

# **KARNATAKA ECONOMIC SURVEY 2013-14**

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# AGRICULTURAL AND ALLIED SECTORS

## LAND UTILIZATION AND OPERATIONAL HOLDINGS

As per the land utilization statistics for 2011-12, out of the total 190.50 lakh hectares geographical area of the State, the net cropped area was 99.41 lakh hectares **accounting to 52% of the total geographical area**. Gross cropped area was 120.59 lakh hectares including 21.18 lakh hectares area sown more than once, **this works out to 121.30 % 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.

**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 2<sup>nd</sup> highest drought region and 2<sup>nd</sup> 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 8.1 Area & Production of Major Crops (Area in lakh ha, Production in lakh tonnes)**

Crop / Group	2013-14 *		2012-13**		Average growth over previous year (%)	
	Area	Prod.	Area	Prod.	Area	Prod.
Cereals	53.14	116.37	50.32	96.02	5.60	21.19
Pulses	25.77	14.18	22.68	13.62	13.62	4.11
Total food grains	78.92	130.54	73.00	109.64	8.11	19.06
Oilseeds	16.61	11.68	14.22	9.00	16.81	29.78
Cotton #	6.14	12.99	4.25	10.38	44.47	25.14
Sugarcane	4.25+1.24	403.75	4.25+1.26	357.32	-0.36	12.99
Tobacco	1.11	1.00	1.08	0.67	2.78	49.25

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

### **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.**

### **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 permanent 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.

### **Bhoochetana**

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 specific **objectives of the second phase of Bhoochetana Programme** 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.



### **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"**.

### **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)**

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.

### **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.

### **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.

## **HORTICULTURE**

### **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.**

### **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 farmer s' 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 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**

- **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 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 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.**

### **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 reelers 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.**

## **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**

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

### **3. National Food Security Mission (NFSM) aims at**

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

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

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

### **5. Bhoochetana programme aims at**

- 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.
- To strengthen the institutional mechanisms such as seed villages, village seed banks, inputs supply, agricultural machinery hiring centers, farm extension through farm facilitators.
- To assess the impact of climate change in different agro-eco regions.
- All the above.

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

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

### **7. Amruthabhoomi Yojane aims at**

- Organic farming Promotional Programme.
- To encourage farmers to cultivate medicinal plants.
- To promote zero pesticide farming.
- 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. 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**

## **Industrial Policy Initiatives and Industrial Investment**

The State's current industrial policy (2009-2014) has been introduced for a period of five years with effect from 1<sup>st</sup> April 2009. The policy has the major objectives of

- (i) **Building a prosperous Karnataka by developing human and natural resources** in a systematic, scientific and sustainable manner
- (ii) Creating an **additional employment of 1 million with an investment of Rs.30000 crore** in the industrial sector by the end of 2014
- (iii) Creating enabling investment for robust industrial growth and achieving **inclusive industrial development in the State** and
- (iv) Enhancing the contribution of **manufacturing sector to the State GDP from the present 17% to 20% by the end of March 2014.**

## **Manufacturing Sector**

Karnataka accounted for 5.07% of the total number of registered factories in 2010-11 in the country. The **contribution of registered factories of Karnataka stood at 6.76% of total fixed capital, 6.10% of total output, and 5.86% 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.

### **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 are as 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 ITpolicy looks beyond Bangalore**

- The new policy , offers **incentives and exemptions to facilitate existing & new firms to set up software or hardware development centres in tier-2 & tier-3 cities in the state**, with a potential to create a million jobs over the next seven years.
- Besides a **single-window agency for expeditious approvals**, the policy provides **stamp duty exemption, concession in power tariff & extends exemption from the state labour laws** under the Industrial Employment Act for **another five years.**
- The **stamp duty exemption will be 100% for investments & concession on power tariff will be Rs.2 per unit** for units that will be **set up in tier-two and tier-three cities** such as Belgaum, Gulbarga, Hubli, Mangalore and Mysore.

- The **single-window agency is headed by the IT minister**. 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**.
- 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**.

### **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.

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## **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.

### **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.

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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 30.09.2013 **was 13934 MW**. The installed capacity in the public sector was 8404 MW (including CGS allocation) and the private sector's share was 5718 MW.

