtra, Haryana, Tamil Nadu, Uttarakhand, Gujarat and West Bengal.

- **Goods and Services Tax (GST):**

The State has supported the introduction of GST but has endeavored to ensure that the fiscal autonomy of the States in mobilizing revenue is not compromised in the proposed GST scheme.

Initiatives taken by the Government

- ***Comprehensive Decision Support System -***

For the transparent resource allocation, better decentralized monitoring and improved implementation of all the plan schemes and programmes.

This system is now rolled out to 25 more departments. The system will **ensure need based equitable distribution of resources to every Block and District** and their better utilization through decentralized participatory monitoring.

- ***Result Framework Document (RFD)***

With a view to enable the departments for rationalization or merger of schemes/programmes related to outcomes leading to better implementation, resource allocations to outcomes, guidelines have been revised for the year 2012-13 and communicated to all the departments.

- ***Khajane II:***

An **Integrated Financial Management System** is proposed to implemented during 2014-15 at a total cost of Rs.90 crore, to **provide a single electronic platform to Government officials, banks and public, to carry out all financial transactions pertaining to the State Government.**

- ***Article 371 (J):***

The inclusion of Article 371 (J) in the Constitution of India for the development of Hyderabad-Karnataka area is a matter of pride. **In this regard, action has been taken for providing reservation to the people of this area in employment, higher education, vocational education and to constitute Area Development Board.**

- ***Delegation of Fund release powers to Administrative Departments:***

With a view to improve the pace of implementation of schemes and thereby improve plan expenditure, **Finance Department has delegated powers of release of funds to concerned Administrative Secretaries for the first three quarters of the Financial Year up to 75 per cent of the budget provision for almost all the major schemes of departments** (except for a few schemes).

It is expected that this delegation would improve the pace of plan expenditure incurred by Departments.

Questions

1. With respect to state finances, which is/are correct?

- a. The State's revenue receipts have increased.
- b. Non-tax revenue as a percent of GSDP has revealed a decline.
- c. Sales tax/VAT is the main source of tax revenue.
- d. All the above.

2. With respect to expenditure statements of state, which is/are correct?

- a. The State' expenditure on social services as a share of GSDP has grown while the share of capital expenditure decreased.
- b. Education and Water resources development are significant components of State's development expenditure.
- c. There has been a gradual increase in the non-plan expenditure and increase in plan expenditure.
- d. All the above.

3. With respect to Committed Expenditure of state, which is/are correct?

- a. Committed expenditure are salaries, pensions, interest, subsidies, administrative expenditure, devolution to PRIs and ULBs, etc
- b. Only 5% of uncommitted revenue receipts are available for new initiatives and existing capital expenditure commitment.
- c. Both a & b.
- d. None of the above.

4. With respect to fiscal consolidation of state, which is/are in-correct?

- a. The Government has been maintaining revenue surplus since 2004-05 as mandated by the KFRA.
- b. Fiscal deficit could also be maintained within 3% of GSDP as mandated by the KFRA except in 2008-09 and 2009-10.
- c. The total liabilities are however, within the limit of 25% prescribed by the 13 Finance Commission.
- d. None of the above.

5. Which of the following statements is/are in-correct?

- a. Manaswini Programme: Pension Rs.500/-per month to more than 40 years unmarried and divorcee women under BPL.
- b. Maithri Scheme: Pension Rs.500/- per month for transgenders.
- c. Both are correct statement
- d. Both are in-correct.

6. According to 12th five year plan, which sector has highest developmental outlay?

- a. Transport
- b. Irrigation and Flood control
- c. Agriculture and allied
- d. Rural development.

7. Krishibhagya scheme aims to

- a. Improving livelihood of rain dependent farmers community.
- b. Improving livelihood of irrigation dependent farmers community
- c. Both a & b.
- d. None of the above.

8. Niramaya scheme aims to

- a. Health insurance scheme for the children belonging to BPL families.
- b. Health insurance scheme for the children suffering from Autism, Cerebral Palsy, mental retardation and multiple disabilities.
- c. Both a&b.
- d. None of the above.

9. Sneha Shivira scheme aims to

- a. Training programmes for mothers of malnourished children, to impart skills in preparation of cost effective nutritious food.
- b. Training programmes for anganwadi teachers to impart skills in pre-school teaching.
- c. Both a &b.
- d. None of the above.

10. Jaladhara scheme aims to

- a. Drinking water facility through tap connection to houses belonging to SC & ST.
- b. Watershed development programme in rainfed area.
- c. Drinking water facility through tap connection to houses in slum.
- d. None of the above.

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STATE INCOME AND PRICES

Sectoral Growth Rates of GSDP of Karnataka during XI Five Year Plan

Five Year Plan / Year	Agriculture & allied activities	Industry	Services	GSDP
XI FYP Targets	5.4	12.5	12.0	11.2
XI FYP Achievement	5.1	4.8	8.7	6.9

Sl. No.	State	State Income in Rs Crore	Rank	Per capita Income in Rs	Rank
6	Karnataka	524502	6	77309	6

State Income

The growth of GSDP at constant prices (year-on-year) slightly decreased from 7.2% in 2013-14 to 7.0% in 2014-15, mainly attributable to the decline in the growth of agriculture from 9.4% in 2013-14 to 4.5% in 2014-15. However, the growth rate of industry and services slightly increased from 4.2% and 8.0% in 2013-14 to 4.4% and 8.9% during 2014-15 respectively.

Karnataka's Gross State Domestic Product

(GSDP) at constant (2004-05) prices is expected to grow at 7.0% and reach Rs. 344106 crore in 2014-15.

Sectoral Composition of Gross State Domestic Product

The composition of GSDP of agriculture & allied activities and that of service sector (from 17.1% to 17.5% and 58.2% to 59.1%, respectively) saw a marginal increase in 2013-14 against 2014-15.

Industry sector saw a marginal decrease from 24.7% in 2013-14 to 23.4% in 2014-15.

The composition of 'Real estate, Ownership of Dwellings and Business services' is highest with 18.9% in 2013-14 and 19.9% in 2014-15.

Bangalore Urban District contributes 33.8% to GSDP at Current Prices followed by Belgaum (5.7%), Mysore (4.8%) and Dakshina Kannada (4.5%).

At constant (2004-05) prices, contribution of Belgaum district to the primary sector GSDP is highest in 2011-12, due to a higher contribution in agriculture. Bangalore Urban District tops in secondary and tertiary sectors due to high concentration of major industries and infrastructure facilities.

Per Capita Income

Per capita income is estimated by dividing NSDP at current prices by mid-financial year projected population.

Per Capita State Income (i.e. per capita NSDP) of Karnataka at current prices is estimated at Rs. 101594 during 2014-15, against Rs. 89545 in 2013-14, an increase of 13.5%.

On comparison, the level of per capita income at constant (2004-05) prices is expected to increase from Rs. 46012 during 2013-14 to Rs.48907 for the year 2014-15 with an increase of 6.3%.

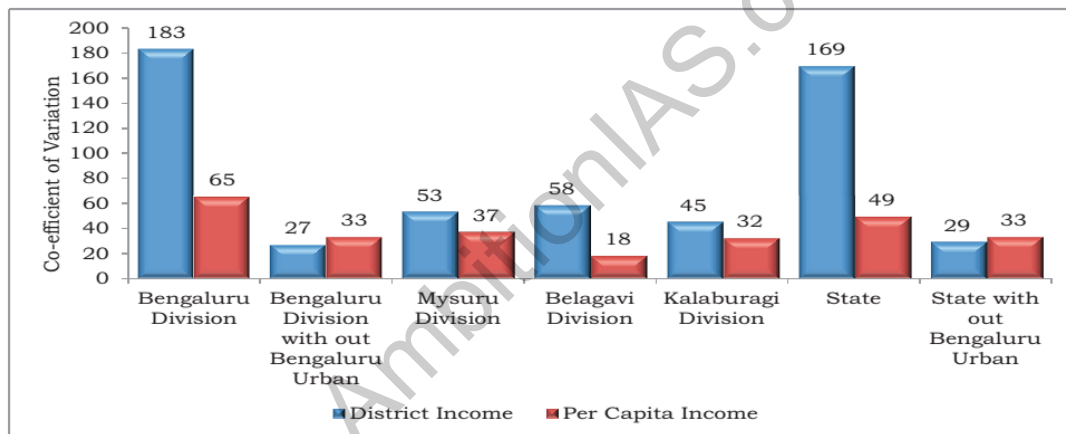
Gulbarga division comprising Bidar, Gulbarga, Yadgir, Raichur, Koppal and Bellary districts stood lowest in the per capita income.

Gulbarga division per capita income is less than half of Bangalore division per capita income.

Is Mysore division low in economic activity???

Mysore Division includes the districts of Mysore, Chamarajanagar, Mandya, Dakshina Kannada, Udupi, Kodagu, Chikmagalur and Hassan.

Figure 2.4: Inter-district variations of Gross District Income and Per Capita Income by Divisions in Karnataka for 2012-13



Inter State Comparison

Karnataka stood at 6th under State Income as well as under per capita income.

Questions

1. According to 11th FYP targets, Karnataka achieved its target in which of the following sectors?

- a. Agriculture
- b. Industry
- c. Services
- d. None of the above.

2. What is the GDP growth rate at the end of 11th FYP?

- a. 7.9%
- b. 11.2%
- c. 6.9%
- d. 6.5%

3. Which district contributed highest to primary, secondary and tertiary sectors respectively?

- a. Mandya in Primary sector & Bangalore in **secondary and tertiary sectors** respectively.
- b. Shimoga in Primary sector & Belgaum in **secondary and tertiary sectors** respectively.
- c. Belgaum in Primary sector & Bangalore in **secondary and tertiary sectors** respectively.
- d. None of the above.

4. Which of the following statement is/are correct wrt state income in 2014-15?

- a. GSDP at constant prices (year-on-year) slightly increased from 7.0% in 2013-14 to 7.2% in 2014-15, mainly attributable to the increase in the growth of agriculture from 4.9% in 2013-14 to 4.5% in 2014-15.
- b. GSDP at constant prices (year-on-year) slightly decreased from 7.2% in 2013-14 to 7.0% in 2014-15, mainly attributable to the decline in the growth of agriculture from 4.9% in 2013-14 to 4.5% in 2014-15.
- c. GSDP at constant prices (year-on-year) slightly decreased from 7.2% in 2013-14 to 7.0% in 2014-15, mainly attributable to the decline in the growth of manufacturing from 4.9% in 2013-14 to 4.5% in 2014-15.
- d. None of the above.

INVESTMENT AND EXPORTS

Karnataka's Investment Climate

The **World Bank's 'investment climate' survey** across 16 states in India has assessed the conduciveness of the Indian States to private investment by using a number of indicators. The survey's results place **Karnataka in the top rank in terms of the conducive investment climate.**

The State was the **first to enact the Industrial Facilitation Act** to help investors **Karnataka has a single window** which acts as a one-stop-shop for investments in the State. The specific advantages for Karnataka include

- i) **Good law and order situation** prevailing in Karnataka which is conducive to foreign direct investments
- ii) Abundant availability of highly **skilled manpower**
- iii) Karnataka ranks among the **top 5 industrially developed States in India**
- iv) The State provides **excellent logistic support** and connectivity to the investors and
- v) The State provides one of the **biggest and fast expanding markets in the Country.**
- vi) **Exemption from State taxes for all purchases from domestic tariff area.**

Karnataka Udyog Mitra (KUM) is a **single contact point for all investors** who are looking at setting up enterprises/business in Karnataka.

As the nodal agency, its **role is to facilitate investments** and execute initiatives to enable a smooth transition from the stage of receiving investment proposals to the **eventual implementation of the project.**

It acts as a secretariat for **State High Level Clearance Committee (SHLCC)** for projects above **Rs.50.00 crores** and **State Level Single Window Clearance Committee (SLSWCC)** for projects between **Rs.3.00 crore to Rs.50.00 crore.**

For the current year, up to September 2013, the SLSWCC has approved 158 projects with an investment of **Rs.2485.44 crore** with employment generation potential of **0.33 lakh.**

Projects with an investment of **Rs.50crore and above** are cleared by the **State High Level Clearance Committee (SHLCC).** The number of projects cleared by SHLCC during **2000-01 till 2013-14** is **934** with a whopping investment of **Rs.1156770.96 crore** creating employment of **6429302 people.**

During the 11th Five Year Plan period, the State attracted 5.70% of FDI in the country.

The statistics provided reveal that the **State had 7.78% share in the total FDI taking place in India in 2013-14.**

Investment in Information Technology

Karnataka is home to over **3500 IT companies**, contributing to over **26 billion US dollars (Rs.1.60 lakh Crore)** of exports, giving direct employment to over **9 lakh professionals and creating over 27 lakhs indirect jobs.** The industry contributes to over **25% of the State's GDP.**

The industry will continue to **grow over 15% annually** and expected to cross **20%** by end of 2014.

The industry contributes to over 25% of the State's GSDP. The share of Karnataka in IT exports is nearly 38% of the country's exports.

Penetration of ITBT into regions other than Bengaluru:

The thrust of the ICT Policy and ESDM Policy is on development of IT and ESDM Companies in the **Tier – 2 / 3 Cities of Hubballi – Dharwad, Mysuru, Mangaluru, Kalaburgi and Belagavi.**

While IT Parks have been developed in Hubballi-Dharwad, Shivamogga and Kalaburgi, the Department would conduct feasibility study for IT Parks in Mysuru, Mangaluru and Belagavi.

Department of Higher Education, Ministry of Human Resource Development (MHRD), Government of India, proposes to set up 20 new Indian Institute of Information Technology (IIIT) in different parts of the country. Partners in setting up the IIITs would be Govt. of India (MHRD), State Governments and Industry, who will contribute the tentative estimated cost of Rs.128 crore in the ratio of 50:35:15.

State Government has recently allotted 61.01 acre of Government land in Dharwad for setting up of Indian Institute of Information Technology (IIIT).

GoK/KBITS in partnership with NASSCOM has set up the first start up warehouse at Diamond District, Old Airport Road, Bengaluru.

This is one of the recommendations of the KIG 2020 Report. The first startup warehouse has been running successfully and it has facilitated 35 startups and another 40 are waiting for the space.

Bengaluru is now also known as the Startup Capital of India and it is reported that nearly 30% of the startups are from Bengaluru.

Karnataka Semi – conductor Venture Capital Fund (KARSEMVEN Fund)

Bengaluru is the largest hub of semiconductor design companies, outside the Bay Area in California. **Nearly 70% of the country's chip designers work here and around 80% of the sector's revenues in design are from this city alone.**

Government of Karnataka focus is on four key activities.

- a. Promote Karnataka as a semiconductor design hub.
- b. Attract investments in high-tech semiconductor manufacturing.
- c. Promote generation and use of green energy – specifically solar energy.
- d. Focus on manpower development.

GoK / KBITS has set up Karnataka Semiconductor Venture Capital Fund (KARSEMVEN Fund) for assisting Companies in the Semiconductor sector.

The total fund size is Rs.96.15 Crore. The fund has achieved the initial closing of Rs.50 crore on 9/5/2014.

ICT Skills Development Society

As per the i4 Policy of the Government ICT Skills Development Society (ICTSDS) has been registered in March 2014 with the mandate to take up Skill Development activities in consultation with the Industry for training un-employed and underemployed youth in basic ICT domains of sub-sectors like BPO, Telecom, ESDM, Manufacturing, Services, Health, Automation etc.

The ICT Skills Development Society has been selected to roll out a skilling program in ESDM Sector by the Department of Electronics and Information Technology, Government of India.

Investment in Biotechnology

Karnataka has played a key role in India's emergence as a significant player in the global biotechnology industry. **Karnataka is home for 60% of the country's biotech units. There are 400 biotech units in the country and in Karnataka their number has increased to 226 in 2013-14. Karnataka is contributing 26% (1.04 Billion USD) of total Biotech Revenues of over 5.0 Billion USD. Karnataka is highest in R&D expenditure in South India.**

Agriculture Global Investment Meet 2011

The State Government has organized the Global Agri business Investors' Meet during December 2011; **was the first exclusive Global Investors Meet for Agriculture sector in the entire country.**

The Meet resulted in the signing **of 66 MOUs covering an investment of Rs.60969 crore.** So far 28 Projects covering an investment of Rs.10774 crore have been approved by **Karnataka Udyog Mitra**, the Single Window Agency in the State and these projects are at various stages of implementation.

Implementation of these projects is also being coordinated by Karnataka State Agricultural Produce Processing & Export Corporation Limited (KAPPEC) by regular interaction with investors and concerned departments in order to ensure their timely implementation.

EXPORTS OF KARNATAKA

Karnataka's exports amounted to about Rs.290418 crore in 2013-14 which constituted about 12.37% of the Country's exports in that year.

Karnataka's exports as a percentage of GSDP have a fairly large share and it has also increased significantly over time. **The share of exports in GSDP which was 7.36% in 1993-94, has grown to 47.3% in 2013-14.**

Exports of electronics and computer software constitute the largest share in the State's exports. Its share was of the order of 61% in 2013-14 and continues to account for the largest share. In 2013-14, the exports of electronics and computer software from the State accounted for as much as 40% of India's total exports.

The other commodities which have substantial share in Karnataka's exports in 2012-13 are Petroleum and petroleum products (12.18%) and Gems & Jewellery(8.32%).

These three commodities account for about 81% of Karnataka's exports.

Karnataka stands 4 in Merchandise exports and also a leading State in exports of products and service sectors.

The Government of Karnataka has taken explicit measures for export promotion through various policies as under:

- Industrial Policy 2014-19.
- Karnataka State Mineral Policy 2008.
- Grape Processing & Wine Policy 2007.
- Karnataka Renewable Energy Policy 2009.
- Karnataka SEZ Policy 2009.
- Karnataka Tourism Policy 2009
- Karnataka Semi Conductor Policy 2010.
- Karnataka Solar Policy 2011.
- Karnataka Integrated Agribusiness Development Policy 2011.
- Karnataka Animation Visual Effects & Comic Policy 2012.
- Karnataka Pharmaceutical Policy 2013.
- Karnataka New Infrastructure Policy 2013
- Electronic System Devices & Manufacturing Policy 2013.
- Karnataka Textile Policy 2013
- Karnataka Aerospace Policy 2013.
- Karnataka i4 Policy 2013.

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Questions

1. According to the World Bank's 'investment climate' survey, which state ranks in the top and the last?

- a. Gujarat and Bihar.
- b. Gujarat and Jharkhand.
- c. Karnataka and Rajasthan.
- d. Gujarat and Assam.

2. Which is the first state to organise Agriculture Global Investors Meet in 2011?

- a. Tamil Nadu
- b. Andhra Pradesh.
- c. Punjab.
- d. Karnataka.

3. Which sectors contribute maximum to the Karnataka's export in 11th FYP?

- a. Electronics and computer software, Petroleum and petroleum products and Gems & Jewellery.
- b. Electronics and computer software, Mining and Gems & Jewellery.
- c. Electronics and computer software, Mining and Textile.
- d. Electronics and computer software, Mining and agriculture products.

EMPLOYMENT AND LABOUR WELFARE

Work Participation Rate

According to Census 2011, the Work Participation Rate (WPR) is defined as the proportion of total workers (i.e. main and marginal workers) to total population. In the State, 2,78,72,597 persons constituting 45.62% of the total population have enumerated themselves as workers. Among them, 1,82,70,116 are males and 96,02,481 are females. In other words, 59% of the total male population and 31.87% of the total female population are workers. In

Table-11.1: Work force Participation Rate

	Total			Rural			Urban		
	2001	2011	change	2001	2011	change	2001	2011	change
Persons	44.53	45.62	1.09	49.04	49.38	0.34	35.67	39.66	3.99
Male	56.64	59.00	2.36	58.10	59.76	1.66	53.85	57.81	3.96
Female	31.98	31.87	-0.11	39.87	38.79	-1.08	16.37	20.81	4.44

When compared with the State average of WPR, Bidar (41.25%) Gulbarga (42.36%) and Bellary (45.54%) districts recorded less than State average of 45.62%. The rest of the other districts in Hyderabad Karnataka region have recorded above State average. Though the WPR of the districts are above the State average, employment is mainly in dry land agriculture, which is both insecure and less remunerative.

Main and Marginal Workers

The proportion of male main workers has decreased from 91.21% in 2001 to 89.49% in 2011, whereas, the female main workers has increased from 65.88% to 73.39%.

In respect of marginal workers, the proportion of male marginal workers has recorded a marginal increase from 8.79% in 2001 to 10.51% in 2011. On the other hand, the proportion of female marginal workers has registered a sharp decrease from 34.12% in 2001 to 26.61% in 2011.

Table 11.8 - Percentage Distribution of Category of Workers by Location, 2011

Category of Workers	Persons						Males					
	2001			2011			2001			2011		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Agriculture Labourers	26.46	34.46	5.07	25.67	36.41	4.47	17.20	23.94	3.33	17.97	26.94	3.39
Cultivators	29.25	39.03	3.11	23.61	34.27	2.56	31.72	45.57	3.22	26.02	40.36	2.70
Household Industry	4.08	3.48	5.67	3.28	2.82	4.17	2.66	2.43	3.13	2.40	2.04	3.00
Other Workers	40.21	23.03	86.14	47.44	26.49	88.80	48.42	28.06	90.32	53.61	30.66	90.91

Category of Workers	Females					
	2001			2011		
	Total	Rural	Urban	Total	Rural	Urban
Agriculture Labourers	43.45	50.15	11.16	40.33	51.32	7.57
Cultivators	24.71	29.27	2.75	19.03	24.69	2.14
Household Industry	6.68	5.05	14.55	4.94	4.06	7.55
Other Workers	25.16	15.53	71.55	35.71	19.93	82.73

Labour Force Participation Rate/Worker Population Ratio

According to National Sample Survey (NSS), the **worker population ratio** refers to the number of persons actually employed as a proportion of the population, whereas the **labour force participation rate (LFPR)** refers to the ratio of both the employed and the unemployed to the total population.

