

## Chapter 33

### Recommendations

1. The High Power Committee for Redressal of Regional Imbalances [HPC FRRI] has tried its best to study the problem of imbalances in the State as comprehensively as possible within the limited time available to it. On the basis of its analysis of imbalances measured in terms of the level of the physical facility or service below the State average, approach to backwardness, review of the trends in disparities at the district level in terms of per capita income, poverty ratio, human development, overall development, study of imbalances from the deprivation end, detailed analysis of the resources and infrastructure covering work force, agriculture and allied activities including horticulture, forestry, sericulture, fisheries and animal husbandry, all means of transport, industrial progress, irrigation development, health, education, rural and urban water supply and sanitation, urban development and housing, commercial banks, co-operative system, all India financial institutions, State financial institutions, externally assisted projects, role of science and technology, representation in public services, committees, sports and cultural organizations, tourism, functioning of regional boards, weaker sections, social security and women development, the HPC FRRI has given its detailed recommendations in the different chapters of this Final Report. Financial aspects governing our recommendations have been discussed in the Chapters on **Special Eight-Year Development Plan** and Financing of this **Special Plan**. The Committee's observations, which have a bearing on the policy and programmes, have also been included here. All these have been brought together in this Chapter to provide easy reference.

2. HPC FRRI recommends the following for redressing or reducing the imbalances that obtain in the State from district to district, intra-district, intra-region and between North and South Karnataka:

#### Part I: Disparities and Deprivation

##### Regional Development Policy

3. Growth with social equity and balanced development should not be ignored in any anxiety to achieve and maintain a high growth rate in the State. A more even distribution of benefits of development should be a major objective. For this purpose, the State will have to formulate a regional development policy accepting reduction of inequalities from district to district, from region to region and also intra-district and intra-region as a major objective of development both under the state plan and in the private sector.

4. While preparing the draft Annual Plan or a Five Year Plan, reduction in regional imbalances should receive proper attention both in conception and in developing the proposals. For this purpose, the draft annual plan or Five Year Plan should contain a fairly comprehensive Chapter on reducing regional disparities. This should cover the approach, policy instruments, principles of allocation and the like. This should be preceded by a development profile of each district and taluk giving a comparative picture of the development status as measured by the 35 indicators discussed in this Report for two points of time like 1990-91, 2000-2001, 2001-2002 and the like for the subsequent periods. In addition, the Directorate of Economics and Statistics should attempt estimates of SNDP by

taluks. This Chapter should include per capita income of the districts and their taluks again for two points of time for an easy assessment of the variation that has taken place.

5. At the review meetings of the Annual Plan and the Five Year Plan, equal emphasis should be placed on the regional development in terms of the progress of the plan or achievement of targets by districts and taluks. All departments of the Government including the State Public Sector undertakings or Boards should be asked to have the regional orientation in the collection of data and preparation of schemes for implementation. In other words, they should give their proposals for districts and each one of the taluks [Chs. 1, 6, 32].

### **Disparities and Backwardness**

6. Solutions to problems of disparities cannot emerge solely from resource distribution and special or accelerated schemes. It needs identification of barriers to development and concentrate on resources and efforts to break them. It has to surround the natural resources of the region including skills and management. People's involvement is a must in this process.

7. The problem of regional disparities and backwardness is to be tackled in several ways of which more important are [1] Backwardness is to be recognized as a factor to be taken into account in resource transfer; [2] Special Area Development programmes and employment generating schemes are to be formulated and implemented, directing them at backward area development; [3] Initiate measures to promote private investment in backward areas; [4] Formulate policies to promote equalization of the physical facilities or services in any region or district with that of average facility enjoyed by the people in the relatively developed or better off districts / taluks generally represented by the average level in the State [Ch. 2].

### **Approaches to Imbalances**

8. Imbalances in development may be construed as the outcome of the macro-approach to planning adopted since independence. Policy emphasis accorded to decentralised planning and the Panchayat Raj system in the recent years also has not succeeded to replace macro-planning with micro-planning, thereby in a way allowing imbalances in development to persist.

9. Given this background, the Committee recommends that taluk should be the primary unit for evolving the development strategy. This will help micro-planning that can serve as an effective tool for the redressal of imbalances [Ch. 3].

### **Imbalances in Karnataka : Then and Now**

10. Differentials in the level of development between South Karnataka and North Karnataka, to the advantage of the former, continue to persist. Nevertheless some districts of North Karnataka have registered significant growth in respect of some development indicators. This evidence establishes the possibilities and potential of laggard districts to move up the development ladder, provided the development strategy is tuned to explore them.

11. The following Table captures the progress and disparity in different districts.

**Karnataka: Then and Now**

Districts	Per capita Income(Rs.)		Percentage of population below Poverty line	HDI		Development Index		Literacy		% of of Net Irrigated area to Net area sown	
	1970-71	1997-98		1991	1998	1960-61	1998-99	1961	2001	1957-58	2000-01
			[1993-94]	Value	Value						
Bangalore	699	25740	31.42	0.60	0.73	218.00	209.00	40	79.69	10.94	19.40
Bangalore(Rural)		12215	38.17	0.47	0.63		76.50				
Chickmagalur	1176	17609	15.61	0.52	0.69	123.74	75.80	33	72.63	32.69	8.70
Chitradurga	674	10989	39.00	0.47	0.61	100.24	83.54	29	67.49	7.34	24.60
Dakshina Kannada	786	20167	8.91	0.59	0.75	230.21	119.21	38	82.13	24.67	44.50
Hassan	674	12346	14.44	0.47	0.66	90.03	81.02	29	68.75	15.75	21.70
Kodagu	1851	24623	20.73	0.63	0.76	124.15	72.80	43	78.17	6.74	2.10
Kolar	481	10013	48.45	0.44	0.61	136.53	79.11	25	63.14	17.04	18.80
Mandya	607	11081	30.16	0.44	0.61	114.70	91.16	20	61.21	26.00	43.80
Mysore	742	14576	28.94	0.44	0.61	124.60	92.59	25	60.34	11.69	29.50
Shimoga	968	13970	25.56	0.48	0.65	180.15	94.22	33	72.90	41.52	61.40
Tumkur	514	9011	40.64	0.45	0.60	84.52	77.44	26	67.19	9.61	19.20
Belgaum	559	13377	29.86	0.47	0.63	91.12	75.96	31	64.42	5.93	40.70
Bellary	797	12200	44.50	0.43	0.59	89.23	78.76	24	57.81	3.51	32.90
Bidar	503	7861	56.06	0.42	0.57	64.28	69.22	17	61.98	2.72	10.20
Bijapur	479	10049	28.98	0.44	0.60	71.66	71.14	29	57.63	1.83	26.40
Dharwad	586	10397	49.75	0.46	0.63	118.54	82.28	40	69.17	4.96	17.30
Gulbarga	622	9516	45.54	0.41	0.57	60.10	66.44	17	50.65	1.40	13.70
Raichur	751	8688	25.11	0.40	0.54	63.04	73.17	18	51.83	1.16	29.50
Uttara Kannada	869	12019	24.97	0.53	0.68	118.24	82.30	39	76.59	20.50	22.10
<b>State</b>	<b>685</b>	<b>13621</b>	<b>33.16</b>	<b>0.47</b>	<b>0.63</b>	<b>100.00</b>	<b>100.00</b>	<b>30</b>	<b>67.04</b>	<b>7.48</b>	<b>24.80</b>

Contd..