**The private sector capacity includes mainly the renewable energy sources of power generation with a share of nearly 60%.**

The status of the installed capacity of **hydel power generation as on 30-09-2013 includes share of 26%** in total installed capacity. This share increases to 31% if mini-hydel is included.

**The contribution from wind power is the third highest at 2228 MW after hydro and coal thermal.**

**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**

(T&D Losses) **Karnataka's power sector has reduced its T&D losses from 29.6% in 2005-06 to 20% in 2012-13.**

### **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**

**Agricultural sector (water pumping through irrigation pumpsets) accounted for highest share** of electricity consumed with a share of 37.22% with **domestic occupying a distant second** position with a share of 19.94%.

However, in terms of paying for the electricity , the agricultural sector pays the least whereas 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 2011-16 for giving impetus to exploitation of solar energy**. Wind energy accounts for major share in the capacity.

**Table 12.23 - Capacity additions under Renewable Energy**

Sources	Capacity addition during 2011-12 (MW)	Capacity addition during 2012-13 (MW)	Capacity addition during 2013-14 (MW)(upto 30th Sept.2013)
Wind Power	215.05	201.65	46.40
Small/Mini Hydro	34.85	51.01	26.40
Co-generation	184.00	180.00	58.00
Solar	3.00	5.00	10.00
Biomass	0	2.50	0
<b>Total</b>	<b>436.90</b>	<b>440.16</b>	<b>140.80</b>

**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
<b>All Roads</b>	<b>231997</b>	<b>231997</b>

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.

### **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.

### **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 12.40: Category wise Bank Branch network - year ending**

Sl. No	Banks	March 2011	March 2012	March 2013
1	Commercial Banks	5122	5610	6052
2	Regional Rural Banks	1256	1374	1460
3	Karnataka State Co-operative Apex Banks	38	40	40
5	KASCARD	177	177	178
6	DCC Bank	608	615	630
7	Karnataka Industrial Co-operative Bank	38	38	38
8	KSFC	29	31	32
<b>Total</b>		<b>7268</b>	<b>7885</b>	<b>8430</b>

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.

## Issues and Challenges

### Power Sector

- **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

- 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.

### 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.

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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 2011-16 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.

# **NATURAL RESOURCES AND ENVIRONMENT**

## **Area under forests**

**22.61% of the State's geographical area is under forest cover.**

**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
	<b>Total</b>	<b>43356.45</b>	<b>22.60</b>

The estimates of Forest Survey of India (FSI 2011) on the basis of satellite data show that the recorded forest area of the State is 36194sq.km, which is lower than the State's estimates. Thereby, about **18.87% of the geographical area is under forest cover.**

Uttar Kannada has highest forest cover 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
	<b>Total</b>	<b>100.00</b>

## **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.**

**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.

### **State Sector Plan Schemes in the wake of climate change**

#### **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 -**

**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.

#### **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 benefaction 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 benefaction 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

### **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 .

## 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.**

### **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.

## **CLIMATE CHANGE**

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.

It is predicted that regions that **already witness less rainfall and higher temperatures, such as northern Karnataka, will further experience lesser rainfall and increases in average temperatures.**

### **GHG emissions**

For Karnataka, annual emissions of the major three greenhouse gases are estimated at 80 million tons of CO<sub>2</sub> -equivalent (or 4.6% of India's emissions).

In this, **CO<sub>2</sub> 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%

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## **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 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. In terms of sectoral distribution GHG emissions is highest by**

- a. Industry.
- b. Electricity generation
- c. Agriculture and allied sectors.
- d. Transport.

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# **FISCAL DEVELOPMENT AND STATE FINANCES**

The **State's fiscal deficit has declined marginally** from 2.93% in 2012-13(RE) to the level of **2.90% of GSDP** in 2013-14(BE) .

## **Tax Revenue**

**The State's revenue receipts have increased to 16.20% of GSDP.** Revenue receipts have grown primarily due to growth of tax revenue with the State having an overall revenue surplus.

**Sales tax/VAT is the main source of tax revenue** comprising about 53.77 % of own tax revenue in 2013-14, 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 2013-14.** 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.

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

Total Tax receipts is 97986.38 crore (2013-14)

## **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.20109.42 crore in 2013-14 (BE) accounts for an increase of 14.88 % over the 2012-13 (RE) level.