In NSS surveys, persons are classified into various activity categories on the basis of activities pursued by them during certain specified reference periods. Three **reference periods** are used in NSS surveys, viz. (i) **one year, (the usual activity status (US))** (ii) **one week (current weekly status (CWS))** and (iii) **each day of the reference week (current daily status (CDS)).**

According to NSSO, **43% of population belonged to the labour force in Karnataka, which is higher than all India, Kerala and Gujarat.**

The LFPR is 45.4% in rural areas and 38.8% in urban areas of Karnataka.

LFPR was significantly lower for females than for males in both rural and urban areas. The males LFPR is higher in Karnataka compared to select states and all India.

India and the State have the lowest participation rate for women in the workforce when compared to all its South Asian neighbours except Pakistan.

The declining female LFPR in Karnataka and India has been a puzzle for policy makers. Against this background, it is puzzling to see that the reported female LFPR in urban has stagnated at around 17-19% since the 1980s.

Recent studies have focused on **four explanations – increased educational enrolment, income effect** (as household incomes rise, women are withdrawing from agricultural activities), **lack of job opportunities, and measurement.** It is difficult to

measure the participation of women in work, because of the nature of the jobs they do (home-based work, agricultural labour, etc.).

WPR according to usual status (ps+ss) was 42.3%. WPR in rural areas (45%) was higher than that in urban areas (38.2%). In both rural and urban areas, WPR for females were considerably lower than the WPR for males.

Further it can be observed **that the decline in the WPR is much higher among rural females both in Karnataka and at all-India level compared to their urban counterparts and compared to the male WPR, which is almost stagnant over the period of time.**

Much of the **decline in worker population ratio has been among self-employed workers, including (but not only) those involved in agriculture.**

The **growing mechanization of agriculture** has played a role in reducing demand for women's work. In addition, **the change in ecology has led to a decline in many rural activities** earlier performed by women, such as the collection of minor forest produce.

Indeed, the time that has to be allocated **to unpaid labour—in the form of not just various economic but unrecognized activities like provisioning essential items for household consumption but also the care economy generally — is likely to be an important reason** for the withdrawal of women from the labour force.

Unemployment Rate

The **different estimates** of unemployment are:

- i) Number of persons usually unemployed based on **'usual status' approach,**
- ii) Number of persons unemployed on an **average in a week,** based on the **current weekly status (CWS) approach,** and
- iii) **Number of person-days** unemployed on an average during the reference period of **seven days preceding the date of survey,** based on the **current daily status (CDS) approach.**

The **UR in Karnataka of all persons** as per the current daily status **is lower than the all India average of 5.6% and other southern states.**

The **CDS UR in Karnataka is found to be higher in urban areas (4.1%)** compared to rural areas (3.4%). However the situation at the **all-India level is just opposite.**

The **UR among females in both rural and urban areas of the state is higher than those of the males in the state and all India level.**

Youth unemployment Rates (Age 15-29)

Karnataka lowest among south Indian states and Gujarat the lowest. Look at Kerala!!!!

Karnataka's educated unemployment rate is (7.6%) low and the same pattern can be observed in rural and urban areas (Table 11.16). However, Karnataka as whole without comparison, educated unemployment rate is very high in Karnataka.

State	Youth unemployment Rates (UPSS): 2011-12								
	Rural			Urban			Total		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
Karnataka	2.7	1.8	2.4	6.7	11.9	7.9	4.1	5.0	4.4
Andhra Pradesh	5.2	1.6	3.6	11.2	13.7	11.7	7.3	3.7	5.9
Kerala	9.7	47.4	21.6	8.4	37.1	17.9	9.4	44.5	20.6
Tamil Nadu	7.6	6.4	7.2	6.6	13.9	8.7	7.2	9.0	7.8
Gujarat	1.0	0.5	0.9	1.6	4.9	2.1	1.3	1.6	1.3
Maharashtra	2.7	1.3	2.3	4.9	8.4	5.7	3.7	3.9	3.8
All India	5.0	4.8	4.9	8.1	13.1	9.2	5.9	6.6	6.1

It is also worth noting that urban **youth unemployment rate; particularly urban female youth unemployment is very high**. Such high unemployment rates reflect, at least partly, the mismatches between skills demand and supply.

However, **with the dependency ratio expected to rise from 2040, India faces a pressing challenge to increase education and skill levels** amongst its population to take advantage of this unique moment in its history.

Further, due to the **rise in life expectancy, many elderly persons** from low-income households have been **compelled to participate in the labour market in search of a livelihood. This has resulted in stiff competition between the new entrants to the labour market and the elderly workers**. In a desperate attempt to acquire experience, the younger workers have reduced their reservation wage which, in turn, has forced the incomes of the elderly workers also to decline.

Employment Growth

During the period 2005-2012, the available estimates indicate a steep decline in the growth of employment.

In this period, for males, in both rural and urban areas a slowdown in employment growth has occurred, but the **sharp absolute declines for rural female warrant further investigation.**

India and the State have the lowest participation rate for women in the workforce when compared to all its South Asian neighbours except Pakistan.

Status of Employment

It has been observed that over the years **self employment base is gradually increasing and that of the casual employment share gradually decreasing.**

The proportion of workers in **regular employment is gradually increasing.**

Like at the all India level, in Karnataka as well, self-employment is the predominant form of employment.

At the overall state level, the self-employed accounted for about 47.8% of the total employment followed by that of casual (29.7%) and regular workers (22.5%).

In the rural areas, **both the self-employment and casual work has 51.9 percent and 36.3 percent respectively**, whereas **in urban areas, self-employment and regular wage work has a share of 39% and 44.9% respectively.**

Across gender it is quite evident that in rural Karnataka females had a higher share in casual work (42.1%) followed by self-employment, while for males has the same trend. In case of regular job, the share of females (8.2%) is lower than that of males (11.8%) in rural areas.

In contrast in urban areas, regular job is the predominant form of employment for females (53.3%) followed by self employment (30.1%) whereas in case of males the share of regular employment (42.7%) is little higher than that of self-employment (41.6%).

In urban Karnataka, the share of regular salaried among female workforce is higher than that of male workforce which is a great achievement in itself (but lower in rural areas). However, **in Karnataka, for both males and females, majority of the workers were engaged in self-employment.**

In Karnataka, among the workers in the usual status (ps+ss), **about 50%, 19% and 30% were engaged in agricultural sector, secondary sector and tertiary sector respectively.**

Among the female workers, about 62% were engaged in agricultural sector while about **55% of the male workers were engaged either in secondary sector and tertiary sector.**

The share of agricultural employment in Karnataka and all-India level has declined between 2005 and 2011-12, which is a positive trend towards structural transformation.

Across the sub-sectors of the Karnataka economy, **labour productivity is the lowest for agriculture and highest for financial intermediaries and business services followed by industry.** Electricity and water supply utilities is the most productive with labour productivity of Rs.8,14,274/-.

Labour Force Parameters as per Social Group:-

Over all LFPR of India is 53.1%, the same in Karnataka is 56.1%, which is higher than India's rate. LFPR in Schedule Caste, other Backward class and General groups in a Karnataka are higher than the same groups in All India, level except the rate in male of schedule tribe.

In Schedule Tribes LFPR in female is 38.1% in Karnataka, whereas same in all India level is 39.7%, which resulted in lower rate of 59.3% in Karnataka for persons as against 60% of all India. Similar trend can be observed in WPR of India and Karnataka.

WPR of Karnataka is higher in all groups except Schedule Tribe. Rates are lower under female and persons category of Schedule Tribes of Karnataka than that of India. Over all WPR for persons in Karnataka is 55.1% and is more by 4.1% of India.

Overall Unemployment Rate of Karnataka is very less compared to India and is less than half the rate of India in all groups.

Proportion Unemployment is the ratio of number of unemployed persons to the total population. Lower the PU is a good indicator in employment scenario of the state.

Trend in Proportion Unemployment in different groups of Karnataka with that of India is almost same as in Unemployment Rate. Proportion rate is minimum in male of Schedule Caste and next to minimum is male of General group in Karnataka.

The minimum rate is 1.1% in India for female in Schedule Tribes, which is the only category where Karnataka has equal rate as of India. **Maximum in Karnataka is 1.6% for male in Other Backward Classes group.** India has maximum proportion rate as 2.9% in male category of General group.

Employment in Public and Private Sector

Public Sector employment account for 10.46 lakh (44%) and Private Sector for 13.34 lakh (56%), while the former has decreased by -1.1%, where as latter has increased by 1.6% between March and Sept -2014.

Wage Employment Programmes

Mahatma Gandhi National Rural Employment Guarantee Scheme

The primary object of the Act is to enhance livelihood security in rural areas by **providing at least 100 days of guaranteed wage employment** in every financial year to every household whose adult members volunteer to do unskilled manual work. If **work is not provided within 15 days of the demand for work by the applicant, then un-employment allowance has to be paid.**

Wage component is borne by Central and State Governments in the **ratio of 75:25.**

Self Employment Programmes

Swarna Jayanthi Grama Swarojgar Yojana- (SGSY)

SGSY aims at **alleviating the poverty among the rural poor.** SGSY is a holistic programme covering **all aspects of self employment** like organization of the **poor into self help groups**, Training, Credit Linkage, Technology, Infrastructure and Marketing facilities. **SGSY is being funded by the Centre and State in the ratio of 75:25. The main emphasis is on cluster approach.**

Karnataka State Rural Livelihood Promotional Society (KSRLPS):

SGSY scheme has been restructured as National Rural Livelihood Mission. The Scheme will be implemented in the name of "Aajeevika". **Every State has to establish State Mission to implement this scheme.** Accordingly KSRLPS has been established in the State.

The Scheme will be implemented in the name of "Sanjeevini" in the State from 1st April 2013.

Government Initiatives - Social Security Schemes

a) Social Security and Pension

Under old age pension scheme any person aged above 60 years and below 65 years and belonging to BPL household is eligible to avail the pension of Rs. 200/- per month and aged **above 65 years and belonging to BPL household is eligible to avail the pension of Rs. 500/- per month.**

Widows aged **between 18 to 65 years belonging to BPL households are eligible to avail pension under Destitute Widow Pension Scheme of Rs. 500/- per month.**

Under State's non-Plan a pension amount of Rs. 500/- per month is given as pension for Disabled person having disability above 40% and below 75% and Rs.1200 per month for those having disability above 75%.

Sandhya Suraksha Yojane is the programme initiated by the government in **2007 to provide social security benefits to small and marginal farmers, agricultural labourers, weavers, fisher men and other labourers from unorganized sector excluding construction workers.**

Under this programme workers in the **age group of 65 years and above having income Rs. 20,000/- per annum** are eligible and they are **paid Rs. 500/- per month.**

New Schemes “**Manaswini**” for **unmarried women of age 40 to 64** and “**Mythri**” for **Transgender** implemented w.e.f .1.08.2013 beneficiaries under these schemes are paid pension amount of **Rs.500/- per month.**

b) ESIS Medical Services

c) Karnataka State Private Commercial Vehicle Drivers Accident Benefit Scheme

d) Rastriya Swasthya Bima Yojana

Rastriya Swasthya Bima Yojana is a prestigious health insurance scheme, **implemented for the labourers of unorganized sector** and for those **MGNREGA labour families** who worked for 15 and more than 15 days in the last financial year.

e) Karnataka State Child Labour Eradication

Child labourers released from work are being enrolled into special residential schools. Children are admitted into mainstream of education, based on their learning capacity, in the special residential schools.

Special study material called 'Aralu Mallige' has been developed with assistance of International Labour Organisation. Life skills are also being taught to the children learning in special residential schools.

Skill Development

Very few opportunities for skill development are available for young people who have **dropped out of school** or are workers in the unorganized sector. The problem is **most severe for women and vulnerable groups** such as people with disabilities, ST/SC/OBC, minority communities.

Most formal training requires a minimum of 10th standard as an entry requirement, which precludes a large number of school drop-outs and other people with no or limited education, from receiving formal training. The **duration of the training is too long, often 2-3 years**, and requires full-time attendance, which workers cannot afford.

The challenge for skill development in India is broad, complex and multidimensional, covering both quantitative and qualitative aspects. It is **complicated because of the size of the population, combined with vast geographical, cultural and social diversities**.

State Government Initiatives

To accomplish the desired objectives of State skill policy, the State established **Karnataka Vocational Training and Skill Development Corporation (KVTSDC)** under the companies Act'1956, with a target of imparting **skills and employment to 10 lakh persons**.

Government of Karnataka has taken the steps to convert the Employment Exchanges, which are first contact point for job seekers, into **“Human Resource Development Centres”** to improve the employability and to make Employment Exchanges more relevant to the job seekers.

Migrant Resource Centre (MRC) MRC would be established through KVTSDC. MRC will act as an instrument to **build institutional capacity to assist potential and actual migrants in the State** with regard to migration and decision making process.

MRCs enable providing authentic and reliable **information on options, procedures and reliable contacts for international migration**.

It also works as a grievance **redressal mechanism for the migrants in distress within the State**.

Outcomes and Challenges:

A faster growth even with relatively low employment elasticity can generate reasonably high employment growth with significant increase in productivity.

With a view to making employment growth faster, **sectors and activities with relatively higher employment elasticity could be targeted for particularly high economic growth.**

But the compulsion of raising productivity with a view to improving employment quality in major part of the economy makes it imperative that economy grows at a high rate to generate the required number of new employment opportunities. Thus the strategy for creating quality employment essentially consists of a strategy for a rapid and diversified economic growth.

A faster growth of agriculture derived from geographically and crop wise diversification is an essential element of such a strategy.

So far as the numbers of workers in agriculture are concerned one should expect them to decline as more and more of them move out to other sectors.

Manufacturing offers itself as the best candidate for absorbing those moving out of agriculture as also other job seekers in relatively good quality employment and therefore, must be the another major sector to be targeted for higher growth. Transport and trade are other sectors with significant potential for generating productive employment.

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Questions

2. According to 2011 Census, which is/are correct statement wrt Karnataka?

- a. Total Workforce participate rate has increased due to increase in female WPR.
- b. Total Workforce participate rate has decreased due to decrease in female WPR.
- c. Total Workforce participate rate has increased but female WPR has decreased.
- d. Total Workforce participate rate has decreased but female WPR has increased.

2. According to 2011 Census, which is/are correct statement wrt Karnataka?

- a. The proportion of male main workers has decreased whereas, the female main workers has increased.
- b. The proportion of male main workers has increased whereas, the female main workers has increased.
- c. The proportion of male main workers has increased whereas, the female main workers has decreased.
- d. None of the above.

3. Which is/are correct wrt to Labour Force Participation Rate (LFPR) and WPR ?

- a. 43% of population belonged to the labour force in Karnataka, which is higher than all India, Kerala and Gujarat.
- b. India and the State have the lowest participation rate for women in the workforce when compared to all its South Asian neighbours except Pakistan.
- c. The LFPR is more in rural areas than in urban areas of Karnataka.
- d. All of the above.

4. Which is/are correct statements wrt Employment rate?

- a. During the period 2005-2012, the available estimates indicate a steep decline in the growth of employment.
- b. Over the years self employment base and regular employment is gradually increasing, casual employment share gradually decreasing.
- c. In urban Karnataka, the share of regular salaried among female workforce is higher than that of male workforce.
- d. In Karnataka, for both males and females, majority of the workers were engaged in self-employment.

5. Which is/are correct statements wrt unemployment rate (UR)?

- a. The UR in Karnataka of all persons as per the current daily status is lower than the all India and other southern states.
- b. The CDS UR in Karnataka is found to be higher in urban areas compared to rural areas. However the situation at the all-India level is just opposite.
- c. The UR among females in both rural and urban areas of the state is higher than those of the males in the state and all India level.
- d. All of the above.

6. Which is/are correct statements wrt unemployment rate (UR) in Karnataka?

- a. Is highest among SC Male and lowest among OBC female.
- b. Is highest among ST Male and lowest among SC female.
- c. Is highest among OBC female and lowest among SC Male.
- d. None of the above.

7. Which is/are correct statements wrt overall unemployment rate (UR) in Karnataka?

- a. Is highest among OBC and lowest among General category.
- b. Is highest among SC and lowest among General category.
- c. Is highest among ST and lowest among General category.
- d. Is highest among ST and lowest among OBC.

8. Sandhya Suraksha Yojane aims to

- a. To provide social security benefits to only small and marginal farmers, agricultural labourers, weavers, fisher men and other labourers from unorganized sector excluding construction workers.
- b. To provide social security benefits to all farmers, weavers, fisher men and other labourers from unorganized sector including construction workers.
- c. To provide social security benefits unorganized sector only.
- d. To provide social security benefits to only small and marginal women farmers.

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RURAL DEVELOPMENT

Housing Programmes

Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL)

The Corporation was established on the 20th April 2000 as a nodal agency to **implement all the housing schemes sponsored by the Central and State Governments for economically and socially weaker sections of the Society, both in rural and urban areas.** The main objectives of the company are:

- To provide housing to the socially and economically weaker sections
- Speedy implementation of scheme
- Transparency in implementation,
- Seam free flow of the beneficiaries
- Dissemination of cost effective technology in construction through District Nirmithi Kendras
- Strengthening of Nirmithi Kendras

Various housing schemes are:

Rural Ashraya/Basava Vasathi Yojane (1991-92)

Target group: Rural BPL household with salary less than 32,000/- per annum.

From 2005-06 onwards the beneficiaries are selected by Gram Panchayaths through Gram Sabhas as per the Panchayat Raj Amendment Act.

Out of the total target **50% is earmarked for SCs/STs and 50% for general categories.** Rural Ashraya Scheme was renamed as Basava Vasathi Yojane during 2010-11.

The unit cost was fixed at Rs. 1.50 lakh from 2013-14, of which Rs. 1.20 lakh is subsidy and remaining Rs. 30,000 being the beneficiary contribution or loan from the bank.

Ambedkar Housing scheme

The scheme contemplates for providing houses for poor house less SC/ST households of rural areas, whose annual income is less than Rs. 32,000.

The beneficiaries are selected by the gram panchayats through grama sabhas. Unit assistance per house has been enhanced to Rs.63,500 from 2010-11.

Indira Awas Yojana

This Centrally Sponsored Scheme was **introduced during 1989-90** for rural houseless holds who are below the poverty line.

60% of the target is earmarked for SCs/STs, 15% for minorities and remaining 25% for general category of the people.

During 2013-14, the Centre has enhanced the subsidy per house is **Rs. 70,000**, of which Rs. 17,500 is required to be borne by the State.

As per the enhanced unit cost of Rs.1.50 lakh, subsidy from the Centre works out to Rs. 52,500 and Rs. 67,500 is to be borne by the State, **remaining Rs. 30,000 is the beneficiary contribution or the bank loan.**

Nanna Mane (Affordable Housing for Low Income Groups)

In 2010-11, the State had introduced a new scheme to benefit the people above poverty line by providing affordable houses to the low income group families like **auto drivers, film industry workers, unorganised sector workers, beedi workers, hamals, street vendors etc.** The annual income of the beneficiary is limited to Rs.1.00 lakh.

Urban Ashraya/Vajpayee Housing Scheme

This State Sponsored scheme was introduced during 1991-92 to cover urban poor whose annual income is less than Rs.32,000.

The beneficiaries are selected by the Ashraya Committee, comprising of both official and non official members and is headed by the local MLA.

During 2010-11 the Urban Ashraya Scheme was rechristened as Vajpayee Urban Housing Scheme.

From 2013-14 the State has fixed the unit cost of the house at Rs.2.00 lakh, of which Rs. 1.20 lakh is subsidy from the State, Rs.30,000 is beneficiary contribution to be invariably met and balance Rs. 50,000 is either the bank loan or contribution from the beneficiary.

RURAL INFRASTRUCTURE PROGRAMS

- **Karnataka Rural Infrastructure Development Ltd.**

The main objective of the organization is to **undertake development works in rural areas including employment oriented works** entrusted by the state Government Department, Statutory Boards and Local Self Government under various schemes and programmes.

The works are executed directly at Government (PWD) scheduled rates **without involvement of contractors.**

The organization is a designated agency of the State Government for the purpose of execution of works of different departments. **The company has achieved highest turnover of Rs. 1319.72 crore during the financial year 2013-14.**

- **Western Ghats Development Programme**

Developing hilly areas, Conservation of forests and maintenance of ecology, Providing irrigation facilities to the farmers of hilly region, Providing Agriculture, Horticulture, Sericulture, Animal Husbandry activities to the residents of hilly areas, Providing marketing to the outputs generated at these areas, Providing vented dams cum foot bridges for cultivation of second crop in the year etc are the main objectives of this programme.

- **Backward Regions Grant Fund**

The erstwhile Rashtriya Samvikas Yojana has been converted into Backward Region Grant Fund. Six districts i.e. **Gulbarga, Yadgiri, Bidar, Chitradurga, Raichur and Davanagere** of Karnataka are implementing this scheme.

The main objectives of this scheme are:

1. Remove barriers to growth
2. Reduce the imbalances
3. Accelerate the development process through gap filling
4. Improve quality of life of the people

Under this scheme, every selected district will get a Central Grant on the basis of population and geographical extent.

Gram Swaraj Project

The objectives of the scheme are **higher investments by GPs (39 'Most Backward Taluks of the State) to improve social indicators, greater local revenue mobilization, improved monitoring and delivery of key services to rural population, and improved participation in local planning.**

Suvarna Gramodaya Yojane

The **main objectives** of the programme are as follows:-

- To **upgrade the physical environment** of the selected villages for improving the quality of life.
- To fully develop the **income generating potential of land based activities**
- To provide full and **adequate infrastructure** for human resources development including education, **health services, childcare facilities etc.**
- To generate **significant levels of non agricultural employment**, especially for educated unemployed youth
- To **support community awareness and development** through self-help groups, cultural associations etc.