**Karnataka: Then and Now (Concluded)**

Districts	District Share in the State total of factories		No.of Primary Schools per lakh population		No.of sanctioned beds/lakh population		Total Road Length in Kms/100sq.kms. of area		Bank Branches:Average population/branch[in '000']	
	1957	1998-99	1958-59	1999-2000	1958-59	2001	1959	1999	1975	1996
Bangalore	30.18	45.90	81	65	149	69	34.77	94.44	9	9
Bangalore(Rural)										
Chickmagalur	1.02	2.50	139	144	36	94	28.42	85.50	12	8
Chitradurga	3.71	4.10	111	104	21	105	21.08	60.71	24	12
Dakshina Kannada	9.70	6.90	78	74	68	91	31.52	63.28	7	6
Hassan	0.96	0.50	126	162	49	102	37.71	100.00	19	11
Kodagu	0.90	1.70	42	77	353	235	22.77	78.43	6	4
Kolar	2.57	1.60	97	146	65	80	9.77	75.44	29	13
Mandya	0.84	0.70	114	118	15	78	67.06	160.35	24	14
Mysore	8.56	4.80	93	87	86	107	35.31	76.76	18	14
Shimoga	2.81	2.10	116	125	64	76	25.23	75.89	14	11
Tumkur	2.22	1.70	112	146	21	54	23.52	85.13	29	13
Belgaum	9.88	5.80	134	78	18	50	20.27	60.00	19	13
Bellary	5.69	3.00	76	78	64	83	16.43	55.72	17	13
Bidar	0.18	1.00	66	78	15	56	6.32	52.71	43	15
Bijapur	6.05	4.70	85	92	14	71	12.87	46.40	24	14
Dharwad	10.42	6.80	63	68	37	71	25.58	99.44	17	11
Gulbarga	1.36	1.40	76	83	17	66	7.37	46.77	45	17
Raichur	2.04	3.80	74	78	18	44	8.49	44.26	27	18
Uttara Kannada	0.90	0.90	163	160	34	86	26.86	61.37	11	8
<b>State</b>	<b>100.00</b>	<b>100.00</b>	<b>96</b>	<b>94</b>	<b>54</b>	<b>75</b>	<b>23.09</b>	<b>70.00</b>	<b>16</b>	<b>11</b>

12. In the circumstances, the Committee recommends to the government / policy makers to get equipped with Development Profile of each district / taluk through analysing its resource - endowments, socio-economic development correlates and so on to facilitate micro planning at the grass-root level [Ch. 4].

## **Deprivation**

13. Given the severity of deprivations and their crippling impact on people's basic capabilities, the government ought to evince greater interest through public policy into matters pertaining to primary education and primary health care facilities with special focus on gender and child-sensitive parameters of deprivation. These matters should not be left to the domain of market forces and private sector.

14. Quite often regional imbalances in development may conceal some of the deprivations. So, deprivation-combating measures need be carefully integrated with those of development facilitating measures so that regional imbalances get tackled from both the ends – development end and deprivation end.

15. Spatially, the deprivation study – assessment and redressal – ought to go beyond the districts vertically down to reach the taluks, and assessment-wise, it has to go beyond the six parameters used in the present inquiry to include all the parameters referred to in the methodology section of this Chapter. That means efforts are to be made to develop deprivation data-base at the taluk level.

16. Further, the deprivation study, to be comprehensive and useful for policy prescription, has to go beyond the physical aspects of infrastructure facilities to cover their functional aspects. We have used the secondary sources of data to assess the physical aspects of infrastructure facilities. Considering the massive task of gathering field work-based primary data required for assessing the functional aspects, the Committee commissioned a sample survey to capture the functional, non-functional and dysfunctional aspects of infrastructure with reference to Drinking Water, ANM Sub Centres and PHCs, Rural electrification, and Primary and Higher Primary Schools [Table 5.20 and Annexure 5.6].

17. The government will have to institute redressal measures in two phases to bring down the deprivation levels of the Less Deprived and More Deprived districts to the State average levels of deprivation. The details of redressal priorities are given below.

## Redressal Priorities by Regions and Deprivation Indicators

(Number of Districts)

Sl. No	Indicators of Deprivation	First Phase			Second Phase		
		SKR	NKR	Total	SKR	NKR	Total
1	2	3	4	5	6	7	8
1.	BPL Families	01	05	06	04	03	07
2.	Unsafe Deliveries	02	07	09	03	---	03
3.	Severely Malnourished Children	---	04	04	01	02	03
4.	Unsafe Drinking Water	03	01	04	02	05	07
5.	Children Out of School	---	06	06	---	02	02
6.	Gender Gaps in Literacy	---	05	05	06	05	11
	<b>Total</b>	<b>06</b>	<b>28</b>	<b>34</b>	<b>16</b>	<b>17</b>	<b>33</b>

[Ch. 5]

## Part II: Methodology

### Backward Taluks and Resource Transfer

18. For measuring or quantifying imbalances, HPC FRRI has adopted 35 indicators and has built a Comprehensive Composite Development Index. On this basis 114 taluks are identified as having imbalances in relation to the state average and are called backward in comparison with the relatively developed taluks whose CCDI values are above 1, the state average. Of the 114 taluks, 39 taluks are further classified as most backward, 40 as more backward and 35 as backward. The names of these taluks are as follows:

### Most Backward Taluks

Sl. No	North Karnataka	Sl. No	North Karnataka	Sl. No	South Karnataka	Sl. No	South Karnataka
1	<b><u>Bellary</u></b>	16	<b><u>Koppal</u></b>	1	<b><u>Bangalore (R)</u></b>	12	<b><u>Chamarajanagar</u></b>
2	Sandur	17	Kushtagi	2	Kanakapura		Chamarajanagar
	Kudlugi		Yelburga		Magadi	13	<b><u>Mysore</u></b>
	<b><u>Bidar</u></b>		<b><u>Raichur</u></b>		<b><u>Chitradurga</u></b>		H.D.Kote
3	Bhalki	18	Sindanur	3	Hosadurga		
4	Humnbad	19	Manvi		<b><u>Davanagere</u></b>		
5	Basavakalyan	20	Lingsugur	4	Channagiri		
6	Aurad	21	Devadurga	5	Harappanahalli		
	<b><u>Gulbarga</u></b>		<b><u>Bagalkot</u></b>		<b><u>Kolar</u></b>		
7	Sedam	22	Bilagi	6	Bagepalli		
8	Shorapur		<b><u>Bijapur</u></b>		<b><u>Tumkur</u></b>		
9	Yadgir	23	Muddebihal	7	Kunigal		
10	Chittapur	24	B.Bagewadi	8	Madhugiri		
11	Afzalpur	25	Indi	9	Gubbi		
12	Shahapur	26	Sindgi	10	Sira		
13	Aland			11	Pavagada		
14	Chincholi						
15	Jevargi						

**More Backward Taluks**

Sl. No	North Karnataka	Sl. No	North Karnataka	Sl. No	South Karnataka	Sl. No	South Karnataka
1	<u>Bellary</u> Sirguppa	8	<u>Belgaum</u> Athani	1	<u>Chitradurga</u> Hiriyur	11	<u>Tumkur</u> Turuvekere
2	H.B.Halli	9	Gokak	2	Molakalmuru	12	Koratagere
3	Hadagalli	10	Soudatti	3	Holkere	13	C.N.Halli
4	<u>Koppal</u> Koppal	11	<u>Dharwad</u> Kalghatagi	4	Challakere	14	<u>Chamarajanagar</u> Gundlpet
5	<u>Raichur</u> Raichur	12	<u>Gadag</u> Mundaragi	5	Honnali	15	Kollegal
6	<u>Bagalkot</u> Hungund	13	<u>Haveri</u> Savanur	6	Jagalur	16	<u>Chickmagalur</u> Kadur
7	Badami	14	Shiggaon	7	Mulbagil	17	<u>Hassan</u> Arakalguu
		15	Hirekerur	8	Gudibanda	18	<u>Mandya</u> Malavalli
		16	<u>Uttarakannada</u> Supa (Joida)	9	Gouribidanur	19	Nagamangala
		17	Bhatkal	10	<u>Shimoga</u> Soraba	20	Nanjanagud
						21	<u>Mysore</u> Hunsur
						22	T.Narasipur
						23	Nanjanagud

**Backward Taluks**

Sl. No	North Karnataka	Sl. No	North Karnataka	Sl. No	South Karnataka	Sl. No	South Karnataka
1	<u>Gulbarga</u> Gulbarga	8	<u>Dharwad</u> Navalgund	1	<u>Bangalore (U)</u> Anekal	11	<u>Hassan</u> Holenarasipura
2	<u>Koppal</u> Gangavathi	9	Kundagol	2	<u>Bangalore (R)</u> Hosakote	12	Belur
3	<u>Belgaum</u> Raybag	10	<u>Gadag</u> Ron	3	Channapatna	13	Channarayapatna
4	Bailhongala	11	Shirahatti	4	<u>Kolar</u> Srinivasapura	14	Arasikere
5	Ramdurga	12	<u>Haveri</u> Haveri	5	Chintamani	15	<u>Mandya</u> Srirangapatna
6	Hukkeri	13	Byadagi	6	Bangarpet	16	Maddur
7	<u>Bijapur</u> Bijapur	14	Hanagal	7	Malur	17	Pandavapura
		15	<u>Uttara Kannada</u> Ankola	8	Sidlagatta	18	<u>Mysore</u> Periyapatna
		16	Siddapur	9	<u>Shimoga</u> Shikaripura	19	K.R. Nagar
				10	<u>Chickmagalur</u> Tarikere		

19. Considering that almost all aspects of development have been covered by the 35 indicators selected for the purpose of constructing the taluk-wise Comprehensive Composite Development Index (CCDI) values, it is possible to use these development indicators as a norm for allocating (additional) resources for developmental purposes. Thus, because '1' is the state average, each of the 114 taluks whose CCDI values are less than '1' should be allotted additional resources which should be directly proportional to the "distance" of its CCDI value from the state average which is unity (1).

20. We will refer to this distance as the deprivation index (DI). Thus, any CCDI value more than 1, will indicate a DI of zero, while any CCDI value less than 1, will indicate a positive DI, e.g., a CCDI of 0.60, will indicate a DI of 0.4 ( $= 1 - 0.6$ ) and so on.

21. If we aggregate across taluks, we can obtain the district - level "cumulative deprivation index" (CDI) which can be further aggregated to obtain division-wise as well as region-wise deprivation indices.

These are computed as follows:

**Estimation of CDIs**

<b>Sl. No.</b>	<b>District</b>	<b>(CDI)</b>
1.	Bellary	1.00
2.	Bidar	1.19
3.	Gulbarga	3.38
4.	Raichur	1.50
5.	Koppal	0.99
<b>Gulbarga Division.</b>		<b>8.06</b>
6.	Belgaum	0.69
7.	Bijapur	1.40
8.	Bagalkot	0.56
9.	Dharwad	0.22
10.	Gadag	0.31
11.	Haveri	0.53
12.	Uttara Kannada	0.41
<b>Belgaum Division</b>		<b>4.12</b>
13.	Bangalore (U)	0.10
14.	Bangalore (R)	0.55
15.	Chitradurga	0.86
16.	Davanagere	0.84
17.	Kolar	0.94
18.	Shimoga	0.26
19.	Tumkur	1.77
<b>Bangalore Division</b>		<b>5.32</b>
20.	Chickmagalur	0.30
21.	Dakshina Kannada	-
22.	Udupi	-
23.	Hassan	0.42
24.	Kodagu	-
25.	Mandya	0.66
26.	Mysore	0.77
27.	Chamarajnar	0.61
<b>Mysore Division</b>		<b>2.76</b>

22. Thus, based upon the above divisional CDIs, it is seen that the following approximate ratio needs to be adopted for allocating additional resources.

<b>CDI</b>	<b>% Resource Allocation</b>
Gulbarga Division = 8.06	40.0% (= 8.06 / 20.26)
Belgaum Division = 4.12	20.0% (= 4.12 / 20.26)
B'lore Division = 5.32	25.0% (= 5.32 / 20.26)
Mysore Division = 2.76	15.0% (= 2.76 / 20.26)
<b>Total</b>	<b>20.26</b>

23. Thus, the optimal share (with respect to resource allocation) of the Northern Region needs to be 60% as against 40% for the Southern Region, in order to reduce the existing inter-regional disparity.