## **Expenditure**

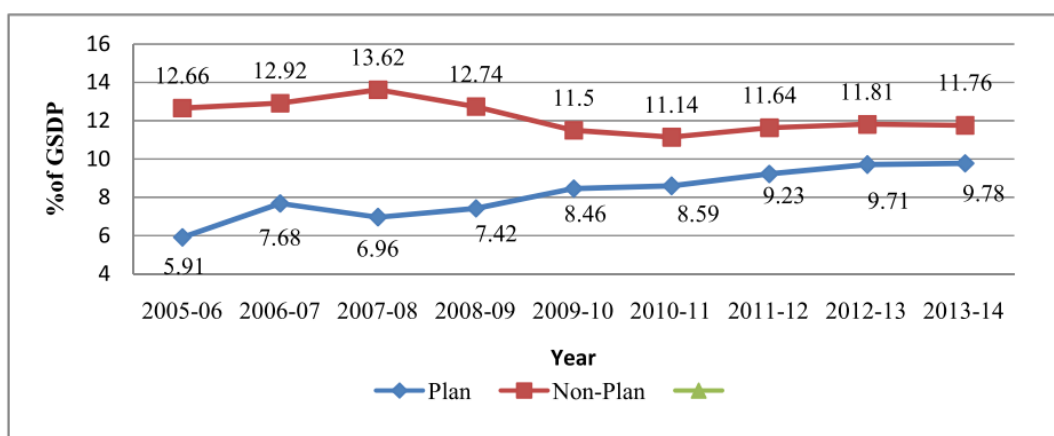
**Developmental Expenditure as % of total expenditure 70.65%.** Non-development expenditure is expected to increase to Rs.34643.31 crore in 2013-14 from Rs.28902.96 crore in 2012-13, accounting for 19.86% share in total expenditure.

**The State' expenditure on social services as a share of GSDP has grown while the share of capital expenditure decreased** from 3.70% of GDSP to 2.93% of GDSP during the same period; 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.**

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

## **Trends in the share of plan and non-plan expenditure**

**Figure 3.11- Plan and Non Plan Expenditure as a Percent of GSDP**

It can be seen that there has been a gradual increase in the non-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 95 percent of the total uncommitted revenue receipts i.e. total revenue receipts minus tied grants from Government of India.

Hence, only 5% 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**

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.

Plan expenditure also has revealed an impressive growth over the years and the State has **one of the highest per capita plan expenditure in the country at Rs.6693 in 2012-13.**

### **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**

### 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 -**

In spite 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.**

#### **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.

## **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.



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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

### Sectoral Composition of Gross State Domestic Product

A marginal decrease in the composition of GSDP of agriculture & allied activities and industry sector is evident from 14.90% and 26.16% in 2012-13 to 14.10% and 22.50% in 2013-14 respectively. At the same time, the marginal increase in the composition of service sector from 58.94% to 61.40% is very apparent.

**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.86788 during 2013-14** as against Rs.77309 in 2012-13 with an increase of 12.3%.

The level of **per capita income at constant (2004-05) prices for the year 2013-14 is estimated to increase to Rs. 44857** as compared from Rs. 43075 achieved in 2012-13.