Pradhan Mantri Gram Sadakyojana (PMGSY)

PMGSY was launched in the State during December 2000 with the objective of providing **rural connectivity by way of all-weather roads to eligible habitations having a population of 500 and above by the end of 2007.**

16049.60 Km of road length has been asphalted as on October 2013. In order to implement the scheme more effectively, Karnataka Rural Road Development Agency has been formed during January 2005.

As on date, **the State has connected 1771 unconnected habitations.**

Chief Minister's Grama Sadak Yojane

The funds provided have been allocated to Zilla Panchayats as per the Comprehensive Composite Development Index of Dr . D. M. Nanjundappa's Committee report on redressal of regional imbalances.

RURAL WATER SUPPLY

The norm for providing potable drinking water is 55 litres per capita per day (LPCD) with a provision of 3 litres for drinking water, 5 litres for cooking, 15 litres for bathing, 10 litres for washing utensils and domestic applications, 10 litres for ablution/toilets and 12 litres for washing of cloths and other uses.

Fully Covered (FC) indicates that **entire population** in a habitation is provided with drinking water as per the norms.

Habitations with access to safe drinking water source/point (from public/ private source) of 10 to 55 LPCD, within 1.6kms in the plains and within 100 meters in hilly areas are characterized as PC.

Not Covered (NC) habitations implies habitations where volume of safe water from any source is below 10 LPCD and/or, habitations with a source of drinking water, affected by excess salinity, iron, fluoride, arsenic or other toxic elements or biologically contaminated.

9.35% (5581) are FC, 85.29% (50965) are PC and **5.36% (3207) are quality-affected by March 2013.**

The drinking water infrastructure of the State includes 216828 bore wells fitted with hand pumps, 29640 piped water supply schemes and 40715 mini water supply schemes.

Our state has only ~15% piped water supply when compared to bore wells fitted with hand pumps (does not include private borewells). It indicates state has more drought prone areas.

Bharat Nirman/National Rural Drinking Water Programme (NRDWP)

In order to meet adequate and safe drinking water supply requirements in rural areas, particularly in those areas that have water coverage lower than 55 lpcd and those villages which are affected by water quality problems due to excessive dependence on groundwater-based water supply schemes.

Desert Development Programme (DDP)

Additional rural **water supply schemes in drought prone districts** of Bagalkot, Bellary, Bijapur, Davanagere, Raichur and Koppal are being implemented under this centrally sponsored scheme DDP since 1997-98. It is contemplated to provide 70 LPCD of water to human being and cattle in these drought affected DDP Districts.

World Bank Assisted Jal Nirmal Project

The World Bank Assisted Jalnirmal Additional Financing Project is being implemented for **providing safe drinking water and sanitation facilities for the rural population.** Jalnirmal additional financing project is also a **demand driven project**, as the erstwhile World Bank Assisted Jalnirmal project with similar objectives, principles, components and parameters.

1405 water supply schemes and rural internal road and drain works are taken up for implementation from July, 2010 at an estimated cost of Rs.816.18 crore for a **period of 3 years in the 12 districts of Northern Karnataka.**

Swachha Bharat Mission (SBM)

Karnataka is making concerted efforts to implement total sanitation in the rural parts of the State.

Under Swachh Bharat Mission, incentive of Rs. 12,000, of which, the share of Centre and the State being Rs. 9000 and Rs. 3000 respectively, is being provided to the eligible beneficiaries, belonging to BPL category, restricted APL families (which covers SC&ST families), small and marginal farmers, landless families Physically handicapped families and women headed families, etc), for the construction of individual household latrines.

Objectives

- 1) Construction of **individual household toilets for families in the rural areas who do not have toilets.**
- 2) To improve the standard of living of the rural people and reformation in the health of the rural people
- 3) **Suitable disposal of waste and used water** generated in the villages.
- 4) **Construction of community toilets** for the people in a village who do not have a place of their own for construction of individual toilets in a place where it can be easily accessible
- 5) To inculcate the habit of sanitation and cleanliness among rural children.
- 6) Maintenance of rural sanitation or production centers.
- 7) Maintenance and supervision of community toilets, keeping cleanliness around the premises of water sources, maintenance of drainages etc.

RURAL ENERGY

Three schemes viz., **National Biogas Manure and Management Programme (NBMMP), Karnataka State Bio-fuel Policy , 2009 and Soura Belaku** have been implemented in Rural Energy Programme.

A) NBMMP - This is mainly 100% women programme.

B) Soura Belaku - Installation of Solar Street Lights at Grama Panchayats

RURAL EMPLOYMENT AND LIVELIHOODS

- **Mahathma Gandhi National Rural Employment Guarantee Scheme**
- **Swarna Jayanthi Grama Swarojgar Yojana**
- **Mahila sashaktikarana pariyojane**

The Central Government has implemented Mahila Kisan Sashaktikarana Pariyojane (MKSP) scheme. The objective of the scheme is to train the **poorest women of rural in agriculture and to strengthen them financially .**

Decentralised planning process

The decentralised planning process as described in the plan documents **begins with the determination of annual plan size at the state level, and allocation of funds to the district sector .**

Then **district sector allocation for various programmes is done** in consultation with the Chief Executive Officer of each Zilla Panchayat, District level Sectoral officers and State level Department officers.

After this, the data is supplied to Finance Department to integrate the district sector data with the State and also to print budget link documents. The Budget Link Documents are placed before the Legislature as a part of State Budget.

Once the budget is passed, the **link documents are made available to the Zilla Panchayath for the preparation of Action Plans at ZP, TP and GP level.**

These PRIs prepare the action plans as per the allocations, discuss them in the various Standing Committees and place them in the general body meetings and **seek approval from the District Planning Committees** after which the implementing officers start executing the plans/programmes.

In the **preparation of plans the ward sabhas and grama sabhas play a crucial role and their recommendations and suggestions do figure in such action plans** emphasising the fact that the plans so prepared are the byproduct of people's wishes and demands.

Role of Civil Society Organisations in Decentralised Planning Process

In recent years, **civil society has come to assume a greater role** in the life of people because of the following reasons:

- (i) **In the modern day world, the needs and aspirations of people have multiplied beyond imagination** such that the State alone cannot fulfill all these needs.
- (ii) **The State by its very nature is less responsive to people's needs on account of the bureaucratic structure it has built.**
- (iii) **Interventions by the State are not cost effective as it operates with huge administrative machinery.**

On the other hand, civil society, being people's organisation, can be **more responsive to the needs of the people** and, being participative in its approach, it can also be **cost effective.**

The NGOs, as an important component of the modern civil society, are looked upon as **change initiators in the rural society and input providers to rural governments.**

Because of their **vast experience of working at the grass root level and the committed and trained cadres** they have with them, the country reposes great faith in their ability to **build capacities among local governments.**

Motivate people to participate in the development process including **monitoring** of, and **implementing development projects** for, the benefit of the weaker sections and backward regions.

Recent Policy Initiatives to strengthen Decentralised Planning Process

Karnataka comprises of 5,627 Gram Panchayats, 176 Taluk Panchayats and 30 Zilla Panchayats. The State has to its credit entrusting major responsibilities and **devolving all the 29 functions** (a first State to do so in the country as a whole) to the panchayats as enlisted under the **Eleventh Schedule of the Constitution.**

In recent years, the State Government has been taking a proactive stance to strengthen the decentralised governance and planning process and to that effect has introduced many administrative innovations like the following:

- (i) The **responsibility of plan formulation and implementation has been devolved to the panchayats** by transferring functions, functionaries and finances.
- (ii) **Introduction of social auditing in the form of Jamabandhi** to ensure transparency in the system; **Grama Panchayatis are empowered to call for tenders for all works with an estimated cost of Rs. 10,000/- and above** and for procuring materials worth Rs. 5000/- and above.
- (iii) **Ombudsman are appointed at the district level to ensure transparency and accountability** in the implementation of important programmes like MGNREGS.
- (iv) **Computerisation** of Grama Panchayatis, Taluk Panchayatis and Zilla Panchayatis.
- (v) Drawl of salary by the Grama Panchayati Secretaries from the Grama Panchayati account; ensure more accountability to their Panchayatis.
- (vi) In order to strengthen the Grama Panchayats for effective implementation of programmes, effective utilization of grants, **one post of Panchayat Development Officer** in each of the 5627 GP and 2500 Second Division Accounts Assistant posts in the **larger GPs** have been created.
- (vii) **Grama Panchayat Budget and Accounts Rules, 2006** has been enacted to ensure transparency in the maintenance of accounts. Besides, **Double Entry Accounting System** has been introduced.
- (viii) The State has launched **capacity building programmes such as - certificate course for panchayati members, imparting functional literacy to illiterate Grama Panchayati members**, training through satellite networks to elected panchayatis functionaries at ANSSIRD, Mysore.

Activity Mapping

In addition to this, the State Government, based on the recommendations of the Working Group, constituted in the year 2001, **has evolved a detailed range of 'Activity Mapping' for all the three panchayats.**

Broadly, the activity mapping visualises **both Zilla Panchayatis and Taluk Panchayatis as planners, facilitators and owners of common executive machinery, Grama Panchayats as the cutting edge of local service provision, and Grama Sabha and Ward Sabhas as instruments of downward accountability.**

Simplification and Rationalisation of Schemes

Accordingly, the **number of schemes in the Panchayat Sector of the budget is now reduced about 324** (200 plan and 124 non-plan schemes) thus simplifying the District Sector fund transfer mechanism.

ISSUES AND CHALLENGES

• **Rural Government** - These is inadequate capacity of panchayats and elected representatives, hence capacity building is necessary . Further there is need for greater functional and financial autonomy of local governments.

• **Rural Housing** - The state housing scheme pertaining to inability to meet demand for housing. The rural housing sector may be supported through enhancement in allocations towards meeting housing demand in the state.

• **Rural Water Supply:** According to the ERC, 2011, about 31% of the rural habitations had been, provided with the water Quantity of 55 lpcd and above as of March 2010. The poor provisioning of adequate drinking water is further compounded by continued depletion of ground water table, and presence of toxic minerals in drinking water.

• **Rural Sanitation:** According to Census 2011, 72% of Karnataka's rural households had no access to latrines.

There was a need to increase coverage of Individual Household Latrines (IHHL). Use of toilets cannot be sustained without provision of water supply and safe drinking water cannot be ensured without assured quality sanitation either . Thus, there is a need for convergence between drinking water and sanitation schemes during design and implementation.

• **Rural Roads:** There is pressure to focus on maintenance of roads rather than new coverage owing to bad maintenance and shortage of funds at times.

• **Rural Employment:** Many of the households had not under taken any income generating activities due to lack of proper training and mostly due to lack of entrepreneurial skills of inadequate marketing support.

Questions

1. Which districts are covered under Backward Regions Grant Fund?

- a. Gulbarga, Yadgiri, Bidar, Chitradurga, Raichur and Davanagere.
- b. Gulbarga, Yadgiri, Bidar, Bellary, Raichur and Kopal.
- c. Gulbarga, Yadgiri, Bidar, Bellary, Raichur and Bijapur.
- d. Gulbarga, Yadgiri, Bidar, Bellary, Raichur and Chamarajnagar.

2. Suvarna Gramodaya Yojane aims to

- a. To upgrade the physical environment of the selected villages for improving the quality of life.
- b. To fully develop the income generating potential of land based activities.
- c. To generate significant levels of non agricultural employment, especially for educated unemployed youth.
- d. To support community awareness and development through self-help groups, cultural associations etc.

3. Mahila sashaktikarana pariyojane aims to

- a. To train the only poorest women of rural in agriculture and to strengthen them financially.
- b. To train the all women of rural in agriculture and to strengthen them financially.
- c. To train the all women of rural in self employment and to strengthen them financially.
- c. To train the only poorest women of rural in self employment and to strengthen them financially.

URBAN DEVELOPMENT

The Total number of ULBs in Karnataka is 218.

Karnataka is India's 7th most urbanized State in India. As per Census 2011, of Karnataka's 6.1 crore **population, 38.6% (i.e. 2.35 crore) reside in urban areas.**

In terms of urbanization, the State has witnessed an **increase of 4.68 per cent** in the proportion of urban population in the last decade.

The state is expected to reach an urban population proportion of 50% in the next fifteen years (2026).

Table 6.2 Urbanisation in Karnataka Districts, 2011

Top Five Districts Details			Bottom Five Districts Details	
Sl No	District	Urbanisation in %	District	Urbanisation in %
1	Bangalore	91	Kodagu	15
2	Dharwad	57	Koppal	17
3	Dakshina Kannada	48	Mandya	17
4	Mysore	41	Chamarajanagar	17
5	Bellary	38	Yadagiri	19

Source: Census, 2011

URBAN SLUMS

The population living in urban slums in Karnataka has risen from 14.02 lakh (2001) to 32.91 lakh (2011) in a decade. This is a rise from 7.8% of the total urban population of the State being slum-dwellers according to the 2001 Census to 13.9% now.

Bangalore district has 21.5% of the total slum population and every fifth person in the Bruhat Bangalore Mahanagara Palike (BBMP) limits lives in a slum.

An analysis of the 2011 Census data shows that Bangalore is followed by Bellary and Dharwad, which have 6.1% and 6% share of the total urban population in slums, respectively. Udupi, Dakshina Kannada and Kodagu reported less than 1% of the population in slums. Out of 220 statutory towns in Karnataka, 206 (94%) reported slums.

RGRHCL has conducted a survey of houseless and siteless in the State during 2003. Accordingly, 1299789 houseless and 1298813 siteless people have been identified.

During last 3 years 13,741 houses has been constructed as against the target of 73,500 houses and in 2013-14 upto October 2013 3,136 houses have been completed as against the target of 15,000.

There are some surprises when it comes to sex ratio (number of females per 1,000 males) in slums. When all age groups are considered, **sex ratio in the slums of Karnataka is an impressive 1,015, against 973 in Karnataka on the whole.**

While the overall **child sex ratio (0 to 6 age group)** in the State is **948**, it is **significantly higher in slums at 964**.

The **literacy rate in urban slums** has risen from 67.5% in 2001 to 75.6% in 2011, with Gulbarga at the bottom (57.1%) and Udupi at the top (81.1%).

Slum Improvement Programme

Basic Services to the Urban Poor (BSUP)

This programme was launched **to assist cities & towns in taking up housing and infrastructural facilities** for the urban poor .

Among 65 cities in the country, **Bangalore and Mysore cities** from Karnataka State have been selected under this programme.

The main objective of this programme is to provide basic services to urban poor including **security of tenure** at affordable prices, improved housing, **water supply , sanitation** and ensuring delivery of other already existing universal services of the Government for **education, health and social security**.

For BSUP programme, Karnataka Urban Infrastructure Development & Finance Corporation (KUIDFC) has been made as the **nodal agency for monitoring of the scheme** and KSDB as the **implementing agency in the state**.

For the first time in the country , KSDB has adopted Cost effective and Fast Track Construction Technology called **“Foam Technology” for ground floor houses and for G+3 houses Monolithic Shear wall Technology on pilot basis for construction** of dwelling units with infrastructure works under JNNURM-BSUP .

This technology is eco-friendly , results in **reduction in construction cost by 10% and time by 25%**, more stable and long lasting, user friendly and conventional bricks and cement blocks are totally avoided.

Integrated Housing & Slum Development Programme (IHSDP)

For taking up **Housing and Slum up gradation programme in Non-BSUP cities**, IHSDP was launched along with BSUP in December 2005.

This programme combines the existing schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) & National Development Programme (NSDP).

Objective of integrated approach in **ameliorating the conditions of the slum dwellers** who do not possess adequate shelter and basic facilities, **to strive for slum less cities** with a healthy living and good environment and enhance public and private investment in housing and infrastructure development in urban areas.

Central share is 80% and State share 20%. Out of the state share, beneficiary contribution is 10%.

Rajiv Awas Yojana -2011

The objectives of the programme are

- (1) Conducting **socio-economic survey and GIS mapping**.
- (2) Creating conditions of living that are dignified, healthy and productive for all.
- (3) Seriously addressing the **target of affordable housing for all in urban areas**.
- (4) Adopting sustainable strategies that durably **redress the shortage of urban land, amenities** and shelter that lead to the creation of slums.
- (5) Providing housing **on Public Private Partnership**.

(6) **Conducting the IEC activities** to create awareness for health, education, sanitation and training, capacity building and environmental to slum dwellers.

Under this programme Karnataka has been selected to make slum free State by 2017.

There will be an upper ceiling of 5 lakh per DU for cities with population more than 5 lakhs. This ceiling would be at 4 lakhs per DU for smaller cities with population less than 5 lakhs.

Affordable Housing in Partnership (AHP) Scheme:

In order to increase affordable housing stock and as preventive strategy for containment of growth of future slums, Affordable Housing in Partnership (AHP) will be implemented as part of the scheme.

Central support will be provided at the rate of Rs. 75,000 per EWS/LIG DUs of size upto 40sqm for housing and internal development components.

A project size of minimum 250 dwelling units and 35% of the total number of dwelling units constructed with carpet area of 21-27 sqm for EWS category will be considered as Affordable housing projects.

Rajiv Rin Yojana

This scheme enables EWS and LIG to buy or construct a new house or for carrying out addition (of a room / kitchen / toilet / bathroom) to the existing building.

The scheme will provide an interest subsidy 5% for a maximum amount of Rs.5,00,000 for an EWS individual for a house at least of 21 sq.mts. A maximum loan amount of Rs.8,00,000 for a LIG individual will be admissible. However, subsidy will be given for loan amount up to Rs. 5 lakhs only. A beneficiary can build or purchase a house with a minimum carpet area of 28 Sq. mts as per his/her convenience.

Water Supply

The Government of Karnataka came out with an **Urban Drinking Water and Sanitation Policy (UDWSP) in 2002**. The main objectives of the policy are to ensure demand based **universal coverage of water supply, commercial and economical sustainability of the operations** and a minimum level of service to all citizens.

The average number of hours of water supply per day has actually declined- from 9 hours in 2003 to 7 hours in 2006 in Municipal Corporations, (excluding Bangalore) and from 10 to 7 hours in Town Panchayats.

Government has come out with a proposal to **set up a State Urban Water Supply Council (SUWSC)**, which would **oversee** the water supply and sewerage operations of the ULBs, **provide technical assistance** to ULBs and act as an **advisor to the Government**.

It is also envisaged that the Council will play a **coordinating role between ULBs and the Water Boards and also perform regulatory functions.**

It would not be proper for the same body to combine the functions of oversight, monitoring and coordination as well as regulation.

It would be more appropriate to **set up a regulatory authority rather than a council.** The KUWS & DB should be equipped with sufficient technical capacity to guide the ULBs.

Domestic Energy

The census 2011 revealed **that 60% households in the state, 87% in rural areas and 22% in urban areas, use firewood /crop residue, cow dung cake/coal etc for cooking.**

Only 33% of households in the state, 12% in villages and 65 % in urban areas , use LPG/PNG/electricity/biogas for cooking.

So government has to increase the of usage of LPG in rural areas along with removing subsidy for LPG in urban APL.

National Urban Livelihoods Mission

The State Urban Livelihoods Mission will aim **“to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment & skilled wage employment opportunities,** resulting in appreciable improvements in the livelihood on a sustainable basis, through **building strong grassroots level institutions of the poor”.**

Strategy: NULM will adopt the following strategy.

- **Building capacity of the urban poor, their institutions and the machinery** involved in the implementation of livelihoods development and poverty alleviation programmes through handholding support;
- **Building skills to enable access to growing market-based job opportunities** offered by emerging urban economies;
- **Training for and support to the establishment of micro-enterprises** by the urban poor– self and group;
- **Ensure availability and access for the urban homeless population to permanent 24-hour shelters** including the basic infrastructural facilities like water supply, sanitation, safety and security;
- **To address livelihood concerns of the urban street vendors by facilitating access to suitable spaces, institutional credit, social security and skills to the urban street vendors for accessing emerging market opportunities.**

NULM Mission Cities and Target Population

In the 12th Five Year Plan, NULM will be implemented in all District Headquarter Towns and all other cities with a population of 100,000 or more as per 2011 Census. The primary target of NULM is the urban poor, including the urban homeless. The Socioeconomic and Caste Census (SECC), 2011 for identification of urban poor is currently under progress.

Components of the NULM: NULM have the following 6 components

- Social Mobilisation & Institution Development (SM&ID)

- Capacity Building & Training (CB&T)
- Employment through Skill Training & Placement (EST&P)
- Self Employment Programme (SEP)
- Support to Street Vendor (SSV)
- Scheme of Shelter for Urban Homeless (SUH)

Chief Ministers' Small and Medium Town Development Programme (CMSMTDP):

CMSMTDP and NAGAROTHANA programme of Government of Karnataka are being implemented through the Directorate of Municipal Administration (DMA).

The Urban Development Department is the overall implementing agency and DMA will act as a Nodal agency under this programme. The project finance is met out of Government Grants & Market Borrowings by Karnataka Water and Sanitation Pooled Fund Trust

Karnataka Municipal Reforms Project (KMRP –World Bank assisted)

The Karnataka Municipal Reforms Project (KMRP) aims to improve the quality of life of citizens by improving the delivery of urban services and promoting good governance among the urban local bodies (ULBs).

KMRP addresses the need to strengthen institutional and financial frame works in Urban Service Delivery at ULB level.

The Component wise progress is as follows:

Institutional Development Component: (Rs. 102.4 Crore)

This component includes support for implementation of state wide reforms namely **implementation of Double Entry Accrual Based Accounting system** in 158 Urban Local bodies(ULB) and **Computerization of Municipal functions** in 164 ULBs of the State.

A separate “**Municipal Reforms Cell**” under the control of the Directorate of Municipal Administration has been created for this purpose. **The computerization of municipal functions** covers 5 modules namely ULB website, Public Grievance Redressal, Birth and Death Certification and **GIS based Property Tax information**.

This component also supports preparation of **Geo referenced base maps** for 28 urban areas. A dedicated “**Urban Mapping Cell**” has been constituted under the control of Directorate of Town and Country Planning to oversee the implementation.