24. By way of illustration, if Rs.16,000 Crore additional resources are to be allotted, over the 8-year duration (2003-2010) of the Special Development Plan, we recommend the following regional allocation.

		<b>Additional Resource (Rs. Crore)</b>
Gulbarga Division	40%	6,400
Belgaum Division	20%	3,200
<b>Northern Region</b>	<b>60%</b>	<b>9,600</b>
B'lore Division	25%	4,000
Mysore Division	15%	2,400
<b>Southern Region</b>	<b>40%</b>	<b>6,400</b>
		<b>Total</b> <u>16,000</u>

25. Thus, it is seen that our estimated taluk-wise CCDI values are eminently suitable not only to estimate the level of development but also to assess the extent of deprivation which can be used as a basis for resource allocation.

26. In this context, it needs to be noted that most of the existing criteria of resource allocation (including the one adopted by the Government of Karnataka since 1978) are flawed because (i) they use a very small set of indicators, (ii) some of these are either irrelevant or incapable of being measured accurately, and (iii) All of these accorded weights on a completely adhoc basis which have no reflection with economic reality. Our estimated CCDI values overcome all these drawbacks. Moreover, most of our chosen indicators are deflated with respect to either population or area; and, therefore, there is no need to include these two variables separately in the estimated index.

27. Thus, we strongly recommend that the Government of Karnataka seriously consider using our CCDI values (*suitably updated each year with the inclusion of the latest available data*) in the future as a basis for resource allocation in view of its scientific nature, wide coverage and extreme flexibility.

28. Finally, we recommend that - in keeping with the terms of reference of the HPC FRRI - that the optimal 60:40 ratio in favour of the Northern Region be implemented as a basis for (additional) resource allocation, because only then will we be able to ensure that regional "convergence" (in the sense of Robert Barro) is achieved and maintained in the long-run [Ch. 6].

### **Part III: Resources and Infrastructure**

#### **Workforce**

29. Considering the fact that North Karnataka is not placed on par with South Karnataka in respect of demographic aspects, we recommend some measures to improve the situation in North Karnataka.

30. The higher work participation rate in North Karnataka being a reflection of low returns to labour over there, it calls for measures to strengthen sectors where the agricultural labourers, small and marginal farmers and artisans are concentrated. Employment Guarantee Schemes and Education Guarantee Schemes should be implemented effectively in all the 114 backward taluks. One of the Additional Chief Secretaries must be designated as the Authority with adequate delegation of power fixing responsibility on him for implementation.

31. Strict measures be taken to control population growth in North Karnataka region. In this connection the necessary health infrastructure facilities be provided and the trained and motivated health staff be posted in North Karnataka region.

32. More and more viable industries including IT industries be set up in private or public sectors to absorb the unemployed persons of North Karnataka.

33. As recommended in the first phase of the recommendations of the HPC-FRRI, two Engineering Skill Fine Tuning and Application Centers in North Karnataka - one at Gulbarga and another at Belgaum - be set up expeditiously so as to improve the skills of unemployed youths in North Karnataka [Ch. 7].

#### **Economic Infrastructure**

##### **Agriculture, Irrigation, Horticulture, Sericulture and Forestry**

34. The performance of the regulated markets in terms of their volume of products handled, suggests that there are a number of districts that are lacking in these facilities. There are as many as 33 taluks that are not having any regulated market facilities, of which 12 are in North Karnataka and 11 in South Karnataka. Secondly, in many towns within the taluks, there is an increasing need for sub-markets to deal exclusively with commodities such as potato, chilli, maize, mango and so on. Rough estimates are about 70 sub-markets, of which 30 will be in North Karnataka and the rest in South Karnataka. Thirdly, with growing marketisation, there is a need for transparency in market prices, arrivals, disposals and so on. Farmers are to be made aware of the price structure and about the arrival patterns over the preceding weeks. This is indeed possible with the modernisation of the market yards with the introduction of IT system. The estimated additional investments required to cover these deficiencies is of the order of Rs. 100 Crore (with government land made available for the markets).

35. The share of agriculture and allied activities in the Annual State Plans over the past one-decade has declined from 9.94 percent to 2.84 percent. There is an urgent need to

step up outlay on agriculture particularly direct investment for improvement of land and its soils.

36. The agricultural extension services, training centres and farmer help groups are quite low in many backward regions of the state. For instance, there are only two Rural Development Training Centres in South Karnataka, or only 7 Farmers Training Centres in North Karnataka. HPC FRRI recommends atleast one Farmers Training Centre in each district, and six more Rural Development Training Centres in the state. The number of additional Farmers Training Centres required in North and South Karnataka are five and six respectively.

37. In order to meet the establishment of facilities for horticultural development (including cold storage etc.) and to meet the special requirements to promote floriculture, an outlay as shown in Chapter 30 be earmarked for the next five years.

38. Horticulture should be developed as an export industry and special training would be required particularly in North Karnataka in districts like Bijapur.

39. While exploring the potentials of developing sericulture in the taluks identified by HPC, and also by giving weightage to the views of people, an outlay as shown in Chapter 30 is necessary. Government must create an Agricultural Prices stabilisation fund of Rs. 1000 Crore for the effective implementation of Minimum Price Support Policy.

40. A separate Agricultural Finance and Development Company should be established for North Karnataka with its headquarters at Gulbarga.

41. The state can also develop the plantation and regeneration programmes with the assistance and cooperation of the people of the forest region. An outlay as suggested in Chapter 30 be earmarked for this community oriented programme and forest related eco-tourism [Ch. 8].

42. The balancing cost of the major and minor irrigation projects upto their full potential should be considered as backlog and, immediate provisions are to be made to complete them within next eight years. The total estimated backlog is of the order of Rs. 15,000 Crore. After adjusting for current annual plan allocations, an additional provision of the order indicated in Chapter 30 be made towards the redressal of regional disparity due to gaps in irrigation potential.

43. This will also include, enhancing the ground water recharge structures all over the state, particularly in North Karnataka.

44. For want of adequate funds all programmes of Command Area Development (CADAs) have more or less come to a grinding halt. It is, therefore, suggested that some incentive may be given to CADAs to collect the arrears due to the banks. The Committee recommends authorizing the CADAs to utilize 50 percent of the collection of arrears in their area for local development. To achieve this, the CADA Act should be amended to give such powers [Ch. 10].