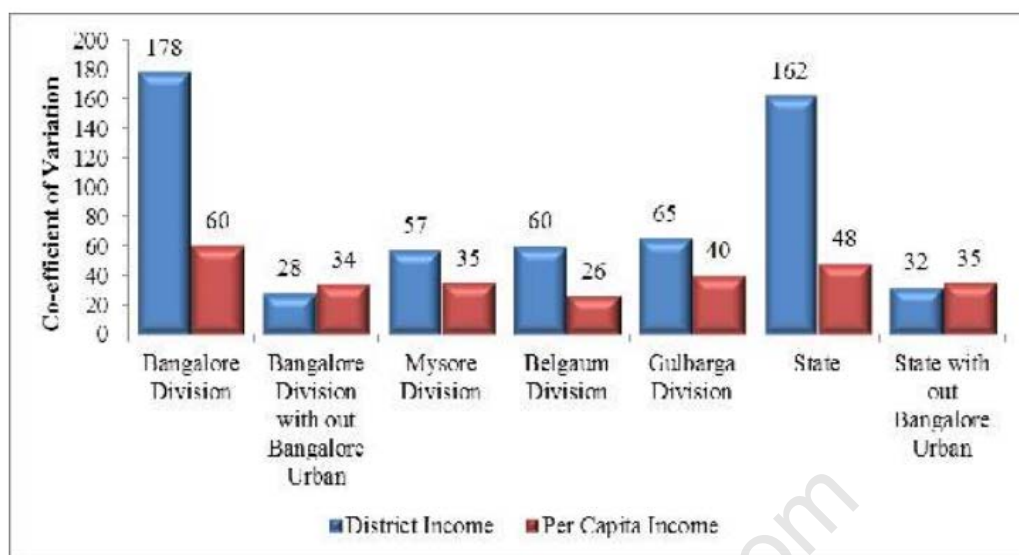
Gulbarga division comprising Bidar, Gulbarga, Yadgir, Raichur, Koppal and Bellary districts stood lowest in the per capita income.

**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 2010-11**



### Inter State Comparison

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

## **Questions**

**1. According to 11<sup>th</sup> 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 11<sup>th</sup> 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.

# **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.**

## **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.**

### **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.258368 crore in 2012-13 which constituted about **12.69% 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 48.4% in 2012-13.**

**Exports of electronics and computer software constitute the largest share in the State's exports. Its share was of the order of 60% in 2012-13 and continues to account for the largest share.**

The other commodities which have substantial share in Karnataka's exports in 2012-13 are Petroleum and petroleum products (13.13%) and Gems & Jewellery(9.48 %).

**These three commodities account for about 83% of Karnataka's exports.**

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

## **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 11<sup>th</sup> 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!!!!**

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**.

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/-.

### **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 10<sup>th</sup> 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.**

## **Questions**

### **1. 2. According to 2011 Census, which is/are correct statement wrt Karnataka?**

- Total Workforce participate rate has increased due to increase in female WPR.
- Total Workforce participate rate has decreased due to decrease in female WPR.
- Total Workforce participate rate has increased but female WPR has decreased.
- Total Workforce participate rate has decreased but female WPR has increased.

### **2. According to 2011 Census, which is/are correct statement wrt Karnataka?**

- The proportion of male main workers has decreased whereas, the female main workers has increased.
- The proportion of male main workers has increased whereas, the female main workers has increased.
- The proportion of male main workers has increased whereas, the female main workers has decreased.
- None of the above.

### **3. Which is/are correct wrt to Labour Force Participation Rate (LFPR) and WPR ?**

- 43% of population belonged to the labour force in Karnataka, which is higher than all India, Kerala and Gujarat.
- 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 LFPR is more in rural areas than in urban areas of Karnataka.
- All of the above.

### **4. Which is/are correct statements wrt Employment rate?**

- During the period 2005-2012, the available estimates indicate a steep decline in the growth of employment.
- Over the years self employment base and regular employment is gradually increasing, casual employment share gradually decreasing.
- In urban Karnataka, the share of regular salaried among female workforce is higher than that of male workforce.
- 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)?**

- The UR in Karnataka of all persons as per the current daily status is lower than the all India and other southern states.
- 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.
- 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.
- All of the above.

### **6. Sandhya Suraksha Yojane aims to**

- 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.
- 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

Various housing schemes are:

- **Rural Ashraya/Basava Vasathi Yojane**
  - **Ambedkar Housing scheme**
  - **Indira Awas Yojana**
  - **Urban Ashraya Scheme**
- ***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.**

## RURAL INFRASTRUCTURE PROGRAMS

- **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 2235 unconnected habitations.**

### **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.

### **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.

### **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 Panchayats 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).

### 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.**

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 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.

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.

### **Rajiv Awas Yojana**

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.

### **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.

### **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.

### **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)**

### **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.

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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)
<b>High Poverty (Poverty levels above State figures)</b>	I Dharwad, Bellary Shimoga Udupi	II Belgaum Bagalkot, Bijapur, Gulbarga, Bidar Raichur, Koppal, Gadag, Haveri Chitradurga Davangere
<b>Low Poverty (Poverty Levels below State figures)</b>	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. **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 ajpayee 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 drinking 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%.**

For overall human development, **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.