It is also proposed to **build the capacity of the ULB officials and elected representatives** in identified 21 areas under this component for which the State Institute of Urban Development (SIUD), Mysore has been appointed as the nodal agency

Municipal Investment Component : (Rs. 419 Crore)

This component provides investment support for urban infrastructure improvement in selected 32 ULBs of the State.

Bangalore Development Component:(Rs. 791 Crore)

Bangalore Road Rehabilitation component supports rehabilitation of about 125 kms of core city road network including improvement of foot path, drainage etc.

North Karnataka Urban Sector Investment Programme (NKUSIP)

The North Karnataka Urban Sector Investment Programme (NKUSIP) is the third **Asian Development Bank assisted urban development project in Karnataka.**

The expected impact of the Investment Program is improved urban infrastructure and services resulting in overall improvement of quality of life in the ULBs, where this programme is being implemented.

KIUWMIP:

Government of Karnataka has accorded approval to the implementation of Karnataka Integrated Urban Water Management Investment Programme (KIUWMIP) with the **assistance of ADB for tranche-1 and tranche-2 towns (4 each)**

Under Tranche-1 of the programme, it is proposed to implement 24X7 water supply and improve sewerage system in 3 towns viz., (i) Davanagere (ii) Harihar (iii) Byadagi located in the lower reaches of the “Upper Tungabhadra Sub-basin” (pilot sub-basin), at an estimated cost of \$115 million.

Karnataka Urban Development and Coastal Environmental Management Project (KUDCEMP)

The Karnataka Urban Development and Coastal Environmental Management Project (KUDCEMP) has been **taken up with financial assistance from the ADB** (Loan No. 1704- IND) in the following ten towns of coastal.

The Project consists of the following 6 parts:

Part - A : **Capacity Building**, Community Participation & Poverty reduction

Part - B : **Water Supply Rehabilitation** & Expansion

Part - C : **Urban Environmental Improvements**

Part - D : **Street & Bridge Improvements**

Part - E : **Coastal Environmental Management**

Part - F : Implementation Assistance

Karnataka Urban Water Sector Improvement Project (KUWASIP)

Karnataka Urban Water Sector Improvement Project (KUWASIP) is a project for **reforms in Water Sector and service improvements through Private Sector Participation.**

The first phase of the project has been **implemented with World Bank assistance in three cities viz., Belgaum, Gulbarga and Hubli-Dharwad** for improving water supply services and to demonstrate **24x7 water supply in 5 demonstration Zones.** The project was implemented during the period 2005-2011.

Karnataka Urban Water Supply Modernisation Project (KUWSMP) :

Based on the success of 24x7 water supply Demonstration Project, the proposal of upscaling **24x7 water supply to the entire corporation areas of Belgaum, Gulbarga and Hubli-Dharwad.** The share of the World Bank is 66%.

City Cluster Development:

City Cluster Development (CCD) is an urban led strategy towards promotion of **economic and social development under which closely located areas of human settlements are linked together functionally, structurally and spatially to form an integrated urban region.**

Karnataka Urban Infrastructure Development and Finance Corporation(KUIDFC) have conceptualized CCD around Bangalore on the lines of Asian Development Bank's City Cluster Development guidelines.

Heritage Based Development

The KUIDFC is planning for a state-level heritage based urban development program for Karnataka aimed at **improving the quality of life and socioeconomic development opportunities in heritage towns and cities through the enhanced conservation and management of the state's unique heritage assets.**

The program would be the first-of-its-kind in India.

MASTER PLANNING

Integrating spatial planning with economic development planning

The approach to urban development in the Five Year Plans has been ad hoc and piecemeal.

As pointed out by the **National Commission on Urbanization**, there has been a lack of spatial concern in the planning process, and no efforts have been made to link the process of urbanization with the general pattern of economic development.

Spatial planning deals with a hierarchical system of settlements and plays a vital role in investment decisions depending on the growth potential of different settlements .

The objective of spatial planning is to generate a process of spatial development which optimizes utilization of resources, reduces regional, spatial and economic imbalances , strengthens rural and urban relationships, protects the environment and maintains an ecological balance (NCU).

A **State-level Perspective Spatial Plan must be prepared** highlighting policies relating to the development of the thrust areas of the State like **development of natural resources**, regional development, settlement pattern, **population distribution policy** , **transportation networks**, water and power supply systems, the urban poor, areas of tourist interest and environmental issues.

Regional Development

The **Industrial Policy** of the state aims at industrialization in backward regions and also development of industrial corridors and identifying potential locations to setup industries.

Planning for metropolitan areas

Although Bangalore is the only metropolitan city in Karnataka at present, Hubli-Dharwad and Mysore are fast emerging as metros and as such, it is necessary to plan for orderly development of these three metropolitan areas in the State.

The Expert Committee on the Governance of Bangalore has suggested setting up a Metropolitan Planning Committee (MPC) for the Bangalore Metropolitan Region (8,000 sq. kms) covering Bangalore Urban, Bangalore Rural and Ramanagaram districts.

The composition, powers and functions of the MPC as recommended by Expert Committee may be adopted.

Planning at the city level

Under the Constitution, urban planning and town planning as also **social and economic development and protection of the environment** are functions to be performed by the **urban local bodies**. However, in **Karnataka**, these responsibilities have not yet been assigned to the municipalities.

Under the JNNURM, the Municipalities are expected to prepare a City Development Plan.

The present practice of having a master plan, activity development plan and a comprehensive development plan should be given up. **Only one plan should be prepared at the city level which includes the spatial plan**, development plan and development control measures and such plan should be prepared by the Municipality.

The capacity of ULBs should be enhanced to take on planning responsibilities.

The time frame for different plans will be as follows:

- (a) **A 15 – 20 year Spatial Perspective Plan for the State.**
- (b) **A five year development plan for the district/ metropolitan area.**
- (c) **A five year plan for each municipality with city / town.**
- (d) **Annual plan for the district and the local body** with budgetary allocations.
- (e) Town and Country Planning

New Institutional Arrangements

The present system of **separation of powers between the deliberative wing (the Council) and the executive wing** (the Commissioner and his staff) must be replaced by a **system where political responsibility and accountability go together.**

This is possible only if the executive powers are vested in the elected representatives.

The following alternative proposals can be considered:

- (i) **Directly elected Mayor System.**
- (ii) **Mayor-in-Council System.**
- (iii) **Ward Committees.**
- (iv) **Neighborhood Area Committee (NAC)**

Municipal Reforms Cell –DMA

- Is an exclusive cell dedicated for **municipal reforms.**
- Managed by Senior KAS and KMAS Officers and Professionals hired directly from the market.
- The cell has in house **Data Center with centralized software applications**
- Responsible for business process reengineering, **Design, Development, implementation, O & M** along with monitoring the usage of e-Governance applications.
- Provides in house **hands on training** for ULB, DUDC and DMA officials.

Financing Urban Development:

The ULBs in general are **characterized by low municipal receipts leading to low municipal expenditure and low level of municipal services**. This can be explained by **low elasticity and buoyancy of local taxes, poor tax administration and lack of financial autonomy** for local governments.

It is interesting to note **that the expenditure of ULBs has remained lower than the revenue**. A similar trend is visible in respect of per capita income and expenditure.

For the year 2006-07, there is a **huge difference of Rs.701/-** between per capita revenue of Rs.1141 and per capita expenditure of Rs.440. **Bangalore's per capita revenue and expenditure are one of the lowest in the country.**

The resource base of the ULBs is composed of:

- (1) Own revenue (tax and non-tax)
- (2) Government grants
- (3) User charges
- (4) External assistance (loans)

Government Grants

An analysis of the revenue sources of ULBs carried out by III SFC shows that over 60 percent of their revenues comes from government grants. The dependency ratio of City Corporations and City Municipal Councils is less than 50% compared to Town Municipal Councils and Town Panchayats where it is more than 50%.

An important recommendation of SFC pertains to earmarking of funds for what is known as Global Protection and Global Provision.

Global Protection includes committed expenditure on payment of salaries and pension contribution to municipal employees, shortages in repayment of loans and power sector dues.

Global provision includes items such as shortfalls in the ULB share for water supply and sewerage projects, shortfall in externally aided projects, settlement of arrears of cess and provision for incentivisation funds.

An assessment of the devolution process indicates **that there are delays in implementation of the recommendations of SFC leading to accumulation of undevolved amounts to ULBs. The undevolved amount for 2007-08 stood at Rs.525 crores.**

Secondly, **the State's policy of intervention to protect the interests of ULBs by payment of municipal dues** through SFC devolutions may be well intentioned but it could act as a **disincentive to improving their own revenues.**

It is **suggested that an Urban Finance Framework be developed** in a manner that ensures consistent support in the form of grants and at the same time **link it to the performance of ULBs.**

As against the recommendation of the Second State Finance Commission to devolve annually 8.0% of the NLGRR of the State Government to ULBs, the Government has taken a decision to start with 6.0% of NLNORR in 2005-06 and enhancing this rate by 0.5% every year so as to reach the devolution level to 8.0% of NLNORR by 2009-10.

The basis for devolution was changed from Non-Loan Gross Own Revenue Receipts (NLGRR) to Non-Loan Net Own Revenue Receipts (NLNORR) wherein the receipts from lotteries and cesses are taken off from NLGRR.

Tax Revenue:

Municipalities are empowered to levy taxes on

i) buildings or lands or both (property tax), ii) advertisements, iii) toll on vehicles other than those taxed under Karnataka Motor Vehicles Taxation Act, 1957, and iv) water rate on water supplied by the Municipalities. Property tax is the major source of tax revenue for ULBs, an average of 53% of own revenues.

The ARV system which was in vogue in the state has been replaced by the Capital Value System. The new system is more rational and has come to be accepted by all municipalities.

It is, however, necessary to take **measures to improve tax administration in terms of coverage of properties** (a good percentage of properties escape taxation) and collection efficiency. At the end of March 2009, **arrears to the tune of Rs.160 crores of property tax was outstanding**, (excluding Bangalore) the average collection percentage being 52.

The exemption granted to certain categories such as educational and charitable institutions needs to be reviewed to ensure **that the exemptions are genuine.**

Properties belonging to State or Central government are exempted wherever they are not used for residential or commercial purposes. **There is no reason why government properties should be exempted from taxation.**

At present, a **number of cesses or charges for other services are clubbed with property taxes.** It stands to reason that the property tax is **delinked from other levies** which should be based on their own merit.

Advertisement tax is a good source of revenue in larger cities but has not been exploited adequately.

Pricing of Services – Tariff Policy:

It is now being argued that **services such as water supply, sanitation and solid waste management should be priced on the basis of the cost of provision.** The aim is not just recovering the cost but to ensure that under pricing does not lead to over consumption. At the

same time, it is important to remember that it is the State's responsibility to provide the minimum level of basic services for all sections of the population irrespective of their status and affordability.

Government's policy should be based on **the principle of full cost recovery and compensating the service provider where the weaker sections are to be subsidized.** To the extent possible, **price adjustments could be made through a system of cross-subsidy.** Shortfalls, if any should be made good by the Government through budgetary provision.

It is desirable to set up a Regulatory Authority for municipal services such as water supply, sewerage and public transport. Its functions will include **determination of tariff**

from time to time based on rational criteria and giving due consideration to the principle of equity.

Funding Capital Expenditure:

Capital expenditure is usually met through budget provision and institutional finance. Institutions such as HUDCO and multilateral agencies like ADB and World Bank have been extending financial assistance to ULBs and other urban development authorities to build infrastructure and housing. **Alternative sources of financing that can be tapped are:**

Land as a resource Land is the most productive asset owned by Municipalities and UDAs. They can increase their revenues through:

- a) **Betterment levies**, impact charges, development charges etc;
- b) **Transfer of Development Rights (TDR)**. In Bangalore, TDR has been used to acquire land for the purpose of road widening;
- c) **Parking fee can be a very good source of revenue** in cities where the number of vehicles on the streets is increasing.
- d) **Levy of a fee on tapping of ground water.**

Access to capital markets: Cities like Bangalore, Hyderabad, Ahmedabad etc have raised funds through municipal bonds.

Public-Private Partnership is being increasingly advocated for infrastructure development in recent years. There is a view that business must be made to participate in the process of creating new social assets in the city as social wealth is created over generations and its exploitation for private profit without participation in its creation and upkeep is not fair. A system can be devised whereby businesses are given exemptions or incentives when they create assets such as housing and infrastructure.

Issues and Challenges

In spite of new initiatives, following are the major challenges of urbanization.

- Present Urban Population – 2.36 crore. **The increase in the growth of urban population is 4% over the last decade (0.60 crore).**
- **Migration** from Rural to Urban Areas.

The rate of **urban poverty in Karnataka is now higher than that in rural areas.** It is also higher than the urban poverty rate of several other states as well as the all-India average. Although only a small portion of the urban population in the state lives in slums, the **monthly per-capita expenditure by poor families in Karnataka is lower than in many other large states.**

This challenge is made more difficult to overcome by the fact that the **problems of the poor are now tackled by a number of different government departments** acting independently, rather than a single body with responsibility for their welfare.

- **Growing population widens urban infrastructure deficit** - Water Supply, UGD, Solid Waste Management, Roads and Power.

- Sustainability of **environment**.
- Improving, Monitoring and **Delivery of Public Services**.

Governance issues -

Urban Local Bodies suffer from **two kinds of shortfalls** - one, they do not have the **necessary financial strength or autonomy** that is necessary to develop their capacity for municipal administration, and must therefore rely on State-level funding for their various programs.

Secondly, **only a subset of the various responsibilities given to them under the Constitution has been transferred by the State, and citizens' participation** in the governance of urban areas remains an **unfulfilled promise** (unlike rural areas, where panchayati raj institutions have greatly devolved power to local communities).

ULBs lack the capacity to deal with local planning needs.

- Addressing **Regional Imbalances**.
During the last two decades, the **size and economic role of Bangalore have both become disproportionately high** within the state. This has created a **self-fulfilling cycle** by which even **more new investment** and migrants are attracted to the Bangalore Metropolitan Region.
Even the **second largest urban conglomeration** (Hubli- Dharwad) is much smaller, its **population is only 1/6th of that of Bangalore**.

Questions

1. Which is/are correct statements wrt Urban Slums?

- a. Population living in urban slums has doubled in a decade from 2001.
- b. Sex ratio in the slums of Karnataka is an impressive against Karnataka on the whole.
- c. The literacy rate in urban slums has risen wrt 2001 census.
- d. All the above.

2. Rajiv Awas Yojana aims to

- a. Seriously addressing the target of affordable housing for all in urban areas.
- b. Adopting sustainable strategies that durably redress the shortage of urban land, amenities and shelter that lead to the creation of slums.
- c. Providing housing on Public Private Partnership.
- d. Conducting the IEC activities to create awareness for health, education, sanitation and training, capacity building and environmental to slum dwellers.

3. Rajiv Rin Yojana aims to

- a. Enables EWS and LIG to buy or construct a new house or for carrying out addition (of a room / kitchen / toilet / bathroom) to the existing building.
- b. The scheme will provide an interest subsidy 5% for a maximum amount of Rs.5,00,000 for an EWS and LIG individual for a house.
- c. Both a & b.
- d. None of the above.

4. National Urban Livelihoods Mission aims to

- a. To reduce poverty of urban poor households by access to gainful self -employment & skilled wage employment opportunities.
- b. building strong grassroots level institutions of the poor.
- c. Ensure availability for urban homeless population to permanent 24-hour shelters.
- d. To address livelihood concerns of the urban street vendors.
- e. All the above.

5. North Karnataka Urban Sector Investment Programme is assisted by

- a. Asian Development bank
- b. World bank.
- c. IMF
- d. None of the above.

6. As per the Karnataka urban water management programme which of the following statements is/are correct?

- a. Assistance of World bank for tranche-1 and tranche-2 towns (4 each)
- b. Under Tranche-1 of the programme, it is proposed to implement 24X7 water supply and improve sewerage system in 3 towns viz., (i) Davanagere (ii) Harihar (iii) Byadagi.
- c. Assistance of ADB for tranche-1 and tranche-2 towns (4 each)
- d. Both b & c.

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POVERTY

POVERTY ACROSS STATES

The NSSO tabulates Monthly Per Capita Consumer Expenditure (MPCE) on the basis of three different concepts: Uniform Reference Period (URP), Mixed Reference Period (MRP) and Modified Mixed Reference Period (MMRP).

Poverty line as per Tendulkar methodology is expressed as MPCE based on Mixed Reference Period.

The poverty line for Karnataka is Rs. 902 in rural areas and Rs. 1089 for urban areas, which are slightly higher than national average.

It can be seen from the table that Karnataka Stands 13th position among 20 major States and has highest poverty among southern States both in Rural and Urban areas at 20.91%. Rural poverty is more than urban poverty ratio.

Incidence of poverty has always been less in rural Karnataka than the corresponding estimates for the country except for the year 1993-94.

Urban poor has increased both in Karnataka and all-India between 1993-94 and 2004-05. However between 2004-05 and 2011-12, a remarkable decline is seen in the number of poor and the decline is less by 6% in Karnataka (28.8%) as compared to all-India (34.8%).

Rural Karnataka

For the State as a whole, per capita per month rural median consumption (in 2009-10 prices) increased by Rs.151/- between 2004-05 and 2011-12.

Is this is the effect of employment generation programmes in rural areas??

The increase in the consumption was highest in Coastal and Ghats (Rs. 296/-) and lowest in Inland Eastern (Chickmagalur, Hassan, Kodagu and Shimoga) (Rs. 27/-).

All the regions except Inland northern stand out with levels of consumption being higher than the state average in both the years 2004-05 and 2011-12. Coastal and Ghats and Inland Southern had similar increase in the consumption and also achieved similar decline in the poverty ratio i.e., around 15 percentage points.

Inland Northern, even though had only half of that of the increase in the consumption witnessed same stride in the reduction of poverty between 2004-05 and 2011-12.

The extent of inequality (Gini Ratio) in consumption distribution in rural Karnataka was 27% in the year 2011-12.

Urban Karnataka:

For the State as a whole per capita per month urban median consumption increased (in 2009-10 prices) by Rs. 412 during 2004-05 and 2011-12.

In urban areas **increase was highest in Coastal and Ghats, followed by Inland Southern region (both more than state average)**, during the period 2004-05 and 2011-12.

However, **Inland eastern region witnessed a lowest increase** in consumption i.e., Rs.61/- during the same period.

Extent of poverty reduction in the two regions i.e., Inland eastern, inland southern and were marginal and it was substantial in Coastal & Ghats region (about 28 percentage points).

Inland Northern also had a remarkable decline in poverty i.e., 16 percentage points.

The extent of consumption inequality in Urban Karnataka was 42% in the year 2011-12.

Inequality in nominal consumption distribution in urban Karnataka is much higher compared to rural areas.

This indicates the prosperity of the districts coming under Bangalore division, partly may be due to proximity to the Bangalore city. As expected, inequality is highest in Bangalore division. Poverty is quite low i.e., only 5.5% of the people are below poverty line.

Living Standard across Administrative Division

In Rural Karnataka, **Mysore division not only had highest consumption level but also lowest poverty estimates** indicating prosperity of the division. Even though it constitutes nearly 1/4th of the population it contributed only 12% to the overall poverty.

On the contrary Gulbarga division (only 14% of the urban population) not only had highest poverty but also contributed 36% to the overall poverty.

Incidence of poverty which exceed 35% are found in the districts, **Chitradurga, Bellary, Koppal, Raichur, Gulbarga, Bagalkot and Bidar.**

Table- 7.5 - Incidence of Poverty Vs District Income

	High Income (Income above State median Income)	Low Income (Income below State median Income)
High Poverty (Poverty levels above State figures)	I Dharwad, Bellary Shimoga Udupi	II Belgaum Bagalkot, Bijapur, Gulbarga, Bidar Raichur, Koppal, Gadag, Haveri Chitradurga Davangere
Low Poverty (Poverty Levels below State figures)	III Uttara Kannada Chickmagalur Tumkur Bangalore , Rural Hassan Dakshina Kannada Kodagu Mysore Ramanagar	IV Kolar Mandya Chamarajanagar

Group I districts are of concern since in spite of **district having good income it has not percolated to lower segment of the population.**

However special emphasis is required with respect to the districts in Group II, which are mostly from Northern part of Karnataka as they are restraints from trickledown effect.

Poverty across Social Group

Social group-wise disaggregation indicates that SC and ST group have lowest consumption levels and high incidence of poverty compared to OBC and others. Further it is seen that in rural areas poverty is highest among SC group compared to others. SCs who account only for 18% of the population in rural areas contribute about 27% to the total poverty.

BPL AND ANTHYODAYA CARD HOLDERS

In total as per the **Ration card possession 68.6% are termed below poverty line** and are getting benefits through several programme including Rs1 per KG rice.

Type I error committed by not identifying the household properly as poor is to the **tune of 2.5% in Rural area and 1.7% in Urban areas.**

ISSUES AND CHALLENGES

- **The urbanisation of poverty in Karnataka is witnessed in the recent decade, with higher urban poverty growth rates than rural poverty growth rates.**
- **Poor migrants are a vulnerable class.** They are usually ineligible for social benefits which accrue to the long term residents, and usually do not have a sustaining social network. **Children of migrants face systematic barriers to education** due to absence of documents and proof of residence, as well as due to the mobile nature of their parents' work.
- Where cities experience extreme population pressure and urban environments deteriorate, **street crime increases.**
- **There is also regional disparity in poverty levels.** Belgaum, Bagalkot, Bijapur, Gulbarga, Bidar, Raichur, Koppal, Gadag, Haveri, Chitradurga Davangere have low income and high poverty levels.
Most of these districts are in Northern Karnataka. Further poverty across social/marginalized groups is also a challenge.

Questions

1. According poverty estimates of Karnataka, Which is/are correct?

- a. Karnataka has a poverty ratio of 21.9% with rural poverty more than urban poverty ratio.
- b. Karnataka Stands 13th position among 20 major States and has highest poverty among southern States.
- c. Incidence of poverty has always been less in rural Karnataka than the corresponding estimates for the country.
- d. Inequality in nominal consumption distribution in urban Karnataka is much higher compared to rural areas.