## **Animal Husbandry and Fisheries**

45. The major bottleneck in developing the animal husbandry sector is the availability of necessary veterinary services. They are not only in terms of veterinary hospitals, but also in other facilities including vehicles for the animals. The deficiency in such institutions should not be neglected any longer. Accordingly, the Special Eight Year Development plan should provide for these redressal strategies. Development of animal husbandry in the state also requires a good set of veterinary colleges in the state. It is suggested to have one University of Veterinary Sciences established in Bidar, where there is already one veterinary college. Investment for this included in the outlay suggested for the special plan. Additionally, the development of dairying and poultry sectors is also equally important. Considering the views of the people, the estimated investment required in the development of the dairy sector is shown in Chapter 30.

46. Considering the views expressed by the concerned people, and also keeping the employment and export prospects of this sector, development of cold storages, inland fishery and prawn pond development in the districts, and promoting shrimp culture are needed and an additional budget allocation in the relevant areas should be made as indicated in Chapter 30.

47. 318 additional veterinary institutions must be established. 20,000 hectares of land should be brought under fodder cultivation.

48. Inland fishery can be taken up in a big way in Raichur district and some taluks of Shimoga district [Ch. 9].

## **Industry and Infrastructure**

49. Assured electricity supply in all scattered areas and hamlets is a must for improving the quality of life in a balance basis. This should be the prime objective for redressal of regional supply. Even at the state level, only about 37 percent of the hamlets have been electrified, as against nearly 100 percent village wise electrification. HPC FRRI strongly recommends electrifying all the hamlets as the prime objective for KPTCL in the coming five years [Ch. 11].

50. In districts like Chitradurga and Chickmagalur there is great scope for Non Conventional Energy Development. HPC FRRI suggests that the Non Conventional Energy Development Corporation should take up solar energy and wind energy development in these districts.

51. 40 % of power generated may be reserved for North Karnataka.

52. Development of industries in the state requires state interventions in the form of some push factors and some pull factors. Specifically, the backward taluks and districts identified in both industrial infrastructures as well in development should be considered as the top priority. There are 95 of them, of which 53 are in North Karnataka. If one makes a rough estimate of Rs. One Crore as the push factor investment, in the form of creating industrial centres, promoting craftsmanship, marketing avenues, creating input and credit facility etc., and another one Crore as pull factors such as export incentives, transport

facilities etc., then, funds as suggested in Chapter 30 may have to be earmarked for these 95 talukas. Additionally, the private sectors should be encouraged to come in a big way in horticulture processing, cold storage and transport and information technology areas. In any case another additional investment of Rs. 200 Crore may be required for other ancillary development as shown in the outlay on the special plan.

53. While specific recommendations have been made about the scope for efficient industrialization in the backward taluks, HPC FRRI urges the Government to set up a combined Effluent Treatment plant in the public sector at Bidar so that industrialization of Bidar district, one of the most backward in the State, will gain some momentum.

54. HPC FRRI recommends that international exploring agencies may be invited to explore the availability of high value minerals like gold reported to be available in Gadag and other areas. A thorough exploration would provide a strong base for developing minerals in the State and IT expansion can help the development of industries to a very large extent [Ch 12, 28].

55. The Task Force of PWD has already estimated a total cost of Rs 9087 Crore to deal with 35,627 kms of roads (both for maintenance and upgradation) in Karnataka. These of course, include a wide charter of upgradation of state roads, road widening, paving and surfacing etc. HPC has identified backwardness and deprivation of road facilities, the total cost of meeting the requirements of 50 taluks in more backward category and 40 taluks in most backward category amounts to Rs. 900 Crore. To this, an additional requirement of about Rs. 290 Crore is added to cover upgradation of rural roads (about 4956 kms) converting them to 'pucca' roads, and improving unsurfaced roads of about 1200 kms. Total additional requirements just required for redressal of regional disparity are estimated and shown in Chapter 30. Higher SRs should be provided for roads in malnad areas like Kodagu, Chikmagalur and other heavy rainfall areas.

56. There is also a need to look into the rising problems of sea erosion all along the coast. This has been affecting the life status of the people who are dependent upon fishing, boating etc. Additional funds may have to be earmarked for redressing these developments, and for the development of minor ports like Tadadi, Karwar and Bhatkal.

57. Given the length and breadth of the state, and with the growing importance and concern for value of time, there is going to be increasing demand for faster day trip facilities within the state. For this, Bangalore should be linked by air service to all district headquarters in two phases of two years each.

58. HPC FRRI has already prepared a set of proposals on the development of railway facilities and additional investment needed is provided for in the special plan [Ch. 13].

## **Social Infrastructure**

### **Human Development**

59. Both 'Growth-mediated Development' and 'Support-led Development'. Strategies are in operation in Karnataka but need to be stepped up on a bigger scale.

60. Remedial action is to be instituted in three phases. With reference to Social Infrastructure Index (SII), the government has to institute remedial measures in 38 Most Backward taluks (36 taluks belonging to NKR and two taluks to SKR) in the first phase, in 38 More Backward taluks (22 taluks belonging to SKR and 16 to NKR) in the second phase and in 39 Backward taluks (32 taluks belonging to SKR and seven to NKR) in the third phase (for the names of these taluks refer Table 14.2) [Ch. 14].

## **Health**

61. With reference to Health Infrastructure Index (HII), the government has to consider 39 taluks (33 belonging to NKR and six to SKR) for remedial action in the first phase. In the second phase, 40 taluks (24 belonging to SKR and 16 to NKR) deserve attention. And in the third phase, again 40 taluks (24 belonging to SKR and 16 to NKR) will have to be taken up for remedial action (for the names of these taluks refer Table 15.2).

62. In respect of 'Doctors', 39 taluks each figure in each of the three phases of remedial action. In the first phase 24 taluks of NKR and 15 taluks of SKR, in the second phase, 21 taluks of NKR and 18 taluks of SKR, and in the third phase, 24 taluks of SKR and 15 taluks of NKR attract remedial action (for the names of these taluks refer Table 15.4).

63. As regards to 'Beds in Government Hospitals', 43 taluks (29 taluks of NKR and 14 of SKR) deserve remedial action in the first phase, 44 taluks (24 taluks of SKR and 20 of NKR) attract remedial measures in the second phase, and again 44 taluks (23 taluks of SKR and 21 of NKR) require redressal measures in the third phase (for the names of these taluks refer Table 15.6).

64. In respect of 'Drinking Water Facility', 30 taluks (22 taluks of NKR and eight of SKR) deserve redressal measures in the first phase, 30 taluks (21 taluks of NKR and nine of SKR) in the second phase, and 31 taluks (17 taluks of SKR and 14 of NKR) in the third phase (for the names of these taluks refer Table 15.8).