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.**

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.**

### **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.

### **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.**

### **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.**

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.**

### **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 Vidyalayas**

**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.**

### **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.

## **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 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.

## **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”.**

#### **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.

### **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 Araike:**

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 Thayicards** 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.**

### **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.

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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/m<sup>2</sup>**, 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?**

- 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.
- At the international level, Karnataka's position was at 120 while India was at 127.
- The loss due to inequality is highest in the education sector (43%) followed by health sector (30%) and income dimension (16%).
- All the above.

### **2. As per the MDI, which is/are correct statement?**

- Among all the major States, Karnataka stands 9th Rank as far as Multi-Dimensional Poverty Index (MPI).
- According to MDI, 55% of the Indian population is poor – deprived in 30% indicators.
- Both a&b are correct.
- None of the above.

### **3. As per the 2011 Karnataka literacy report, which is/are correct statement?**

- 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.
- 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%.
- 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.
- All the above.

### **4. Teacher to pupil ratio is highest in**

- Government Primary school.
- Private aided school.
- Private Unaided school.
- None of the above.

### **5. Naipunya Nidhi programme aims**

- To empower the youth with lifeskills and social skills enabling them to be industry-ready.
- To empower women with lifeskills to increase their financial savings.
- To reduce school drop outs for girl child by providing incentives to parents.
- All the above.

### **6. As per the health indicators of Karnataka, which is/are statements are correct?**

1. IMR has been brought down from 47 to 32 per 1000 live births during 2007-2013 as against the target of 24.
- 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.
- Institutional delivery increased from 65% to 98.1%.
- Fully Immunized children from 80% to 100.85%. From 2009-10 to 2012-13.

### **7. Thayibhagya scheme aims to**

- To reduce IMR and MMR in the backward districts only.
- 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.

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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**

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**

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.

### **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.**

### **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 –**

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.

## **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**

### **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.

### **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.**

## **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.

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## **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.

## **ADDITIONAL STATISTICS**

- 1. Total no. of Taluks in Karnataka is 176.**
- 2. Total no. of Towns in Karnataka is 347.**
- 3. In 2011, highest cropped area is Rice followed by Jowar.**
- 4. Average size of Operational Holdings according agriculture census is 1.55Ha.**
- 5. Total no. of Municipalities and Corporations is 219.**
- 6. Total no. of Gram Panchayats is 5627.**
- 7. % of Industrial Electricity Consumption to Total Consumption is 25.16%**
- 8. A marginal decrease in the composition of GSDP of agriculture & allied activities and industry sector is evident from 14.90% and 26.16% in 2012-13 to 14.10% and 24.50% in 2013-14 respectively . At the same time, the marginal increase in the composition of service sector from 58.94% in 2012-13 to 61.40% in 2013-14.**
- 9. The State's food grain production is likely to be 130.54 lakh tonnes against the target of 130.00 lakh tonnes in 2013-14.**
- 10. 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.**
- 11. Karnataka State ranks eleventh among Indian States in milk production.**
- 12. Karnataka's degree of openness to export trade has increased from 47% in 2011-12 to 48.4% in 2012-13, which is remarkably higher than that of all India of 20.3%.**
- 13. 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.**
- 14. Organised sector employment in the state has decreased by 0.1% from 23.49 lakh in March 2013 to 23.46 lakh in June 2013.**  
**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.**
- 15. Karnataka is India's 7th most urbanized State in India.**

# 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	

## INDUSTRY

1. d	2. d	3. e	4. a	5. d	6. a
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## ECONOMIC INFRASTRUCTURE

1. d	2. d	3. c	4. d	5. c
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## NATURAL RESOURCES AND ENVIRONMENT

1. d	2- all are correct	3-d	4- all are correct	5. d	6. a	7. b
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## FISCAL DEVELOPMENT AND STATE FINANCES

1. d	2. d	3. c	4. d	5. c
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## STATE INCOME AND PRICES

1. d	2.c	3. c
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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
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## RURAL DEVELOPMENT

1. a	2. All are correct	3. a
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## URBAN DEVELOPMENT

1. d	2. All are correct
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## 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	

### **GENDER AND SOCIAL EQUITY**

1. a	2. a	3. a	4. All are correct
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