2. Which districts have high poverty and high income in Karnataka?

- a. Dharwad
- b. Bellary
- c. Shimoga
- d. Udupi

3. Which is/are correct statement?

- a. Social group-wise disaggregation indicates that SC and ST group have lowest consumption levels and high incidence of poverty compared to OBC and others.
- b. Rural area SC poverty ratio is highest.
- c. Urban area ST poverty ratio is highest.
- d. In absolute numbers, OBC has the highest poverty ratio.

4. Which districts do not have poverty ratio higher than 35% in Karnataka?

- a. Chitradurga,
- b. Bellary,
- c. Koppal,
- d. Raichur,
- e. Gulbarga,
- f. Bagalkot
- g. Bidar

BALANCED REGIONAL DEVELOPMENT

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

Committee estimated Comprehensive Composite Development Index (CCDI) with appropriate weights and identified 114 taluks as backward taluks.

Out of the 39 most backward taluks in the State, 26 taluks are in North Karnataka, 21 in Gulbarga Division and out of the total 61 relatively developed taluks, 40 are in South Karnataka.

Major Recommendations of the Committee

A) Institutional support to speed up the development

Establishment of a Central University at Gulbarga, a High Court Bench at Hubli and, a Circuit Bench at Gulbarga have been implemented.

A Women's University has been established at Bijapur while action plans are being prepared to establish IT parks in Gulbarga, Hubli and Bagalkot.

The establishment of a Food park, a Textile Park and an Airport is in process in Gulbarga.

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.

The recommendations prescribe a Decentralized planning approach to promote development.

Review of Recent Efforts towards Promoting Balanced Regional Development

Special Development Plan

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.
- To help the planning authorities in preparing action plans with three priorities: First, priority is for most backward taluks which are to be covered in the first two years.

More backward taluks shall have the second priority for the allocation of funds during the next two years and, backward taluks shall have their allocation for the terminal period of the eight-year plan.

Allocations under Special Development Plan

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=1CCDI).**

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 total allocation under Special Development Plan (SDP) since its inception in 2007-08 is Rs.20138.59 crore and the total expenditure is Rs.14639.04 crore as on December 2014. **The share of most backward taluks in total allocations has increased from 23.93% in 2007-08 to 51.80% in 2014-15.**

Normal flow of investment was Rs. 15000 crore.

Total additional investment of Rs. 16000 Crore, the share of Gulbarga 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 Gulbarga Division i.e. 8.06 (8.06/20.26 =40%) which is just equal to the total deprivation of entire South Karnataka.

Implementation of Special Development Plan

The programmes under SDP are **planned on the basis of the requirements sent by the taluks** to the concerned departments.

MIS system has been developed for providing online information about the programmes undertaken under SDP and the physical and financial progress achieved.

A Special Cell has been established in the Planning Department to **coordinate and monitor the implementation process.**

The amount released is 69.45% of the planned allocations but the utilization is 94.82%.

The release of funds is slow under SDP due to the fact that the allocations are made from the provisions under various schemes in Centre/State and District Sectors and further the release depends on the amount received under these schemes.

A total amount of Rs. 12411.68 crore has been spent during the last seven years on development activities in these backward taluks.

Major Achievements under SDP

A. Additional Resource Transfer to Most Backward Taluks

It is observed that the share of most backward taluks in total allocations has increased from 23.93% in 2007-08 to 50.49% in 2013-14.

However, this has to increase to 60% as per the recommendations of HPCRRI Committee.

B. 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;

The major programmes being implemented under this sector include **Rashtriya Krishi Vikas Yojane (Central Sector Scheme), Enrichment of soil fertility (State Sector), and Raitha Samparka Kendras (State Sector).**

(ii) Health;

Action has also been initiated for improvement of health facilities by establishing Suvarna Aarogya Suraksha Trust.

(iii) Education;

The major institutions established in this sector include **the Women's University at Bijapur, Central University at Gulbarga, University of Horticulture Sciences at Bagalkot, Karnataka Veterinary and Fisheries Sciences University at Bidar and Dairy Science College at Gulbarga.**

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 .

Many of the schools that do not have compound wall, play grounds and drinking water and sanitation facilities, are being provided with these on a priority basis in 39 most backward taluks with additional funds under **Pancha Soulabhya programme under Sarva Shikshan Abhiyan (SSA).**

Primary Education-

The overall **literacy rate increased from 40% to 55% Gulbarga, Raichur, Bellary & Koppal District and to 62% in Bidar district** in physical terms it has been successful in constructing more than 2500 School Room Buildings.

(iv) Housing;

Basava vasati yojane (District Sector), Ashraya-SDP , House sites for landless (State Sector), Housing for weaker sections (State Sector), Indira awaas yojana (State share) and V aipayee urban housing scheme (State Sector).

(v) Infrastructure;

Under energy sector , the focus is on provision of **electricity to villages, hamlets and tandas.** Schemes of **Nirantara jyothi and Rural Load Management System (RLMS)** are being implemented.

The **Minor airports** at Bidar, Gulbarga, Bijapur, Belgaum and Hubli are provided with additional funds for completion.

Under SDP , **road development** programme is undertaken in rural areas under the schemes of **NABARD-assisted rural roads and Suvarna Raste Vikas Yojane**.

Road- Since its inception, the Board has been striving hard constantly for increasing the length of the road in the region. It has allocated as high as **56% of its funds for this purpose, which has resulted in the substantial increase in the road length of the region.**

That is way increase of road length is well above of the state for all district of the region except Raichur.

Another notable achievement of Hyderabad Karnataka Area Development Board has been the electrification of as many as 648 villages. Thus it has helped to achieve nearly 100% electrification in villages.

(vi) Irrigation and

Expenditure for irrigation is around 20.1 % of total SDP expenditure during the 11th Five Year Plan.

The Dr. 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 Krishna Bhagya Jala Nigama Limited (KBJNL) for capital works.

Backward Region Grant Fund (BRGF) (2007-2012)

The basic objectives of the programme are as follows-

- Provision of **additional resource transfer to bridge** the local infrastructure gap that **is left unfilled due to shortage of resources** and thus reduce the development gap across the regions.
- **Involvement of people in Planning Process.**
Capacity building of local institutions in decision making process, plan preparation and implementation.
- **Provision of expert assistance to local institutions in Plan formulation & implementation.**
- **Undertaking support activities required for Improving functional delivery of services** through Panchayat institutions.

In Karnataka, the programme is being implemented in six backward districts of **Gulbarga, Yadgir Bidar, Chitradurga, Raichur and Davanagere.**

AREA DEVELOPMENT BOARDS

Hyderabad Karnataka Area Development Board

Hyderabad Karnataka Area Development Board (HKDAB) came into existence following Karnataka Government Act 35 dated December 10, 1991.

Malnad Area Development Board

Malnad Area Development Board came into existence under the Malnad Area Development Act, 1991 on 18.05.1993.

The Board has taken up many initiatives including the formation of **concrete roads in the areas inhabited by the weaker sections**, providing of **safe drinking water** in rural areas especially those affected by fluoride, construction of **foot bridges and hanging bridges** as well as formation of roads.

Facilities provided for sports would play a major role by physical development of the child, which attracts the children to come to Anganawadi. This considerably reduces number of children who keeps away from the School. **This formed the main objective of “Chinnara Loka” in the Anganawadi.**

Another success story is the **involvement of Srikrishetra Dharmastala Rural Development Project [R], in the developmental programs.**

They have been involved in many different programs notable the providing of the **safe drinkling water** in which the board contributes Rs.5.00 lakhs and they contribute an equal amount.

Similarly they have executed the **solid waste disposal system** in Kadaba and Ujire.

In the remote areas, independent Hydro Electric Units have been established to provide electricity .

Bayaluseeme Area Development Board, Chitradurga

Bayaluseeme (Maidan Area) comprises 56 taluks of the State, which have been **recognized as drought prone taluks, and pose special problems of development.**

Out of total amount allocated to the Board 60% shall be utilized for water and soil conservation works and remaining 40% shall be for other developmental works in Bayaluseeme areas.

Karavali Abhivrudhi Pradhikara, Mangalore

Karavali Development Authority is the advisory body to the Government of Karnataka on matters pertaining to the **Comprehensive development of the three coastal revenue districts of Karnataka, namely Dakshina Kannada, Udupi and Uttara Kannada.**

ARTICLE 371J –SPECIAL STATUS FOR HYDERABAD KARNATAKA REGION

Status of Development in the Hyderabad Karnataka region

As per Census 2011,

(i) the literacy rate of the State is 75.36, whereas it is 64.93 in the Hyderabad Karnataka region, much below the State average.

Percentage of drop out of students from Class I to X in the region is 54.09% and the State's average is 30.20%

(ii) the per capita income in the region is Rs. 43,344/- against the State average of Rs. 61,073/-.

The net irrigated area as a percent of net sown area in the region is 26.33 much below the State average of 33.16.

The number of factories in the region is 199 much below the State average of 463.

As regards malnutrition, only 508264 children are of normal weight i.e. 18.4% of the total 2761838 normal weight children in the State, 277639 children are moderately underweight, i.e. 26.06% of the total 1065271 moderately underweight in the State and 13724 children are severely underweight, i.e. 28.11% of the total 48822 severely underweight children in the State.

The region has 363 Primary Health Centres, i.e. only 15.7% of the total number of 2310 PHCs in the State.

Article 371J – Amendment of the Constitution to grant special status to Hyderabad-Karnataka region

Article 371(J)(1) provides for the following –

(1) President may by Order made with respect to the State of Karnataka, provide for any responsibility of the Governor for

(a) Establishment of a separate Development Board for Hyderabad-Karnataka region with a provision that a report on the working of the Board will be placed before the State Legislative Assembly.

(b) Equitable allocation of funds for developmental expenditure over the said region subject to the requirement of the State as a whole and

(c) Equitable opportunities and facilities for the people belonging to the said region, in the matter of public employment, education and vocational training , subject to the requirement of the State as a whole.

The Cabinet Sub-Committee has also submitted draft notifications in this regard to the Hon'ble Chief Minister which was discussed in Cabinet meeting wherein it was resolved to recommend the same to H.E. the **Governor seeking approval of the following notifications**

–

(i) The Hyderabad -Karnataka Region Development Board Order, 2013.

(ii) The Karnataka Educational Institutions (Regulations of Admission in the Hyderabad-Karnataka Region) Order, 2013 which provides for reservation of 70% of available seats.

(iii) **The Karnataka Public Employment (Reservation in Appointment for Hyderabad-Karnataka Region) Order, 2013** which provides for creation of a local cadre and reservation in the Hyderabad- Karnataka Region as under,

Group A Junior Scale 75%

Group B 75%

Group C 80%

Group D 85%

Besides reservation of 8% of the posts in the State level offices or institutions or apex institutions.

(iv) **The Karnataka Private Unaided Educational Institutions (Regulations of Admission in the Hyderabad-Karnataka Region) Order, 2013** which provides for **reservation of 70% of the available seats** in every course of study in any regional university or educational institution referred to in the First Schedule **besides 8% of the available seats in every course of study provided in a State wide university or a State wide educational institution.**

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HUMAN DEVELOPMENT

Human Development Index: Karnataka vis-à-vis other States

Globally, India ranks 119 out of 169 countries with a global HDI value of 0.504 and falls in the category of countries with Medium HD. It falls short of the world average, which is 0.624.

The **Indian states fall either in the category of Medium HD or Low HD** as per the HDR 2010 classification. Kerala, with a global HDI of 0.625, is in the 'Medium HD' category along with Karnataka.

In all India, loss resulting from inequality varies across dimensions and is **highest in education (43%), followed by health and income**. Loss resulting from inequality in education is much higher than the global average of 28% and **loss due to inequality in health is 34%, compared to the global average of 21%**.

Karnataka in human development has been improving over the years in terms of HDI value, despite lowered ranking position of 10 in 2011 as compared to 7 in 2001. Formation of new States could be one of the reasons for the change of ranking position. Among southern states, Karnataka is marginally better than Andhra Pradesh (before the formation of Telangana State). However, Karnataka is way behind Kerala (rank 1) and Tamil Nadu (rank 5).

For overall human development, **Karnataka stands at 9th position after adjusted for Inequality** among 19 major states in the Country during 2011.

The **loss due to inequality is highest in the education sector (43%)** followed by health sector (30%) and income dimension (16%).

Among the southern States, **Karnataka is marginally better than Andhra Pradesh**. However, Karnataka is way behind Kerala (rank 1) and Tamilnadu (rank 5) with respect to all the indicators.

At the international level, Karnataka's position was at 120 while India was at 127. In 2005, the attainment of human development in Karnataka is more or less on par with that of Egypt and considerably above the level of Pakistan, Nepal, Bhutan and Bangladesh. It can thus be argued that **the state is well placed in the context of human development in South Asia.**

The State HDR, 2005 for Karnataka provides GDI estimates for SC (GDI: 0.564) and ST (GDI: 0.527) groups for the year 2004. These are much lower than that for the whole of Karnataka GDI estimate for 2001 (GDI: 0.637).

From Karnataka's **SHDR Report, 2005 it can be inferred that there is a strong correlation between the economic development status of a district and its HDI**, at least where the top and bottom ranking districts are concerned. Districts such as **Shimoga, however, are an exception.**

Shimoga and Davangere districts, for example, which have relatively low levels of income (to the state average), have significantly higher levels of achievement in life expectancy, literacy and enrolment (to the state average). This serves to reinforce the

fact that it is possible to effect perceptible improvements in literacy and health, even if per capita income is not high.

However, **the converse is also found to be true.**

In Mysore district, for instance, where per capita income is comparatively high, the level of achievement in the areas of literacy and health is somewhat low; **Bellary, with its heavy mineral deposits, is ninth in the income index for districts, but has a very poor education index.**

Preparation of DHDR 2014 for all the districts

Various human development indices have been computed using 126 indicators, except the Composite Dalit Development Index (CDDI). The DHDR-2014, prepared by each Zilla Panchayat is being released in the district from March, 2015 onwards.

Development of Indices

The DHDR-2014 will present the following indices, namely:

- i. Human Development Index (HDI) – 11 indicators
- ii. Gender Inequality Index (GII) – 15 indicators
- iii. Child Development Index (CDI) – 3 indicators
- iv. Food Security Index (FSI) – 18 indicators
- v. **District Composite/Composite Taluk Development Index (DCDI/CTDI) – 68 indicators**
- vi. **Urban Development Index (UDI) – 11 indicators, and**
- vii. **Composite Dalit Development Index (CDDI), which is a case study in a selected Gram Panchayat of a district.**

Multidimensional Poverty Index (MPI) – A New Perspective to Measure Poverty

It has **three dimensions mirroring the HDI – health, education and standard of living** (Alkire, Santos, 2011, p. 5) – which are reflected in 10 indicators of multi-dimensional poverty **and intensity of deprivations at the household level**, each with equal weights within its dimension.

Person is identified as poor if he or she has a deprivation score higher than or equal to 1/3 of the (weighted) considered indicators. Eight of the ten indicators are connected to Millennium Development Goal (MDG) 11 indicators.

July, 2010 provides an insight that **55% of the Indian population is poor – deprived in 30% indicators. It is much higher than the official figure of 32.7%.**

The figures on MPI give a clear picture of severity of the problem of poverty, especially **in Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Rajasthan, Orissa and West Bengal.** These eight states occupy last ranks, assigned to the states in ascending order of multidimensional poverty. **The 'MPI poor' people in these states are even more than that of in the 26 poorest African countries combined.**

Among all the major States, Karnataka stands 9th Rank as far as Multi-Dimensional Poverty Index (MPI) concern. It is interesting to note that Karnataka also has same position of 9th rank under inequality adjusted Human Development Index (IHDI).

Gender Perspective of Human Development

Gender Inequality Index measures the inequality in terms of achievements between males and females in three main aspects namely, labour market, reproductive health and empowerment.

India got the rank of 132 amidst of all countries. All the countries in the region of South Asia were ranked higher on Gender Inequality Index. China was also ranked very high on Gender Inequality Index.

However, the Ministry of Women and Child Development (2009) calculated GDI using old methodology for 1996 and 2006 for 35 States / UTs.

The loss in HDI on account of gender inequalities (which is the difference between HDI and GDI) has decreased over the decade, albeit only marginally. Karnataka GDI has gained 0.066 points during 2006 and the GDI score is higher than all-India GDI.

Literacy in Karnataka

A review of growth of literacy during the 2001–2011 decade shows that Karnataka has achieved significant progress. **The literacy rate in the State as per 2001 Census was 66.64%, which increased to 75.60% in 2011.**

Urban male literacy rate in the State has crossed 90%. In contrast, however, rural female literacy rate in the State is yet to cross 60%.

Low female literacy is a proxy for low women's status unemployment/underemployment, poverty levels and low wages. Development programmes of the Government such as MGNREGA need to focus on the districts with low women's literacy rates.

The **performance of the State is slightly higher than that of the national average on every literacy rate parameter.**

Some districts with a lower base rate in 2001, **including Gulbarga (undivided), Bangalore Rural, Bagalkot, Raichur, Kolar, Chamarajanagar, Bijapur and Bidar have crossed the State average growth rate.**

The 11th Plan had set a national target of 85% literacy rate by 2012. Only three districts in the State viz. Dakshina Kannada, Bangalore City and Udupi have reached/crossed this target.

Status of School Education

The Education Department participation in elementary education is significant as 85.18 % of the lower and 66.21% higher primary schools are managed by the Department of Education. **But Education Department participation is low in secondary education as only 31.29 % of the high schools are managed by Government.**

All habitations with a population of 100 and above now have access to a primary school within a distance of one kilometer.

Enrolments

(i) Trends - Enrolments during 2012-13 in primary (Class I to V) and in upper primary (Class VI to VIII) stage is estimated to be 53.78 lakh and 30.17 lakh respectively.

Over the years the enrolment has decreased marginally in the primary stage due to decline in the growth rate of population, and consequent decline in school going age group.

Both gender parity and gender equity are nearing unity in the State. Gender Parity in enrolment at Primary and Upper Primary are 1.01 and 0.99 in Government + Aided schools.

Gender Parity is counted as number of boys and number of girls in school for every 100 boys and girls in population of respective age-groups, taken as a ratio of each other.

Enrolments in the State in 1 to 10 standards have marginally increased from a figure of 100.29 lakh in 2010-11 to 101.12 lakh in 2014-15. This increase is due to gains at higher primary and high school stages. Decrease at LPS is due to fertility effects.

It is significant to note that **82.13 per cent SC / ST children in the State are in Government schools**, and their share in total enrolments is 27.07%.

Is the situation of government-aided primary schools is neglected and dreadful mainly because of such student composition???

Likewise, it is noted that nearly **72.70% of children in schools in rural areas are in the government sector**.

Drop-out Rates

The **dropout rate has increased** from 1.19% in LPS and 4.35% in HPS (during 2011-12) to 2.56% and 5.40% (during 2012-13) respectively.

Most of the out-of-school children were in seven districts of the North Eastern region, namely Bijapur, Bidar, Yadgir, Gulbarga, Koppal, Bangalore North and Bangalore South their summated share being 30,382 children or nearly 70% of the total out-of-school children in the State.

As per the updation survey conducted during December 2012, 22741 children in the age group of 7 to 14 were identified as OOSC. Proportion of SC – 30.04% , ST – 14.41% , Minority –21.29%

Table 12.13: Category wise out of school children covered–Fresh

SC			ST			Minority			Other			Total		
B	G	T	B	G	T	B	G	T	B	G	T	B	G	T
2306	1883	4189	1022	988	2010	1946	1022	2968	2637	2140	4777	7911	6033	13944

Note: proportion of SC – 30.04% , ST – 14.41% , Minority –21.29%

Strategies adopted for Out of School Children:

1. Residential Special Training (Fresh) - 3 month RST These centers are opened during summer holidays.

2. Non-Residential Special Training (NRST)-Fresh

i. 3 month NRST These NRST centers are opened for three months. Special training was given during summer vacation.

ii. School Based Special Training As per RTE, OOSC to be given special training in the school itself, so that the children feel that they are part of the regular system. School based training was organised for 3 months.

iii. National Child Labour Project (NCLP) Schools

As the NCLP schools are run by the labour department an MOU is signed between State Project Director and Commissioner of Labour Department, as per the agreement SSA has extended financial aid to the NCLP residential schools. **After providing special training these children are mainstreamed to the regular schools.**

iv. Madarasa (10 month NRST)

Children who are studying in Madarasa and not getting formal education are covered under this sub-strategy. Rs. 5000/- per child is given to provide snacks, teaching learning materials and honorarium to the EV's.

v. Tent Schools (6 month NRST)

"If children do not come to school, the school should go to the children." These schools are opened for the children who migrate along with their parents in the immigrating places.

3. Seasonal Hostel - 6 months SRST

This facility is provided for the dropout **children due to their parents migration, children stay in the schools** which provides residential facility as a hostel.

Infrastructure

(i) Pancha Saulabhya and Other Basic Facilities under Sarva Shiksha Abhiyan (SSA)

The State government has identified five facilities as most essential for schools. These are drinking water, toilets, playgrounds, compound wall and the school building (Pancha Soulabhya). The State has made significant progress in this regard. **It is observed that there is considerable progress in regard to provision of girls' toilets.**

Teachers

Teacher-Pupil ratio is satisfactory in Government schools, the average PTR being 1:23.37 at the elementary stage.

PTR in private aided and unaided schools is comparatively high at 1:43 and 1:30.77 respectively.

Nali-Kali (Joyful Learning)

All the 45,476 schools in the State have adopted Nali-Kali method of learning-teaching. At a rate of two teachers per school, more than 90,000 teachers have been trained to engage Nali-Kali classes.

Nali-Kali kits that include learning cards have been supplied to all schools.