65. North Karnataka has no advanced facilities for treating mental disorders and for promoting mental health. They have to come to NIMHANS, Bangalore. Therefore, the Committee feels that the Mental Hospital at Dharwad already upgraded as NIMHANS, coming under the control of the NIMHANS, Bangalore, should be fully developed on the lines now witnessed in Bangalore NIMHANS. Funds for this purpose will come mostly from the Government of India but the State Government should provide for a matching grant and this will strengthen the State's demand for making the NIMHANS at Dharwad a first-rate institution like the one that exists at Bangalore [Ch. 15].

## **Education**

66. Redressal measures are suggested in three phases. In respect of Education Infrastructure Index (EII), 10 taluks (all the 10 belonging to NKR) require remedial action in the first phase, 11 taluks (nine belonging to NKR and two to SKR) in the second phase, and again 11 taluks (eight belonging to NKR and three to SKR) in the third phase (for names of these taluks refer Table 16.2).

67. As to 'Literacy Rate', 35 taluks (25 belonging to NKR and 10 to SKR) deserve redressal measures in the first phase, 35 taluks (18 belonging to NKR and 17 to SKR) in the second phase, and 36 taluks (19 belonging to SKR and 17 to NKR) in the third phase (for the names of these taluks refer Table 16.4).

68. In respect of 'Pupil-Teacher Ratio', 27 taluks (26 belonging to NKR and one to SKR) merit redressal measures in the first phase, 27 taluks (20 belonging to NKR and seven to SKR) in the second phase, and 28 taluks (19 belonging to NKR and nine to SKR) in the third phase (for the names of these taluks refer Table 16.6).

69. As far as 'Children Out of School' is concerned, 20 taluks each deserve remedial action in each of the three phases. In the first phase, 19 taluks of NKR and one taluk of SKR merit remedial action, 17 taluks of NKR and three of SKR in the second phase, and 13 taluks of NKR and seven taluks of SKR in the third phase (for the names of these taluks refer Table 16.8).

70. In respect of 'Enrolment of Students in Degree Colleges' 41 taluks each deserve redressal measures in each of the three phases. In the first phase 23 taluks of NKR and 18 taluks of SKR merit remedial action, 30 taluks of SKR and 11 taluks of NKR in the second phase, and 22 taluks of NKR and 19 taluks of SKR in the third phase (for the names of these taluks refer Table 16.10).

71. Given the educational backwardness of NKR viewed in terms of the number of educational institutions - government, government-aided, and un-aided institutions - in the opinion of the Committee, the government's policy ought to be to start new institutions in NKR to bridge the gap between the two halves. In this regard, the government has two options; either to open government colleges / polytechnic colleges, I.T.I.s etc., or to extend grant-in-aid facility to private managements to start new institutions.

72. During our analysis of the educational infrastructure and the Grant-in-Aid policy towards private educational institutions, we have observed that the recent changes or announcements or policy statements on Grant-in-Aid are affecting very adversely the private institutions in North Karnataka. Since Government institutions, whether primary, secondary or higher education, are far less in North Karnataka compared to South Karnataka, any hurried revision of the Grant-in-Aid policy may spell unfortunate consequences like the closure of private institutions thereby depriving the people of the backward taluks the much needed access for human development. The Committee would urge the Government not to rush through any such changes in Grant-in-Aid policy, which may blunt the role of the private sector. The Committee favours the setting up of primary and secondary schools or pre-university colleges by the Government in some areas of North Karnataka where there is a felt need.

73. In the matter of primary education, there should be no village without a primary school. However, in recent years, Government has been pursuing a policy of closing down schools where the number of students is below 40. There are some instances where the Government has also unnecessarily duplicated schools or where there are already such institutions functioning in the private sector. This has only led to grater imbalances between urban and rural areas apart from waste of resources. Also, it is felt that in particular areas children seek Kannada medium but their number will be less compared to those who prefer

English as medium of instruction. This has resulted in inadequate number of schools compared to the need. This is so both in North Karnataka and South Karnataka. That such a situation obtains at a time when Government talks of promoting and developing Kannada. It is urged that the norm of 40 children should be relaxed in the case of Kannada medium sections. Also, if a demand comes from any area for a primary school where about 40 students are available, Government should automatically sanction such schools provided the Taluk Panchayat or the Village Panchayat is prepared to meet at least 10 percent of the recurring expenditure.

74. The Committee has been impressed by a proposal in Andhra Pradesh, which is intended to permit the setting up of a medical college in each district. The advantage is that a hospital attached to a medical college will automatically possess high-tech equipment and the latest facilities for medical treatment. This may also contribute to the reduction in regional imbalances in the matter of medical education and treatment facilities. In view of this HPC FRRRI recommends that Government of Karnataka may consider the Andhra Pradesh model and permit liberally the establishing of medical colleges with the objective of having one Medical college in every district of the State Ch.16].

75. Kodagu district has a few imbalances in its development although its overall Comprehensive Composite Development Index (CCDI) may be higher than the state average and its per capita income also is the highest due to the fact that there is great inequality among the people, the richest having a large share of district output due to the ownership of coffee plantations.

76. The people of Kodagu particularly the youth have a special interest in defence profession, sports and the like. There is also a tradition in that district having contributed two or more Chief Commanders of the Army. In view of this, HPC FRRRI recommends the setting up of a Sainik School at Mercara or Somwarpet which will provide the right environment besides meeting their emotional need.

77. In the districts like Kodagu, Chamarajanagar and some parts of Malnad, there is a concentration of tribals and they mostly depend upon wage labour. For instance, in Kodagu nearly 1 Lakh people belonging to the tribal community suffer every year for want of work opportunities. Therefore, HPC FRRRI recommends that a special project for providing employment to the tribal labour in Kodagu, Chamarajanagar and similar other areas on a guaranteed basis with minimum wages as fixed by the State Government be implemented. This will help putting purchasing power into the hands of the poor tribals. Also Government may organise more of LAMPS (Large Agricultural Multi purpose Societies) taking note of the special characteristics of migratory labour. It should not be difficult for this State Government to re-fashion its various Employment Guarantee Schemes to suit needs.

78. At K.G.F there is a serious problems of unemployment especially among SC and ST people caused by the closure of K.G.F in view of its unviability. It is reported that occupations like sericulture and diary are facing severe problems for want of infrastructure like cold storage and milk chilling plants. Kolar district is only next to Gulbarga district in backwardness among the 27 districts of the State. We therefore recommend the Government should give special consideration in the matter of organising Employment Guarantee Schemes for providing the above mentioned infrastructure to help those engaged in sericulture and diary.

79. One of the features of backwardness observed by the Committee is the rising rural unemployment especially after the adoption of economic reforms and the effect of WTO on agriculture. Rural Development is a multi sectoral activity which can create more self employment opportunities also. This requires training for the ruralites who have education either upto SSLC or PUC, and in some areas even the degree holders. Self employment demands enterprenurial skills and access to easy credit. Training for rural development and self employment is being done very effectively by RUDSETIs (Rural Development and Self Employment Training Institutes) sponsored by the commercial banks with the help of the State Government. HPC FRRI is very happy to note that in the State Budget for 2002-2003, the Chief Minister Sri S.M. Krishna has announced that RUDSETIs will be set up in all districts for which the concerned MLA shall contribute 50 % out of Rs. 45 lakh Local Area Development Fund given to each MLA. This is a very important milestone in the development of skills needed for self employment. HPC FRRI while appreciating this initiative of the Chief Minister suggests that districts like Kolar, Chamarajanagar, Bellary, Raichur should get priority in the setting up of RUDSETIs through the Public Sector Commercial Banks. Such institutions will provide a long term solution to the rural unemployment which is on the rise in the recent years.

## **Rural Water Supply and Sanitation**

### **I. Rural Water Supply**

80. We found serious gaps between provision of drinking water supply made and actual utilisation in rural habitations in the state. Such areas are more in number in North Karnataka as compared to South Karnataka. Among the various reasons for these gaps, poor quality of maintenance of rural water supply schemes by panchayats is important. The grants provided by government to panchayats on pro-rata basis for maintenance of water supply system are not always adequate particularly in areas where frequent breakdown of power supply results in the pumping machinery going out of order. The High Power Committee recommends that the **functionality of water supply schemes should be given as much importance as for the creation of additional capacities**. Further, it recommends **that user charges be enforced strictly in all habitations so as to meet the cost of operation and maintenance of rural water supply schemes**.

81. The water table in most districts / taluks is progressively going down due to unregulated pumping of ground water through borewells. Over exploitation of ground water has reached critical levels in many taluks of the state. Besides, the preliminary results of a study done by the Rural Development Engineering Department (1999-2001) shows that drinking water sources in large areas of the districts of Kolar, Tumkur, Chitradurga, Bellary, Gadag, Koppal and Gulbarga have a high level of flouride concentration. Technology for removal of flouride from water is available though it imposes additional cost. Where the incidence of flouride is in isolated villages, such technology should be used for treatment of drinking water. In the taluks where the occurrence of flouride is as high as it affects more than 30 percent of the sources of drinking water, it is necessary to consider designing special water supply schemes based on safe surface sources. **Therefore, HPC recommends that surface water based schemes (though costly) should be implemented as a long term solution to the problem of rural water supply in the problematic dry areas of the state.**

82. The HPC recommends that providing 55 LPCD water supply in all villages and providing water as per norms to all quality affected habitations should be achieved by the year 2005. The requirement of funds for the above purpose as worked out by the Rural Development and Panchayat Raj Department, Government of Karnataka for the Master Plan period (i.e, 2001-2005) is as follows.

Item category		Amount required (Rs. in Crore)
1	Upgrading all partially covered habitations to a minimum of 55 lpcd supply level	1481.9
2	Providing water as per norms to all quality affected fully covered habitations	1162.1
<b>Total</b>		<b>2644.0</b>

83. The Govt. of Karnataka proposes to meet the above cost in a five year Master Plan period as follows:

Item category		Amount required (Rs. in Crore)
1	State [MNP] and Central [ARWS] Sector grants (Rs.2240 million per year)	1200
2	WB assistance for the follow-on project	1000
3	GOI Sector Reforms Projects	200
4	Other Externally Aided Project (DANAIDA, etc)	100
5	Capital Cost sharing by the user community	150
<b>Total</b>		<b>2650</b>

84. The HPC recommends that the Master Plan as suggested above should be implemented. Further, it recommends that 60% of the investment in each year for the initial 3 years be spent for implementation of rural water supply schemes in North Karnataka so as to reduce disparities in water supply between regions.

## II. Rural Sanitation

85. In view of a big push given for the implementation of Total Village Sanitation Scheme, the State has realistically aimed at sanitation services coverage of about thirty percent of rural population in a period of five years commencing from the year 2000-01 which is the first phase of the programme. At the end of the first phase in 2005-06, the State will have about fifty percent of the rural population with access to rural latrine sanitation. This figure is arrived at, taking into account more than ten percent of the population who have already access to sanitation at present, and on the assumption that ten percent of the population would acquire these facilities by their own efforts without any investment from the State. Thus, about 30 to 33 percent of rural population have to be provided with sanitation services at per capita cost of about Rs.1500. The total investment would be of the order of Rs.1800 Crore.

86. Even though on the face of it, the Programme of Total Village Sanitation looks ambitious, the level of investment proposed viz., Rs.360 Crore per year, is both feasible and necessary. It is possible to mobilize about 15 percent of this investment from the communities and Gram Panchayats, and the remaining 85 percent needs to be funded by the government (with the assistance of about Rs.160 Crore obtained from the HUDCO). **The HPC recommends that about 60% of the total investment of Rs.1,800 Crore be earmarked for the implementation of the programme in North Karnataka [Ch. 17].**

### **Urban Water Supply and Sanitation in Karnataka**

87. Water supply and sanitation are important merit goods which have a bearing on the health and quality of life of people. The rapid rate of urbanization is accompanied by an equally rising level of demand for these goods. But the record of the urban statutory bodies in providing these facilities is not satisfactory particularly in the backward regions of the state. Considering the urgency of this need and its importance to the well-being of the people, it may be quite in order to make the following recommendations.

KUWS&DB may not be able to handle all the town projects in the entire State. Hence, it is recommended that one more Urban Water Supply and Drainage Board may be set up with its jurisdiction over North Karnataka with Gulbarga City as headquarters. The present KUWS&DB may continue its work for South Karnataka.

Water supply is inadequate in centpercent of the towns in 15 districts viz. Bangalore (U), Bangalore (R), Chitradurga, Kolar, Tumkur, Chamarajnagar, Mandya and Udupi in South Karnataka, and in Belgaum, Dharwad, Bijapur, Gadag, Haveri, Bidar and Raichur in North Karnataka. Priority be given to the towns of these districts whenever projects are formulated.

Undue delay in the implementation and completion of water supply schemes in Gulbarga and Hubli-Dharwad is noticed. Government should give special attention for the completion of the projects in these cities by 2002-03.

In order to complete the ongoing schemes and new schemes of water supply in the remaining 82 major towns (41 towns in South Karnataka and 41 towns in North Karnataka) an investment of Rs.339.57 Crore is required for the towns of South Karnataka and Rs. 424.84 Crore for the towns of North Karnataka. The projects referred to above be taken up in a phased manner and completed by 2006-07.