Kasturba Gandhi Balika Vidyalyas

71 KGBVs have been set up in backward blocks of the State for the benefit of drop-out, disadvantaged, nearly destitute girls.

They are all residential since 2010-11. 7892 girls are enrolled and studying in KGBVs as on March, 2013.

Supplementary Material -

The schools also receive a monthly newsmagazine known as 'Shikshana Vaarthe'.

SC/ST/Minority Community Children

Chinnara Jilla Darshana is a popular programme in the State, normally for children in class VII.

In collaboration with General Thimmaiah Academy 7500 children were exposed to **adventurous and nature study experiences in 3-day camps.**

5940 SC&ST, 1560 minority children, 2424 urban deprived children, comprising rag-pickers, street children, beggars, destitutes, orphans, and abandoned migrants, from 9 districts were provided food, shelter and learning exposure. **1845 of these children were mainstreamed in regular schools.**

Children with special Needs (CWSN):

127553 children were identified in the State out of this **113547 children are enrolled, Children with Special Needs 7315 children with severe disabilities are facilitated with home-based education. 6691 are covered through School Readiness Programme** for the year 2013-14, instead of adventure camp state has given emphasize to conduct Nature study camp for CWSN along with normal CWSN.

Community-based Initiatives

Community-based management of schools is the ultimate level in decentralization of education. **The management of schools by SDMCs is a step in this direction. The shifts have been from participation to involvement and currently, ownership.** SDMCs are extension wings of Panchayats.

Community-Based Initiatives for Minorities :

Sensitisation programmes on the need of enrolment, retention, transition and completion of formal education by children of Muslim Community was held during June and November 2010 for fathers, mothers and religious leaders in separate groups.

Apart from several ICT as well as leadership development programmes operated by the PPU, an action research project on School Community Connect known as 'Namma Shale', is operated in 3 districts (Kalaburagi, Yadgir, Raichur) during 2012-13.

Administration-based Initiatives :

SISLEP: The State Institute for School Leadership and Educational Planning and Management (SISLEP) was established in Dharwad in 2009-10. SISLEP is essentially an institution for capacity building and professional development of educational administrators in the State.

Module regarding Leadership issues for Primary School HMs, titled 'Sangathi' was developed for this purpose.

SECONDARY EDUCATION

With significant gains in primary education, the State has set in motion the planning process for **universalisation of secondary education to achieve the target of 65% enrolment in 14-18 age group in classes 9 to 12.**

The concentration of the secondary schools in the private unaided sector may be one of the reasons for the low access of children from marginalized groups to higher education 43.89 percent of girls are enrolled in Govt. schools, and only 24.91 percent of them study in private unaided schools.

Rashtriya Madhyamik Shiksha Abhiyan (RMSA) :

This scheme was launched in March, 2009 with the objective to enhance access to secondary education and to improve its quality. **The implementation of the scheme started from 2009-10.**

It is envisaged to **achieve an enrolment rate of 75% from 52.26% in 2005-06 at secondary stage of implementation of the scheme by providing a secondary school within a reasonable distance of any habitation.**

The other objectives include improving quality of education imparted at secondary level through making all secondary schools conform to prescribed norms, removing gender, socio-economic and disability barriers, providing universal access to secondary level education by 2017, i.e., by the end of 12th Five Year Plan and achieving universal retention by 2020.

Pre-University Education

The Government participation is more in pre-university education. It is observed that the **number of girl students is more in Government Pre-University Colleges. This indicates the need for expansion of these colleges in future to promote girls education.**

There is a direct relation between percentage of passes at X standard public examination (SSLC) and demand for pre-university education. Results at X standard were between 50% to 60 % till 2007. X standard results suddenly jumped from 2007 onwards and is currently around 60% to 75%.

Still, it is observed that there is an attrition of around 17% to 20% between I and II years of pre-university education. This attrition has implications for expenditure levels across two years.

Career guidance and counseling, if conducted immediately after the announcement of the X standard examination results, may help in reduction of drop outs.

Pass percentage at pre-university is about 59.46% in science courses. It is also seen that girls fare better than boys in II PUC examination.

Collegiate Education

Enrolments for degree courses are not increasing year by year (Tables 13.33 and 13.34). In fact, negative growth has been observed in case of boys in 2010-11.

The male-female ratio which was in favour of boys during 2007-08 to 2009-10 has reversed in 2010-11.

Enrolment in Science courses is very poor as a proportion of total enrolments in general higher education. This is a carry-over concern of pre-university enrolments.

Fresh Initiatives

Naipunya Nidhi is a novel initiative of the Government of Karnataka started in the academic year **2014-15 to empower the youth with lifeskills and social skills enabling them to be industry-ready.**

The Department of Collegiate Education has taken up steps to implement Naipunya Nidhi, the **skill-training programme, for nearly 2.8 lakh undergraduate** students of government first grade colleges in Karnataka.

Technical Education

In 2012-13, there were **a total of 596 technical education institutions in the State which included 210 graduate/PG level engineering institutions and 297 polytechnics under DTE.**

To achieve GER of 15% by 2015, the number of polytechnics in the State has steadily grown and most of them in the backward taluks and districts.

MHRD's National Mission on Education through Information & Communication Technology (NMEICT) :

The **Spoken Tutorial Project, an initiative of the Indian Institute of Technology-Bombay (IITB), as a part of the MHRD's National Mission on Education through Information and Communication Technology (NMEICT), supports the student teacher community in their efforts to train students on software available in open source.**

Rashtriya Uchchatar Shiksha Abhiyan (RUSA) :

This program aims for the **development of higher education in the country by ensuring access, equity and quality.**

Initiated in 2013 by the Ministry of Human Resource Development, Government of India. The centrally sponsored scheme aims at providing strategic funding to higher educational institutions throughout the country.

The central funding (in the ratio of 65:35 for general category States and 90:10 for special category states) would be norm based and outcome dependent.

Its target achievement is to raise the gross enrolment ratio to 32% by the end of XII Plan in 2017.

FOOD SECURITY THROUGH PUBLIC DISTRIBUTION SYSTEM

Anna Bhagya Yojane

Salient Features of Anna Bhagya Yojane

- **Food grain allotment for BPL ration card** is given in the following pattern. 10 Kg for single member card, 20 Kg for two member card and 30 Kg for three or more member cards.
- Depending upon the requirement of BPL card holders, rice and wheat scale of issue has been modified. **2, 3, 5 Kg wheat allotment to 13 districts of north Karnataka and 1, 2, 3 Kg wheat allotments for 17 districts of south Karnataka.**

- 70% of food grain allotment is being released from Central Government. The rest 30% foodgrains are being purchased from the State Government through open market tender, from state food corporation of Chattisgarh and under economic cost. **The cost of this foodgrain per month is approximately Rs.221 crore per month.**
- Prior to Annabhagya Yojane the State Government was purchasing a total quantity of 2,04,144 MT food grains from Food Corporation of India. **After the implementation of this scheme this quantity has been increased to 2,84,000 MT which includes 80,000 Mts of additional food grain.**

In addition to wheat coarse grains like jawar and ragi has been contemplated under PDS. For supervising the distribution of foodgrains vigilance committees have been constituted in different stages.

Social audit -formation of an FPS Committee by each Gram Panchayat -

The Gram Panchayats are encouraged to form a FPS Committee which should include the Members of the existing Vigilance Committees for the Fair Price Shops of the area under its jurisdiction as also the **representatives of the TPDS groups, women and SC/ ST/ OBC panchayat members to keep a watch on the functioning of the FPS.**

AHARAVANI” Toll free No. 1967 facility has been provided to receive complaints with regard to the distribution of food grains in “ANNABHAGYA A YOJANE”.

National Food Security Act-2013 (NFSA)

National Food Security Act-2013 is in force wef. **January-2014 in the State. According to this by removing the concept of BPL and APL families, the concept of “Priority families” and “Non- Priority families” concept can be adopted.**

Under this Act the Central Government has selected 76.04 % population of rural area and 49.36% population of urban area and each these members are availing five kg of foodgrains allotment. In Karnataka State, AAY and BPL cards families has been considered as Priority Families under this Act. According to this Act AAY families are availing 35 kgs of foodgrains and the rest of the Priority Families are availing foodgrains on the bases of unit system.

The Central Government NFSA-2013 and the State Annabhagya schemes are implemented on combination in the State. According to this combined scheme the requirement of food grains every month is 3 lakh MT. But the Central Government monthly allotment of foodgrains is 2,17,403 MT which is lakh of State foodgrains requirement. As such this lakh of foodgrains is met by purchasing rice from Chhattisgarh food corporation and also purchase of rice through NCDEXE auction, levy rice, MSP paddy converted rice.

Antyodaya Anna Yojane (AAY)

The State is implementing the GOI scheme of Antyodaya Anna Yojane (AAY) from **August-2002. Under which the poorest segment of the population** which includes landless agricultural laborers, households headed by widows, terminally-ill persons affected by HIV, households headed by non specified income source old age persons will be the beneficiaries. **Under this scheme so far 1034812 families have been identified and getting the benefit of 35 kgs foodgrains for each such families.**

PaditharaKhatari Scheme

PaditharaKhatari Scheme has been introduced in the state during February -2014. under this scheme availability of foodgrains in fair price shops guarantees from 1st of every month cardholders can draw foodgrains from 1st of every month till 10th during 8-00 AM to 8-00 PM.

It guarantees the foodgrains availability from the first of every month. Other-wise card holders are entitle for compensation.

Health Indicators

Achievements of the Department of Health and Family Welfare Services

1. **IMR has been brought down from 47 to 32 per 1000** live births during 2007-2013.

It is far higher than the eleventh five year plan target of 24 set for the year 2012.

2. **MMR has been reduced from 228 to 178** for 100000live births between 2001-03 to 2007-09

3. **Total fertility rate has been reduced to replacement level** (2 children per couple). The Govt. of India had set a target of total fertility rate of 2.1 to be achieved by 2012. This has already been achieved.

4. **Institutional delivery increased from 65% to 98.1%.**

5. **Fully Immunized children from 80% to 100.85%.** From 2009-10 to 2012-13

6. **No Malaria deaths** have been reported in the year 2013.

National Rural Health Mission

National Rural Health Mission (NRHM) was launched on 12th April, 2005 by the Government of India to improve medical facilities in the rural areas of the country . The NRHM seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections.

The following programmes are implemented under National Rural Health Mission.

- National **Vector Borne Disease Control** programme.(NVBDGP)
- Revised National **Tuberculosis Control** Programme (RNTCP)
- National **Leprosy Eradication** Programme (NLEP)
- National Programme for **Control of Blindness**
- Integrated Disease **Surveillance** Project (IDSP).

Janani Suraksha Yojane (JSY) -

The goals of **JSY are reduction in maternal and infant mortality rate as well as to increase the institutional deliveries of BPL and SC/ST families.**

Under this scheme, besides ensuring maternity services **like 3 antenatal checkups and referral transport, cash assistance** is provided for deliveries taking place both in health institutions and home.

Thayibhagya:

In order to **reduce IMR and MMR in the backward districts** of Bijapur, Bidar, Gulbarga, Yadgir, Raichur, Koppal, Bagalkot and Chamarajanagar, empanelled private hospitals are given an **incentive of Rs.3 lakhs for every 100 deliveries** conducted including surgeries with treatment being free to the patients.

AROGYA KAVACHA 108:

This programme provides free first aid and referral transport in case of medical, police, and fire emergencies.

Madilu:

It is one of the schemes started by the State Government to provide **post natal care for the mother and the child.**

The objective of the scheme is **to encourage poor pregnant women to deliver in health centres and hospitals** in order to considerably reduce maternal and infant mortality in the state.

Under this programme, a kit is provided to women belonging to below poverty line families delivering in Government hospitals.

The benefit is limited to two live deliveries.

Prasooti Araiike:

Under This scheme, **BPL pregnant women (including SC/ST) who undergo deliveries in Government Hospitals are given an incentive of Rs.2000** (including Janani Suraksha Yojane) for getting their nutritional requirement.

MCTS

In order to bring down MMR & IMR, it is essential to provide services to pregnant women & child. As a result of this, **MCTS (Mother & Child Tracking System) was introduced to keep track of services provided.**

Distributing Thaicards to each & every pregnant women & uploading the information of the Thai card in MCTS Portal. **Providing information to ANM regarding the services** to be given to Pregnant Women in the prescribed time & **sending SMS to the beneficiary as to which service she has to avail** & uploading the services provided to Pregnant Women (PW) & Child by sending SMS to the MCTS Portal.

Suvarna Arogya Chaitanya:

This is a unique programme being implemented for the first time in the Country. In this programme, **about one crore school children (both private and Govt. sector) are medically screened and, children needing surgeries are provided surgical treatment free-of-cost in empanelled hospitals.**

Between 2008-09 to 31-12-2014 a total of 10901 surgeries have been done. **From January-2014 onwards the programme was renamed as Rashtriya Bal Swasthya Karyakrama as per Government of India, MoHFW, Instruction.**

VAJPAYEE AROGYASHREE:

GOK sponsored Vajpayee Arogyashree Health Assurance Scheme for BPL families is implemented by Suvarna Arogya Suraksha Trust since 2010 onwards. The scheme provides cashless treatment facility in any network of super specialty hospitals for any of the identified seven tertiary ailments

National Urban Health Mission

The mission aims to provide Health Services to the urban poor, migrant population, Marginalized population.

Weekly Iron & Folic Acid Supplementation for Adolescents

Anemia in India primary occurs due to iron deficiency & is the most wide spread nutrition deficiency disorders in the country today .

Over 55% of both adolescent boys & girls are anemic.

INITIATIVES TO REDUCE MMR:

1. On confirmation that the woman is pregnant, **ANC card is given through Auxiliary Nurse Midwife of the said locality and registered in MCTs.**
2. **4 ANC Checkup** is a must.
3. Supply of **100 IFA Tablets** is compulsory.
4. **Two TT injections are given compulsorily** during pregnancy.
5. If the pregnant woman is found to be **anemic (7gm)** an **addition 100 IFA tablets are given.**
6. If the pregnant woman is suffering from **severe anemic (<7gm)** then she is referred **to the upgraded hospital for injection iron sucrose.**
7. A cash **benefit of Rs 1000** is given under **Prasuthi Araiike** programme for supplementing nutrition.
8. The **pregnant woman is advised to have food with more iron content** and nutrition and is advised to have institutional delivery.
9. **After delivery 100 IFA tablets are given to the mother** to prevent anemia both in mother and the new born.
10. In order to give **24 hours health services, 24x7 facilities** are given in selected Primary Health Centres.
11. As soon it is found that it is a **complicated pregnancy and to give additional facilities 192 upgraded hospitals have been identified in the State.**
12. Advised to **stay compulsorily in the health Institution for 48 hours after delivery.**
13. From the **stage of pregnancy till the delivery, free delivery, drugs, diet, blood** and transport arrangements are made free of cost under **Janani Suraksha Yojane.**
14. Before the mother leaves from hospital to home Government facilities **like madilu, Prasuti Araiike, Janani Suraksha yojane** are given to **BPL/SC/ ST beneficiaries.**
15. The mother is advised on family planning before leaving the hospital for home.

INITIATIVES TO REDUCE IMR:

1. **Integrated Management of Neonatal and Childhood Illnesses (IMNCI)** is implemented in all Districts. The supervision of the activity is being under taken in 8 districts where Government Medical Colleges are functioning.
2. **972 Newborn Care Corners (NBCC)** have been established in 24X7 PHCs.
3. **166 New Born Stabilization Units (NBSUs)** have been established in Taluka Hospitals and Community Health Centres.
4. **33 Special Newborn Care Units (SNCUs)** have been established in Medical College Hospitals, District & District Level Hospitals.
5. **10 Bedded, 32 Nutritional Rehabilitation Centers (NRCs)** and 27 Modified Nutritional Rehabilitation Centers (MNRCs) are functioning in the state.
6. **Screening and Treatment of Retinopathy of Prematurity (ROP) in Premature and Low-birth weight babies** is taken up in the 23 districts.

7. Janani Shishu Suraksha Karyakram (J S S K) is implemented in all Government hospitals. Screening, Investigations and Treatment are free of cost for the infants up to 1 year.

8. Home Based Neonatal Care (HBNC) -Health Workers and ASHA Workers visit at least for a minimum of six times, identify the danger signs among the new borns and guide them to the hospitals in time and in advise the mother about the importance of Breast feeding and age appropriate infant feeding.

9. Infant Death Audit (IDA) review meeting is taken up in all Districts every month in the presence of DC to discuss about the medical & social factors leading to death, and corrective measures to reduce infant death.

KARNATAKA HEALTH SYSTEM DEVELOPMENT & REFORM PROJECT (KHSDRP):

The Karnataka Health System Development & Reform Project (KHSDRP) is a World Bank-assisted project, aims to increase utilization of curative, preventive and Public health services particularly in underserved areas and among vulnerable groups, to accelerate achievement of the health related Millennium Development Goals.

Keeping in view the positive contributions of the project in enhancing health outcomes (reducing maternal & child mortality and communicable diseases) and understanding the need to sustain/continue the innovative programs, an extension of the project is given till March 2016

State's Oral Health Policy:

Under this Policy free dentures to Senior Citizens above 60 years belonging to BPL category will be provided.

AYUSH Health care facilities:

- Providing Panchakarma, Ksharasutra and other special treatment.
- Giving Training to the AYUSH staff, thereby bring AYUSH in to the mainstream.
- Strengthening regulatory mechanism for ensuring quality control.
- Government Central Pharmacy manufactures AYUYSH medicines.
- These manufactured AYUYSH medicines will be supplied to AYUSH Dispensaries, AYUSH Hospitals and Teaching Hospitals.
- Drug controlling Authority regulates Ayurveda, Unani & Homoeopathy drug and cosmetics manufacturers & manufacturing units.

AYUSH Pusti Karyakrama - 2012-13

AYUSH Pusti programme is a pilot project. In this project, it is designed to correct malnourishment children aged between 3 to 6 years.

AYUSH medicines are given in the form of Syrup and Biscuits to correct malnourishment. These Syrup and Biscuits improves digestion as well as appetite and corrects the malnourishment.

AYUSH Grama Yojane 2012-13

Providing AYUSH Health care services to rural people at their door steps. This programme was introduced as a pilot project with 3 years tenure. In this programme is introduced to provide AYUSH Health care from pediatric to geriatric level.

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Issues and Challenges

Education

- **Regional disparities in school education -**

An analysis of the scenario in the districts of Karnataka has shown that some of the **districts of north and north-east Karnataka are not at par with the other districts of State.**

The districts are mainly belong to the Hyderabad Karnataka region and the other districts are Belgaum, Bijapur and Bagalkot.

- **Variations in Literacy:** urban-rural, gender and regional

Key amongst these is the **gap of 17.3% between urban (86.2%) and rural (68.9%) literacy rates.**

A differential of 14.7% in literacy rates between males (82.9%) and females (68.1%) in Karnataka should also be noted, despite the fact that females have recorded a literacy growth rate of 23.8% between 1991 and 2011 as compared to 15.6% for males.

Significant variations in terms of literacy also exist at the district level, ranging from 88.6% in Dakshina Kannada to just 52.4% in Yadgir.

- **Low retention rates and GERs at higher stages of school education**

In 2012-13 the GER in the primary level was 106.81 whereas the **GER in the secondary level was 84.54.**

Karnataka's retention rate at the primary level is 74.8 (2009-10) which compares poorly in relation to comparable states, which all have higher retention rates.

- **Quality of education**

On reading competencies, the **study finds that 85% of class I-II children can read letters, words or more.**

Although it is above the national average, it is less than the levels in states such as Kerala, Maharashtra and Andhra Pradesh.

Of more concern is the fact that **less than 60% of class III-V students can read class I texts, while only 47.5% can do subtraction.**

A composite rank of 15 (out of 35) amongst Indian states and UTs in 2010-11 on the Education Development Index for 2010-11 also highlights the issue of a low quality of school education in Karnataka.

Health

- **Policy related issues**

There is a **lack of human resources management policy.** There is **unavailability of detailed information** (personal data, qualification data, service data, etc.) on health workforce at different organizational levels (State, Region, District, Mandal, and below).

There is **lack of appropriate guidelines for filling specialty positions** in terms of relevant skill, qualification, certification, experience, etc.

Promotions are purely time bound and seniority based and they are not linked with one's performance on the job. A mechanism to capture the performance of officials objectively is missing.

Due to **lack of public health management cadre**, the role of facility management also falls on the medical officer.

As a result, **the medical officer spends more time in administrative duties**, reporting etc. which affects the clinical and outreach services.

- **Human Resources for Health -**

Karnataka has taken many systematic changes to improve the management of human resource such as

(i) cadre and recruitment rules were amended for **creation of specialist cadre**;

(ii) Enactment of Karnataka State Civil Services (Regulation of Transfer of Medical Officers and Other Staff) Act 2011, which has **provision for compulsory posting in rural areas and transfer of specialist to appropriate post**;

(iii) **Special remote area allowance** is being given to encourage personnel to stay in remote areas:

(iv) **Hiring specialist doctors on contract on higher remuneration** to ensure delivery of services.

Despite these efforts, there are shortages and vacancies in manpower at various service delivery units.

- **Programme/scheme design and implementation**

Malnutrition -Karnataka has more than **one-third of its women (35.5%) with Body Mass Index (BMI) less than 18.5 kg/m²**, indicating high prevalence of nutritional deficiency. There is also high prevalence of anaemia among women (51.5%) and children (70%).

There is also regional disparities in nutritional status of women and children, with **Northern Karnataka districts having nutritional levels lower than the State average**.

Non communicable diseases (NCDs) such as Cardiovascular Diseases, Chronic Obstructive Pulmonary Disease, Cancer, Diabetes and Injuries are also a matter of concern. **There is no regular system for collecting data on NCDs** which can be said to be of adequate coverage or quality.

With low levels of education, poor living conditions and inadequate income, **rural migrants are the worst hit in the urban towns and cities**. A single episode of illness pushes them into the cycle of debt and poor health status.

Sanitation – As per Census 2011, nearly half of the households do not have sanitation facilities.

It is a major concern in rural areas where 71.6% of the households have no sanitation facilities.

Drinking water - According to Census 2011, 66.1% of households in Karnataka have tap water connection. Rest of the households have water from other sources

- **Health Finance –**

In the NHP 2002 guidelines, **the states were advised to increase their allocations on health to 7% of their total budget by 2005 and further to 8% by 2010 - the State has fallen short on this aspect.**

Most of the **spending is largely contributed by central funding**; the State needs to improve its funding from the current level to 2.5% of GDP by the end of 12th Five Year Plan.

- **Lack of convergence among the existing health Insurance schemes**

This can result in enhancement of reach, reduction of cost and improvement of quality of healthcare.

- **Inter-sectoral convergence -**

The **convergence takes place between associated departments** like Women Development & Child Welfare, Rural Development, Department of Panchayati Raj, AYUSH, Tribal department, SC/ST department and Education department. **Convergence with the interdepartmental officials is expected to take place at state, district and taluka level.**

- **Poor utilisation of health facilities in the State –**

64% households in Karnataka do not use a government facility, as compared to 47% in Tamil Nadu and 50% in Kerala. The primary reason reported by **51% respondents was a poor quality of care**. The other major reasons were – **facility not being nearby (45%), timing (25%), waiting time (32%) and staff being absent (14%).**

- **Health Management Information System (HMIS)**

There is **no single institution responsible for HMIS for the whole state.**

(ii) **Lack of private sector data** - The data collection in public sector is uniform in nature, but currently there is no mechanism/policy in place for collection of data from private sector.

(iii) **Poor use of health statistics data in decision making.**

There is also **lack of feedback mechanism** in the entire system.

Questions

1. Which is/are correct statement wrt HDI of Karnataka?

- a. Karnataka stands at 10th position without adjusting for inequality and 9th position after adjusted for Inequality among 19 major states in the Country during 2011.
- b. At the international level, Karnataka's position was at 120 while India was at 127.
- c. The loss due to inequality is highest in the education sector (43%) followed by health sector (30%) and income dimension (16%).
- d. All the above.

2. As per the MDI, which is/are correct statement?

- a. Among all the major States, Karnataka stands 9th Rank as far as Multi-Dimensional Poverty Index (MPI).
- b. According to MDI, 55% of the Indian population is poor – deprived in 30% indicators.
- c. Both a&b are correct.
- d. None of the above.

3. As per the 2011 Karnataka literacy report, which is/are correct statement?

- a. . The literacy rate in the State as per 2001 Census was 66.64%, which increased to 75.60% in 2011 which is higher than national average.
- b. Urban male literacy rate in the State has crossed 90%. In contrast, however, rural female literacy rate in the State is yet to cross 60%.
- c. The 11th Plan had set a national target of 85% literacy rate by 2012. Only three districts in the State viz. Dakshina Kannada, Bangalore City and Udupi have reached/crossed this target.
- d. All the above.

4. Teacher to pupil ratio is highest in

- a. Government Primary school.
- b. Private aided school.
- c. Private Unaided school.
- d. None of the above.

5. Naipunya Nidhi programme aims

- a. To empower the youth with lifeskills and social skills enabling them to be industry-ready.
- b. To empower women with lifeskills to increase their financial savings.
- c. To reduce school drop outs for girl child by providing incentives to parents.
- d. All the above.

6. As per the health indicators of Karnataka, which is/are statements are correct?

- a. 1. IMR has been brought down from 47 to 32 per 1000 live births during 2007-2013 as against the target of 24.
- b. Total fertility rate has been reduced to replacement level (2 children per couple). The Govt. of India had set a target of total fertility rate of 2.1 to be achieved by 2012.
- c. Institutional delivery increased from 65% to 98.1%.
- d. Fully Immunized children from 80% to 100.85%. From 2009-10 to 2012-13.

7. Thayibhagya scheme aims to

- a. To reduce IMR and MMR in the backward districts only.
- b. To incentivise private hospitals for every 100 deliveries .

- c . To reduce IMR and MMR in all districts.
- d. Both a&b.

8. Suvarna Arogya Chaitanya objective is

- a. About one crore school children are medically screened and, children needing surgeries are provided surgical treatment free-of-cost in empanelled hospitals.
- b. Scheme only for government school children.
- c. Scheme for both private and Govt. Sector.
- d. Both a &c.

9. Madilu scheme aims to

- a. To provide post natal care for the mother and the child.
- b. To encourage poor pregnant women to deliver in health centres and hospitals.
- c. The benefit is limited to two live deliveries.
- d. All the above.

10. DHDR 2014 will present which of the following Indices?

- a. Human Development Index (HDI)
- b. Gender Inequality Index (GII)
- c.. Child Development Index (CDI)
- d. Food Security Index (FSI)
- e. District Composite/Composite Taluk Development Index (DCDI/CTDI)
- f. Urban Development Index (UDI)
- h. All the above

11. Which social group has highest out of school children?

- a. SC
- b. ST
- c. Minorities
- d. OBC

12. Rashtriya Uchchatar Shiksha Abhiyan (RUSA) 2013 aims

- a. raise the gross enrolment ratio to 32% by the end of XII Plan in 2017.
- b. raise the gross enrolment ratio to 52% by the end of XII Plan in 2017.
- c. raise the gross enrolment ratio to 62% by the end of XII Plan in 2017.
- d. raise the gross enrolment ratio to 82% by the end of XII Plan in 2017.

13. Padithara Khatari Scheme (2014) aims

- a. Availability of foodgrains in fair price shops guarantees from 1st of every month till 10th.
- b. Other-wise card holders are entitle for compensation.
- c. Both a & b
- d. None of the above

14. State's Oral Health Policy 2014 aims to

- a. free dentures belonging to BPL category will be provided.
- b. free dentures to Senior Citizens above 60 years belonging to BPL category will be provided.
- c. Also include free dentures to All Senior Citizens above 60 years.
- d. Both a & c.

15. AYUSH Pusti Karyakrama - 2012-13 aims to

- a. to correct malnourishment in children aged between 3 to 6 years.
- b. to correct malnourishment in adolescents.

- c. to correct malnourishment in women.
- d. All the above.

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GENDER AND SOCIAL EQUITY

Women comprise nearly half the population in Karnataka. According to the recent 2011 Census, women comprise **49.14 % of the total state population**.

Women Empowerment Schemes

A. Stree Shakthi 2000-01

Streeshakthi Groups are formed at the village level to **inculcate the habit of savings and thrift** among its members, so that women are **economically empowered**.

Women belonging to families that are landless or agricultural labourers, and largely SC/ST women who have come together to **form 1.30 lakhs Streeshakthi Groups**.

Upto September, 2013 the **groups had saved Rs.1383.54 crore** since inception. **Bank loans have been availed to the extent of Rs.1440.60 crore** and there has been internal loan circulation to the tune of Rs.3688.62 crore and used for taking up various Income Generating Activities.

Group savings is almost equal to credit linkage from bank. It suggests the effectiveness of SHG!!!

Each Streeshakthi Groups is given a Revolving Fund of Rs. 5,000/- and kit material of Rs.600/- which includes 9 books and zinc metallic trunk.

It has been decided **to enhance the ceiling limit of revolving fund from Rs. 5000/- to 25000/-** in a phased manner starting from 2014-15 to 2017-18 at the rate of Rs. 5000/- per year.

In 2013-14, each district is given Rs.75,000/- **to conduct exhibitions & melas at district & taluk level**. The purpose of this is to facilitate the marketing of products produced by these groups.

Mobile van scheme for marketing products produced by the groups is introduced in 20 districts to encourage marketing at the village level and co-ordinate with the group.

Skill Development Training was imparted to the members of the Streeshakthi Groups based on their interest. So far 95,735 members have been given Skill Development Training.

Impact of the Scheme

- Inculcated habit of savings.
- Self reliant, confident and economically independent women.
- Development of delivery mechanisms for poverty alleviation.

Gaps and constraints:

- **Over dependence of groups on the Department/Government.**
- Existing **supervisory staff is overburdened with other flagship and priority schemes** as a result clusters and federations not properly strengthened.
- **No group dynamics in income generating activities, since it is taken up as individual activity**, seldom taken up as group activity. Hence there is tendency for the groups to brake.

For strong sustainability of the groups is **proposed to establish District Federation so as to delink in hand holding by SHGs** and make them self reliant and independent.

B.Santhwana 2001-01

Santhwana is a scheme aimed at **rehabilitation of women who have been subjected to atrocities like rape, domestic violence, dowry, sexual harassment, etc.**

In addition to **provision of legal assistance**, support is also provided in the form of **financial aid, temporary shelter and protection and training/ education** to equip them with skills needed to get back into the normal course of life.

Udyogini

Udyogini is designed to **promote income generating activities by women and the same is encouraged through loans from banks and subsidies from KSWDC.**

For **special category women, a subsidy of 30% of the project cost** subject to a maximum of Rs. 10000 and for **general category women, a subsidy of 20% of the project cost** subject to a maximum of Rs. 7500 is provided.

Devadasi Rehabilitation Programme

Devadasis are provided with financial assistance by way of 50% subsidy from the Corporation and 50% loan from the banks, for taking up income generating activities with a unit cost of Rs. 20000 in 14 districts of North Karnataka.

In addition, awareness campaigns against this evil system, **formation of self help groups providing microcredit to the groups at 6% p.a. interest and health camps are also being implemented.**

A pension of Rs 500 per month is provided to Devadasis aged above 45 years and houses are constructed for those devadasis who own sites through Rajiv Gandhi Rural Housing Corporation.

Rehabilitation of Transgenders Scheme

To bring the transgenders (Hijidas, Kotis, Jogappas, F to M, M to F, Mangala Mukhi) who were exploited by the Society to the main stream the Karnataka State Women's Development Corporation (KSWDC) Corporation is extending the financial assistance of Rs.20000/- to the beneficiaries and also 3 days entrepreneurship training is given to them for taking up self employment.

Rehabilitation of Sex Workers

Self employment training programme and loan facilities are provided through Nationalized Banks/Co-operative Banks upto a unit cost of Rs.1.50 lakhs and a subsidy of 30% of the project cost or Rs.30, 000/- whichever is less is being extended by the Corporation for those who are willing to come out of their profession.,

Karnataka Mahila Abhivrudhi Yojane (KMAY)

Functioning under the aegis of the Department of Women and Child Development, KMA Y has been one of the first programmes introduced in the Country to **earmark 1/3rd resources for women in individual beneficiary-oriented schemes and labour intensive schemes across various sectors. Since its introduction in 1995-96, 25 departments have been identifying schemes to benefit women.**

Gender based Budgeting

Making a beginning in 2006-07, **gender based budgeting helps to prioritize and orient public expenditure to reflect the concerns of women.**

The schemes are presented in two parts; **Category-A and Category-B.**

Category – ‘A’ presents women- specific budget provisions in which **100% budget provisions are meant for women.**

Category – ‘B’ presents women-specific budget provisions wherein at least **30% provisions are meant for women.**

Children Welfare

Children constitute **11.21% of the population in Karnataka** according to the 2011 Census.

Child Development Programmes

Bhagyalakshmi

Bhagyalakshmi is a flagship programme of the Department is aimed at improving the sex ratio in the State by providing incentive to BPL families having girl child.

This is an umbrella programme for child development aims at providing financial assistance to a **maximum of 2 girl children born in a BPL family**, which will be deposited with the selected **financial partner in the form of bond in the name of the girl child** and the maturity value will be given to the girl child at the age of 18yrs along with accrued interest.

The bond can also be used to get loan from the bank for further education of the girl child.

Balasanjivini 2010 –11

This is a new scheme initiated in the **year 2010-11** to focus on **rehabilitation and treatment of severely malnourished children.** An amount of Rs.750/- is being given to meet therapeutic and medical needs of malnourished children.

Sabala

With the objective of **empowering adolescent girls in the age group of 11-18 years**, **Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)-SABAL** is being implemented in **9 districts of the State on a pilot basis with 100% central assistance for improvement in their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills.**

Kishori Shakthi Yojana (KSY)

KSY is being continued in rest of the 143 ICDS projects **other than 9 districts where SABALA** is being implemented. Under KSY, **180 adolescent girls in each project are given 5 days residential training every year and supplementary nutrition is being provided to 2 adolescent girls in each anganwadi centre.**

Indira Gandhi Matrutwa Sahayoga Yojana (IGMSY)

To improve the health and nutrition status of **Pregnant and Lactating women** and their young infants, IGMSY a Centrally Sponsored Scheme has been introduced in Dharwad and Kolar districts from 2011.

This Scheme envisages providing cash directly to pregnant and lactating women during pregnancy and lactation. It would address short term income support objectives with long term objective of behavior and attitudinal change.

Integrated Child Protection Scheme (ICPS)

For comprehensive development of children who are in need of care, rehabilitation and protection and in conflict with the law, ICPS was launched in 2010-11, with the objective of providing a safe and secure environment in the State.

Financial assistance is provided to children in the form of sponsorship to enable the child to remain in the family environment. This is an effort towards preventing children from becoming destitute or vulnerable, run away from home, forced into child marriage, child labour etc.

District child protection units have been formed in all districts of Karnataka. The Juvenile Justice Act envisages an after care programme for children who needs support after attaining the age of 18 years with an objective of rehabilitating such children and help them to bring them to the main stream of the society.

Track the missing child.gov.in / track child

To track the progress of children of every Child Care Institute in the country, the Ministry of Women and Child Development, Government of India has developed a portal called Track the missing child.gov.in / track child. Karnataka is implementing this programme from June 2013

Child Adoption Resource Information and Guidance System-CARINGS

Child Adoption Resource Information and Guidance System is GOI's dynamic response for a systematic, transparent and friendly adoption process.

Adoption process in Karnataka is done through online using the software - CARINGS developed by CARA.

New Initiatives for the year 2014-15

Special Gram Sabhas

As announced by Hon'ble Chief Minister in 2014-15 Budget Speech, General Gram Sabhas are being conducted in all the Gram Panchayats of the State. Government will facilitate holding of Special Gram Sabhas for women to get their facilities and also to select suitable women beneficiaries under various schemes of development departments.

Special Treatment Units for Women

As announced by Hon'ble Chief Minister in 2014-15 Budget Speech, Special Treatment Units for Women have been set up where in assistance for medical treatment, consultation for police and legal help are provided under a single roof to women victims of atrocities. These units have been set up, one each in all district hospitals of the State.

These units function round the clock and services of Toll free Women's Helpline 181 is available.

Sneha Shivar

This is a new scheme for the year 2014-15, in which 4-5 anganwadi centres in a cluster are selected and parents and care-givers of severely and moderately malnourished

children are given training for 12 days in preparation of nutrition food, feeding practices, health and hygiene.

Further, follow up action is undertaken for 18 days to support to implement the new practices learnt during training. Administrative sanction has been given to implement this scheme in 4 high burdened districts of Bagalkote, Kolar, Bellary and Gulbarga.

Multi - Sectoral Nutrition Programme

To address the problem of under nutrition in maternal and child health 4 high burden districts of Kolar, Bagalkote, Bellary and Gulbarga districts multi-sectoral nutrition programme is being implemented from 2014-15 with the financial assistance from Central and State Government in the ratio of 75:25 .

During 2014-15, GOI has decided to address the maternal and child under nutrition issue. Under this programme, IEC activities, strengthening training programmes, meeting/workshop with related departments, programmes with community interventions will be organized and District nutrition councils will be established in the leadership of District Commissioner.

Nutrition Scenario in Karnataka – Child Malnutrition

There is a marginal increase in the proportion of normal children which stands at 73.86% and marginal decrease in moderately and severely malnourished children with 25.33% and 0.81 % respectively.

The Census of India 2011 has shown a marginal improvement in the sex ratio(973) from 965 in 2001.

Notwithstanding the achievements, Karnataka is much behind other southern states. The sex ratio at 0-6 years range in 948 which is a marginal increase from 946 in 2001

Challenges relating to Women and Child Development

Health and nutrition –

- Maternal and child health continues to be a cause of concern. High level of MMR (178) is still prevalent. Only 71.5% of women have safe deliveries. NFHS-3 also indicates that on an average only 61% of women received any form of post natal care from a doctor or ANM or health visitor within 2 days of delivery .
- IMR (2011) in the State is 38 which indicates that intensive efforts are required from Government, NGOs, and health functionaries if MDG target of 21.8 per 1000 live births is to be achieved by 2015.
- Nutritional status of women and children deserves immediate attention. There is high incidence of anaemia among women (51.5%) and children (70%).

Programme related issues –

ICDS –

- There are infrastructural constraints, of all the AWCs functioning in the State, only (56%) AWCs have their own buildings as of March 2012.

- **Severe vacancies exist across various levels of service delivery** of the scheme. The highest number of vacancies exists at the ACDPO level with 32% vacancies, followed by 17% vacancies at the supervisor level, 15% at the CDPO level.
- **AWWs were reported to be lacking in techniques requisite for provision of non-formal, pre-school education** to the children at anganwadi. Hence the Department should prepare and implement a training programme.
- As per an evaluation survey of ICDS **the effective coverage of the scheme is only 67.5%.**
- Further, there is **no appropriate monitoring and evaluation system** (such as an MIS) wherein project progress can be assessed based on key outcome.

Safety and security -

Child Sex Ratio in Karnataka has declined from 946 in 2001 to 943 in 2011, drop of 3 points in the last decade which is a point of concern.

Political Participation -

Although at the local levels the State has over 50% representation at the Zilla and Taluk Panchayats and 43% at the Gram Panchayat, the representation is **very poor at State and national level.**

Of 225 seats in the Legislative Assembly, only 6 are women (a paltry 3%).

In the State Legislative Council, only 5 out of 75 elected members are women.

The numbers are even more discouraging at the national level – with only **1 woman member from Karnataka elected into the Lok Sabha and 1 into the Rajya Sabha.**

Labour and employment

Karnataka has one of the **lowest wages for casual labour** among the other categories as well as in comparison in India with Rs. 96.91 for males and Rs 62.77 for females.

Early Childhood Care needs policy focus

Though the AWCs have minimum standards and rules regarding most aspects of the services being provided, they **are largely focussing on health interventions. Preschool education services needs more focus** apart from the curriculum i.e., in terms of **training of Anganwadi Workers to deliver quality teaching** and regular trainings to enable them to educate the children.

WELFARE PROGRAMMES FOR SCHEDULED CASTES, SCHEDULED TRIBES

Dr. B.R. Ambedkar Development Corporation (BRADC)

The Government of Karnataka is implementing several programmes for economic upliftment of SC communities through Dr. B.R. Ambedkar Development Corporation. The Progress of important programmes implemented by the Corporation is given below.

I. Self-employment Programme:

The basic aim of the programme is to enable unemployed, underemployed SC persons **to take up income generating activities and thereby improving their economic status** in the society. The Corporation provides financial assistance through banks and financial institutions for setting up of self employment activities.

Features of the scheme are illustrated below:

- For project cost upto Rs.100,000/-, the Corporation sanctions a maximum subsidy of Rs.35,000/- and the remaining amount will be the loan from financial institutions.
- For project cost above Rs.1,00,000/-, the Corporation provides 33% as Subsidy (Maximum of Rs.2.00 lakh), 62% as loan from Banks/ financial institutions.
- For a few selected schemes, Direct Loan is sanctioned by the Corporation after availing loan from National Scheduled Castes Finance and Development Corporation and National Safai Karmachari Finance Development Corporation (NSCFDC & NSKFDC), 5% beneficiary contribution, 20% margin money from the Corporation and the remaining 75% is loan from the NSCFDC & NSKFDC.

II. Land Purchase Scheme

The scheme has been launched during 1990-91 to make the landless agricultural labourers land holders by purchasing lands from non-SC/ST land holders.

Under this scheme, 2 acres of dryland or 1 acre of wetland will be distributed to the beneficiaries. Under this scheme, 50% will be subsidy and 50% as term loan with 6% interest rate which has to be repaid in 10 annual equal installments.

The lands will be registered in the name of women beneficiary of the family.

III. Gangakalyana Scheme

A. Community Irrigation/Lift Irrigation Scheme: Under this scheme, a group of 8 to 15 acres of land belonging to SC landholders will be provided irrigation facility at free of cost by lifting water from the perennial rivers, streams, etc.

B. Individual Irrigation Borewell Scheme:

Individual Irrigation borewells along with pumpsets will be provided to small and marginal SC farmers.

The unit cost of the scheme is Rs.2.00 lakhs, Rs.1.50 lakh will be subsidy and remaining Rs.50,000/- will be term loan from NSCFDC.

C. Energisation of Irrigation Borewells:

Rs.50,000/- per borewell will be provided under the SCSP pooled funds to ESCOMS for energisation of irrigation borewells drilled by the Corporation.

IV. Micro Credit Finance Scheme (Small Loan)

Under this scheme, the beneficiaries of semi-urban and urban areas will be assisted to start their own petty business activities. The unit cost is Rs.15,000/-, Rs.10,000 will be subsidy and Rs.5,000 in loan.

V. Safai Karmachari Rehabilitation Programme:

This is a GOI Scheme, to promote socio economic upliftment of Safai Karmacharies and their dependents by providing financial assistance for income generation activities.

For the project cost upto Rs.1.00 lakh, 50% is subsidy subject to a maximum limit of Rs.25,000 is provided and the remaining amount is NSCFDC/Bank loan. For project cost above Rs.1.00 lakh, 90% is loan from NSCFDC, 5% is margin money from BRADCL and 5% is promoter's contribution.

BACKWARD CLASSES DEVELOPMENT

Devaraj Urs Backward Classes Development Corporation (DBCDC)

In order to improve economic status of the backward classes, various schemes sponsored by the State Government and the National Backward Classes Finance and Development Corporation (NBCFDC) have been implemented in the State by D.Devaraj Urs Backward Classes Development Corporation (DBCDC).

1. Chaitanya Subsidy cum Soft Loan Scheme:

To take up ISB activities like industry, service, business and agriculture & allied activities etc., subsidy and margin money starting from Rs.25000/-to Rs.5.00lakh is being sanctioned in collaboration with the banks to the Backward Classes.

The Corporation releases 30% subsidy for the project cost upto Rs.25,000 and remaining is banks share of loan. For the project cost of Rs. 25,001 to Rs. 1.00 lakh, the Corporation releases 20% margin money and 30% subsidy or maximum of Rs.10,000/- per beneficiary and remaining is bank share of loan. For the projects above Rs.1.00 lakh, the Corporation releases 20% Margin Money and remaining is bank share of loan. The Corporation charges interest at 4% p.a. on margin money.

2. Chaitanya Self employment Direct loan:-

A financial assistance upto Rs. 50000/- per beneficiary is being sanctioned to the members of backward classes whose annual family income is below Rs.40000/- in rural and Rs.55000/- in urban area to enable them to take up self-employment activities such as petty business, service and agricultural and allied activities.

The maximum subsidy under this scheme is Rs.10000/- or 30% of the project cost and the rest is loan at 4% interest rate per annum.

3. Micro Credit Scheme:-

To take up small economic activities, this scheme is being implemented by the Corporation.

Loan and subsidy to skilled/unskilled backward classes families, who are below the poverty line are being assisted.

4. Arivu-Education Loan Scheme:

The Corporation extends educational loan to the students who are studying in the field of Medical and Engineering and other professional courses. The corporation releases an amount of Rs.1.00 lakh per year or actual cost incurred by the student towards admission fees, tuition fee, laboratory fee, examination fee etc. for his/her education. The rate of interest is 2% per annum.

5. Ganga Kalyana Irrigation Scheme:

Individual irrigation: In order to provide irrigation facilities to the backward classes small and marginal farmers whose family income is less than 40000/- per annum are eligible for individual irrigation scheme implemented by the Corporation.

The Corporation is drilling the borewell in the land of eligible farmers, supply pump sets and accessories assist the farmers in getting energisation to the borewells from the Electricity Supply Companies.

Community Irrigation: A group of small and marginal backward classes farmers with 8 to 15 acres of land will be provided community irrigation facilities for those whose family income is less than Rs.40,000/- per annum.

6. Assistance to Traditional Artisans & Occupational Groups.

7. Interest free loan for Higher Education in Foreign Universities.

MINORITIES DEVELOPMENT

Karnataka Minorities Development Corporation Limited, Bangalore.

It was established on 7.2.1986 by the Government of Karnataka for the upliftment of religious minorities educationally, socially and economically who forms 15.69% i.e., 82,93,576, of the population of Karnataka.

In this regard, the Corporation has been implementing the following schemes out of the share capital and grants given by State Government and also the schemes of the National Minorities Development and Finance Corporation, (NMDFC) Delhi in the State. The progress of some important schemes is described as follows.

1. Swavalambana Margin Money Loan Scheme

Under the scheme, margin money loan facilities are provided through various Nationalized Banks/Financial Institutions for business, services, industries and agriculture based activities.

For a maximum project cost upto Rs.5,00,000, 20% of the project cost will be sanctioned by the Corporation as margin money loan @ 6% interest. (The balance is provided by the Banks/Financial Institutions). A subsidy upto Rs.25,000 is also provided by the Corporation.

2. Arivu (Education Loan) Scheme

The Government of Karnataka has introduced "Arivu" (Education loan) Scheme to help the minority students with financial assistance of Rs.5,000/- to Rs.50,000/- per year till completion of professional courses.

3. Ganga Kalyana Scheme (Community Irrigation Scheme)

This scheme is applicable for only small and marginal farmers with 8 acres of land consisting of 3 beneficiaries who are eligible to get 2 borewells and with 15 acres of land consisting of 5 beneficiaries who are eligible to get 3 borewells. This Scheme is entirely a subsidy scheme.

Individual Borewell or Open Well

Under individual borewell scheme, for the beneficiary 2 to 5 acres of land, one borewell will be drilled and pumpset will be supplied. The total cost is Rs. 1.50 lakh this also includes energisation charges. This Scheme is entirely a subsidy scheme.

5. Shrama Shakthi Scheme

Under this scheme, the artisans belonging to religious minorities to encourage the artistic and technical skills, maximum loan of Rs.25,000 will be provided @ 4% interest rate per annum to improve and setup their business. Out of the unit cost, 75% as loan and 25% will be considered as back-end subsidy.

6. Land Purchase Scheme (new Scheme)

The basic objective of the scheme is to improve the productive assets like land among the landless minority farmers. Under this scheme, the landless farmers belonging to the religious minority are eligible for purchase of 2 acres of dry land or 1 acre of wet land in rural areas.

Specifying challenges and the future outlook

All the schemes implementing by the Dr.B.R.Ambedkar Development Corporation are funded through the budgetary support by Government of Karnataka.

The fund allocated by the Government is not adequate compared to the SC population in the state. The Corporation on an average is giving benefits to 40000 to 50000 SCs per annum.

The loans which are granted to SC and ST families for self-employment by Dr . BR. Ambedkar Corporation face challenges of recovery.

Ineffective recovery rates are attributed partly to unavailability of recovery personnel.

The 2010 ERC Report highlights poor implementation of the Ganga Kalyana scheme due to multiple service providers functioning without coordinating with each other while providing services to the same beneficiary .

Poor design, implementation and monitoring of schemes as highlighted above can be attributed to shortage of appropriate staff/personnel across various departments. The Department of Social Welfare is noted to have the second highest number of vacancies at 52% in the State Government.

Education –

The percentage of out of school children is high among ST s, followed by SCs, Muslims and OBCs.

Further, there is a progressive decline in GER figures between Class VIII and Class XII across vulnerable groups and there is low enrolment in secondary and higher education.

Health, Nutrition and Sanitation-

As per NFHS III data, there are high levels of anaemia among ST children (80%) and women (57%), Child Mortality (33.6) and Under-5 Mortality (77.9) compared to other social groups.

Further, the percentage of institutional deliveries at 54.1% also needs attention. The analysis of Body Mass Index (BMI) figures for women, highlights that STs had high prevalence of acute under-nutrition among women (48.7%), followed by SCs (40.6%).

As per Census 2011 data, 68% SC and 71% ST households did not have access to latrines and 24.5% SC households and 24.4% ST households had no bathing facility within their premises.

Safety and Security –

In 2010, **2505 crimes** were reported against SCs and **294 crimes** were reported against STs, **higher than all comparable states except Andhra Pradesh.**

7517 cases were reported under the SC/ST Prevention of Atrocities Act in Karnataka of which 4309 are pending trial and **66 convictions** were ordered out of **2989 cases** disposed.

• Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, allocation and utilization of Financial Resources) Act, 2013

The Act envisages **allocation of state plan outlay to be in proportion to the population of SCs and STs**; to make allocated **funds non-divertible**; to spend for the schemes directly benefiting the SC and ST population and other matters.

In the case of **unspent amount out of allocation in a particular year, the same would be added to the next year allocation** but should not be carried beyond that year.

The Act provides for **constitution of the State Council for development of the SC and the ST people with the Chief Minister to head the council.** The other members are the Ministers for Social Welfare, Law and Parliamentary Affairs, Rural Development and Panchayat Raj, Higher Education and Revenue, five MLAs or MLCs or MPs belonging to SC/ST as nominated by the Government and four other officials of different departments.

Advise the government on all policy matters related to SC/ST sub-plans; suggest measures for planning and implementation of schemes; and approve the annual SC/ST sub-plans proposals of various departments.

The Act also envisages **setting up of a nodal agency headed by the Social Welfare Minister and seven secretaries of different departments** as its members.

Its main **function is to evaluate and appraise sub-plans, prepare sub-plans, review execution of schemes**, identify impediments, co-ordinate with other departments, and directions of the agency would be binding on the departments.

The **district monitoring committee in each district would be responsible for implementation of plans.**

WELFARE PROGRAMMES FOR DISABLED

Sadhane and Prathibe -

Under the scheme, persons with **disabilities are given financial assistance for Sports and Cultural activities** maximum up to Rs.30000/- and 10,000/- respectively or actual expenditure incurred whichever is less.

Grameena Punarvasathi Yojane -

For rehabilitating persons with disabilities, Grameena Punarvasathi Yojane is implemented to provide services like rehabilitation, awareness, Social Security, Educational, Training and Employment and other Government schemes reserved for disabled in various department at the door step of persons with disabilities.

Where one disabled person at the Grama panchayat level as Village Rehabilitation Worker (VRW) at the rate of Rs.1500/- per month and one disabled person at Block level as Multipurpose Rehabilitation Worker (MRW) at the rate of Rs.4000/- per month are engaged on honorarium basis to provide services.

Self Employment Scheme for the Disabled (ADHARA)

Under the scheme a Kiosk of Rs.15000/- will be provided at free of cost and Rs.20000/- interest free loan as working capital to undertake self employment programme such as Petty Shop or any other such business.

Incentive Scheme for those who marry Differently Abled Men and Women -

In the prevailing circumstances men or women are hesitant or reluctant to marry persons with disabilities as they feel that they would face difficulties in the married life due to social stigma. It is essential to encourage integrated marriages among persons with disabilities and their able bodied individuals. In this context under the scheme financial incentive of Rs. 50,000/- is paid to such eligible couple.

- Child Care Allowances towards the Health and Nutritional Care of the new born baby of Visually Impaired Women.
- Establishment of Day Care Centers for Children with Autism and Multiple Disabilities

Issues concerning Disabled

According to a World Bank Report, Karnataka had less than 8% of its schools accessible to disabled and almost 25% of children with disabilities (aged 6 to 13) were out of school.

NIRAMAYA Health Insurance Scheme:

As per the requirement of National Trust Act 1999, NIRAMAYA Health Insurance Scheme for the children belonging to BPL families and suffering from autism, cerebral palsy, Mental retardation and multiple disabilities has been launched during 2014- 15.

The scheme provides the beneficiaries who make a onetime payment of Rs.250 as premium with a medical insurance coverage upto Rs. 1 lakh per year.

SENIOR CITIZENS WELFARE PROGRAMMES

Old age Pension

2012 Indira Gandhi Pension scheme. The age limit has been reduced to 65 to 60 years. For Senior Citizens aged between 60 to 64 Rs.200/- is being paid as old age pension every month.

Sandhya Surasha Yojane

As per Revenue Department order dated: 02-07-2007, maintenance Allowance of Rs.400/- is given to Senior Citizens above 65 years of age.

For the Senior citizens above 80 years of age Rs.750/- is paid as old age pension under sandhya Surasha Yojane and Indira Gandhi National pension schemes.

Indira Gandhi Pension scheme

Under **Indira Gandhi Pension scheme, Sandya Suraksa Yojane, Poor Widow Pension and Handicapped pension** (disability of above 40% and below 79%) received 500/-. Whose disability is 75% and above, Received Rs.1200/- and senior citizens who are above 80 years of age Received Rs.500/- by the end of 5,91,532 beneficiaries are availed benefitted per Annum.

Issues concerning Senior Citizens –

The elderly population in Karnataka is projected to increase from 9.2% in 2011 to 14.5% in 2026. **Similarly, the dependency ratio is projected to rise from 141 in 2011 to 222 in 2026.**

The areas of concern for the elderly pertain to meeting **healthcare needs, keeping pensions in tune with inflation** and cost of living and setting regulatory **standards for old age homes** ensuring there are enough old-age homes which are well equipped to meet the increasing needs of housing for the elderly .

Although the Senior Citizen Act had been passed at the Centre in 2007, tribunals had received only 50 cases approximately since 2009 and the **implementation of the same has been reportedly slow .**

Implementation and Monitoring of Schemes

(i) **Training and Employment for Disabled** - The scheme to train disabled youths in Computer and VCT received an allocation **of more than Rs. 3 crore each year but did not incur any expenditure since 2008.** This indicates inefficiency in functioning of the training scheme.

(ii) **Inadequate Financial Assistance** -The 2011 ERC Report suggests inadequate allocation to financial assistance for physically handicapped, disabled poor, old age pensions and pensions to widows given the **rising costs of living.** Further, **verification procedures need to be strengthened** to ensure that the same beneficiary **does not receive pension/allowance from two separate authorities.**

(iii) **Inadequate Monitoring** - Despite a **government order stating 3% of budgets of all beneficiary oriented schemes to be targeted at the disabled,** there are **no guidelines on fund segregation or monitoring of these benefits to the disabled.** Further, there is need for additional technical staff and infrastructure to ensure implementation of such guidelines.

Questions

1. Santhwana scheme aims to

- a. Santhwana is a scheme aimed at rehabilitation of women who have been subjected to atrocities.
- b. To provision of legal assistance, support is also provided in the form of financial aid, temporary shelter and protection and training/ education.
- c. Both a&b.
- d. None of the above.

2. Karnataka Mahila Abhivrudhi Yojane (KMAY) aims to

- a. To earmark 1/3rd resources for women in individual beneficiary-oriented schemes and labour intensive schemes across various sectors.
- b. To empower women through lifeskill and socialskill programme.
- c. To earmark 50% reservation for women in PRI.
- d. All the above.

3. Balasanjivini scheme aims to

- a. To focus on rehabilitation and treatment of severely malnourished children by giving Rs. 750/-
- b. To focus on rehabilitation of children who have been subjected to atrocities.
- c. To achieve complete immunisation among school going children.
- d. Both a & c.

4. Karnataka Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, allocation and utilization of Financial Resources) Act, 2013, which is/are correct statement

- a. Envisages allocation of state plan outlay to be in proportion to the population of SCs and ST's.
- b. In the case of unspent amount out of allocation in a particular year, the same would be added to the next year allocation.
- c. The Act provides for constitution of the State Council for development of the SC and the ST people with the Chief Minister to head the council.
- d. The district monitoring committee in each district would be responsible for implementation of plans.

5. Special Gram Sabhas is announced in budget 2014-15 for

- a. for SC/ST to get their facilities and also to select suitable SC/ST beneficiaries.
- b. for women to get their facilities and also to select suitable women beneficiaries.
- c. for children to get their facilities.
- d. All the above.

6. Multi - Sectoral Nutrition Programme aims to

- a. To address the problem of under nutrition in maternal and child health 4 high burden districts
- b. Implemented in Kolar, Bagalkote, Bellary and Gulbarga districts.
- c. financial assistance from Central and State Government in the ratio of 75:25.
- d. All the above.

7. Arivu-Education Loan Scheme aims to

- a. educational loan to the BC students of Medical and Engineering and other professional courses.

- b. educational loan to the minority students of Medical and Engineering and other professional courses.
- c. educational loan to the SC/ST students of Medical and Engineering and other professional courses.
- d. Both a & b.

8. Shrama Shakthi Scheme aims to

- a. Artisans belonging to religious minorities to encourage the artistic and technical skills.
- b. Maximum loan of Rs.25,000 will be provided @ 4% interest rate per annum to improve and setup their business.
- c. Out of the unit cost, 75% as loan and 25% will be considered as back-end subsidy
- d. All the above.

9. ADHARA scheme aims to

- a. Kiosk of Rs.15000/- will be provided at free of cost for disabled.
- b. Rs.20000/-interest free loan as working capital to undertake self employment programme .
- c. Both a & b.
- d. None of the above.

10. Sandhya Surasha Yojene aims to

- a. Maintenance Allowance of Rs.400/- is given to Senior Citizens above 65 years of age.
- b. Senior citizens above 80 years of age Rs.750/- is paid as old age pension.
- c. Both a & b.
- d. None of the above.

ADDITIONAL STATISTICS

- **Total no. of Taluks in Karnataka is 176.**
- **Total no. of Towns in Karnataka is 347.**
- **Total no. of Municipalities and Corporations is 219.**
- **Total no. of Gram Panchayats is 5631.**
- **At present Karnataka has 10 City Corporations, 41 City Municipal Councils, 68 Town Municipal Councils and 94 Town Panchayats in the state.**
- **% of Industrial Electricity Consumption to Total Consumption is 29.64%. Agriculture consumption is the highest followed by industrial and domestic consumption.**
- **Primary estimates based on the progress in area coverage under various kharif and rabi crops, likely loss in yield on account of long dry spell / excess rainfall in some parts indicate production of 114.77 lakh tonnes Cereals and 15.24 lakh tonnes of Pulses against the target of 119.13 and 15.87 lakh tonnes respectively.**
- **Oilseeds production is anticipated to be 11.67 lakh tonnes against the target of 14.80 lakh tonnes. Production of cotton is likely to be 20.55 lakh bales against the target of 13.15 lakh bales on account of higher area coverage.**
- **The cumulative irrigation potential under major, medium and minor irrigation (surface water) projects is expected to reach 39.50 lakh hectares in 2013-14 from 38.04 lakh hectares in 2012-13.**
- **In 2013, highest cropped area is Rice followed by Jowar.**
- **Production of crops in tonnes is highest for Sugarcane followed by rice.**
- **Average size of Operational Holdings according agriculture census is 1.55Ha.**
- **The GSDP growth rate of agriculture and allied activities is expected to decrease by 4.5 % in the State during 2014- 15 as against a growth of 9.4% during 2013-14. The fall in the growth rate of agriculture and allied activities during 2014-15 is due to decline in the production of food grains by 3%.**
- **Industry sector is expected to grow at 4.4% during 2014-15, which is higher than the growth rate of 4.2% that was observed in 2013-14.**
- **Service Sector is expected to grow at 8.9% during 2014-15, which is higher than the growth rate of 8.0% that was observed in 2013-14.**

- The **share of Animal Husbandry** in Gross State Domestic Product of Agriculture and Allied activities was **20.51% during 2013-14**.
- The density of live stock in the state was estimated at 151.21 per sq.km and 47468 per lakh human population.
- **India ranks Second in the world (FAOSTAT-Website year 2012) and Karnataka State ranks eleventh among Indian States in milk production.**
- **Karnataka ranks 6th in the marine fish production and 9th position in inland fish production when compared to fish production of the country**
- **Karnataka's degree of openness to export trade has increased from about 40% in 2010-11 to about 47% in 2013-14. This is remarkably higher than that of all India at about 24%.**
- The **Sex Ratio in Karnataka has increased from 965 in 2001 to 973 in 2011. The Sex Ratio for Rural population has increased from 977 in 2001 to 979 in 2011.**
- **For the Urban population, the Sex Ratio has registered a spectacular increase of 21 points, from 942 to 963 in the last decade.**
- **Organized sector employment in the State has increased by 0.5% from 23.64 lakh at the end of the March-2014 to 23.80 lakh at the end of Sept-2014. .**
- **Public sector employment accounts for 10.56 lakh (45%) and private sector for 12.90 lakh (55%), while the former has decreased slightly by 0.3%, the latter has increased by 0.1% between March, 2013 and June 2013.**
- **Karnataka is India's 7th most urbanized State in India.**

KARNATAKA COMPARED WITH INDIA

Sl No.	Item	Unit	Karnataka	India
	Population as per 2011 Census:			
1	Total	'000s	61095	1210570
2	Males	-do-	30967	623122
3	Females	-do-	30128	587448
4	Rural Population	-do-	37469	833463
5	% of Rural Population		61.3	68.8
6	Urban Population	'000s	23626	377106
7	% of Urban Population		38.7	31.2
8	Sex Ratio	Females per 1000 Males	973	943
9	2001-2011 Decadal Growth of Population	Percent	15.6	17.7
10	Literacy Rate	Percent	75.40	73.00
11	Population of SC/ST (2011 population Census)	'000s	14724	305659
12	Total Workers (2011 Census)	-do-	27873	481743
13	Geographical Area (2011 Census)	Lakh Sq.Kms.	1.92	32.87

33	% of Industrial Consumption to Total Consumption		29.64	35.67
17	% of Gross Irrigated Area to Gross Cropped Area (2010-11) Area under Principal Crops (2011-12) :		32.76	44.91
35	Gross Income	Rs.Crore	614607	10472807
36	Net Income	-do-	546001	9299345
37	Gross per capita Income	Rs.	100797	84938
38	Net Per capita Income	-do-	89545	75420

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ANSWERS

AGRICULTURAL AND ALLIED SECTORS

1. b	2. a	3. a	4. b	5. d	6. a	7. a
8. d	9. d	10. a	11. c	12. f	13. c	14. a
15. d	16. d	17. d	18. a	19. a	20. e	21. d
22. d	23. e	24. b	25. c			

INDUSTRY

1. d	2. d	3. e	4. a	5. d	6. a
7. a	8. a	9. a	10. a	11. a	12. c
13. a					

ECONOMIC INFRASTRUCTURE

1. d	2. d	3. c	4. d	5. c
6. c				

NATURAL RESOURCES AND ENVIRONMENT

1. d	2- all are correct	3- d	4- all are correct	5. d	6. a	7. b
8. c	9. d	10. c	11. a	12. a	13. c	14. b

FISCAL DEVELOPMENT AND STATE FINANCES

1. d	2. d	3. c	4. d	5. c
6. b	7. a	8. c	9. a	10. a

STATE INCOME AND PRICES

1. d	2. c	3. c	4. b
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INVESTMENT AND EXPORTS

1. c	2. d	3. a
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EMPLOYMENT AND LABOUR WELFARE

1. c	2. a	3. d	4. All are correct	5. d	6. a
7. a	8. a				

RURAL DEVELOPMENT

1. a	2. All are correct	3. a
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URBAN DEVELOPMENT

1. d	2. All are correct	3. c	4. e	5.a
6.d				

POVERTY

1. All are correct	2. All are correct	3. All are correct	4. All are incorrect
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HUMAN DEVELOPMENT

1. d	2. c	3-d	4- a	5. a
6. All are incorrect	7. d	8. d	9.d	
10. h	11. a	12. a	13.c	
14. b	15. a			

GENDER AND SOCIAL EQUITY

1. a	2. a	3. a	4. All are correct
5. a	6. d	7.d	8.d
9. c	10.c		