High priority be given for the implementation of sanitation and sewerage projects in urban cities / towns like Gulbarga, Gadag-Belgeri, Haveri, Bijapur, Bagalkot and Belgaum in North Karnataka at a total cost of Rs.615.88 Crore and Chitradurga, Davanagere, Kolar, Tumkur and Chamarajnagar in South Karnataka at a total cost of Rs.180.68 Crore. Works in these cities be completed by 2003-04, if need be by seeking external assistance.

The work of underground drainage undertaken in 19 major towns (8 in North Karnataka and 11 in South Karnataka) is in progress. The investment required for the completion of these works is Rs.127.43 Crore for South Karnataka and Rs.132.44

Crore for North Karnataka. It is recommended that all these projects be completed by 2003-04.

88. In order to provide underground drainage facilities to 162 towns (i.e, 76 towns of South Karnataka and 86 towns of North Karnataka) which so far have not been covered, an investment of Rs.1,245 Crore is required for the towns of South Karnataka and Rs.1,468 Crore for the towns of North Karnataka. It is recommended that all these works be completed in a phased manner by 2007-08, if need be by getting external assistance [Ch. 18].

### **Urban Development and Slums**

89. Removal of urban imbalances in the matter of civic amenities and housing becomes a matter of equity and justice that the Government have to render to its citizens. Taking note of the larger number of slums in North Karnataka, and to a lesser extent in South Karnataka, poor finances of ULBs, and ineffective Town Planning, HPC FRRI recommends the following measures.

The Town Planning Act presently applied to 97 urban areas and more or less equally distributed between North and South Karnataka should be extended to cover all the 224 urban areas and the Act must be enforced strictly.

ULBs should have more of the competent technical staff and their administration should be reviewed and reformed. Directorate of Municipal Administration at the State level should provide proper guidelines to the ULBs. The Deputy Commissioner may be involved in the review of their programmes at the District level.

One-time grant of Rs.15 Crore each for Gulbarga, Belgaum, Raichur, Chamrarajanagar and Bellary district headquarters and a one-time grant of Rs.10 Crore each to Bijapur, Bagalkot, Bidar, Uttara Kannada, Koppal, Gadag, Haveri and Tumkur district headquarters should be provided to improve civic amenities and adopt proper Town Planning.

The ULBs must be empowered to levy a reasonable **Special Development charge** for improving civic amenities in their areas.

For providing civic amenities and carrying out improvement in the slums, Rs.100 Crore should be provided as one-time grant for this purpose to Slum Clearance Board out of which 60 per cent is to be earmarked for North Karnataka.

A detailed study of the ULBs should be commissioned by the Government so that it will help in developing appropriate structures and polices, preferably, following Tamil Nadu or Maharashtra model [Ch. 19].

## Commercial Banks

90. The Committee recognises the importance of banking in development in general and regional development in particular. Being aware of the deficiency of banking service in the backward areas, the Committee feels that there is need to augment these services. As part of achieving this objective, it recommends as follows:

Since 218 centres out of 650 centres identified by the Planning Department, Government of Karnataka for bank expansion as far as back in 1975 do not have bank branches even now, there is a case now to open bank branches in these centres at the earliest on a war footing.

The focus on branch expansion has shifted relatively more in favour of urban areas than the rural areas in the very recent years. This trend should be reversed if regional imbalances on credit flow in rural areas is to be ensured. As part of fulfilling this objective, five new Regional Rural Banks should be started to ensure adequate credit spread and credit deepening in the rural areas.

There is a case for restructuring the shares of stake holders in RRBs to the advantage of the state Government to give fillip to the state / local effort in supervising the functioning of Regional Rural Banks in meeting the rural credit needs.

Poor market framework and credit structure are stumbling blocks for generating adequate incomes to the farmers and for being able to repay the bank loans. Therefore, there is need to frame and implement an integrated agricultural banking policy taking note of special features of farming to provide a satisfactory solution both to the poor farmers and for the banks to extend agricultural credit.

It is also necessary to restructure the composition of State Level Bankers' Committee as well as District Level Bankers' Committee to ensure adequate flow of credit to the backward taluks and / or backward sectors.

91. The Chief Minister may consider giving high priority for the State Level Bankers' Committee meeting and be available to preside over that meeting to secure maximum benefits from financial institutions. In case the Chief Minister does not hold the finance portfolio and there is a separate Finance Minister, both of them may attend the State Level Bankers' Committee meeting with the former in the chair [Ch. 20].

## Co-operatives:

92. It is desirable to remove the glaring regional imbalances in the co-operative development in the State. While Dharwad, Belgaum, Bijapur and Gulbarga are getting the first four ranks although these districts are considered as backward, the development of the co-operatives in South Karnataka, which is lagging behind, should be a major concern of the Government.

93. The co-operatives should improve their functioning and delivery system in such a way as to cover 100 per cent of small and marginal farmers, 100 percent of agricultural labourers and all rural artisans in the matter of supply of credit and other inputs. The present

share of the scheduled castes should be raised from 12.5 per cent to at least 50 per cent by 2005 and the women beneficiaries should account for at least 50 per cent by that time. The ultimate goal should be that the commercial bank credit and the co-operative credit should reach all small and marginal farmers, all agricultural labourers and all rural artisans by 2010.

94. The Co-operative Agro Processing segment should improve its performance. Oil Seed Growers Co-operatives and Co-operative Spinning Mills, which are weak now, should be restructured to make them vital rural organizations to support the farming community. Since co-operatives have neglected Human Resources Development, immediate efforts should be initiated to improve their skills by organizing training programmes for both employees and members of the co-operatives. Oil Seeds Co-operatives in South Karnataka should be established.

95. Both the short term and the long term credit institutions must be merged into a single bank to provide a single window agency for the farmers with a two-tier system of lending at reduced interest rates by at least 3 per cent. The co-operative credit should at least increase by 50 per cent from the present level.

96. Steps must be taken to develop co-operative leadership, professional management and participatory membership in the co-operative system.

97. A review of the impact of the recent amendments to the Co-operative Act should be done by a professional body for applying correctives, if found necessary [Ch. 21].

### **All-India and State Financial Institutions**

98. There is no need to underscore the importance and role of national and state level financial institutions in regional development. As such, it is utmost important that efforts should be made not only to obtain more funds from such bodies but also to direct them to the backward regions. The following suggestions may go a long way to achieve the above goals:

In respect of financial assistance received from NABARD under RIDF, Karnataka occupies the sixth position in the country, whereas states like Uttar Pradesh and Andhra Pradesh are above Karnataka both in absolute and relative terms. The State must strive to extract the maximum assistance from NABARD under RIDF.

The state should deploy a large part of the financial resources available from NABARD under RIDF, from HUDCO under infrastructure-related projects, from KUIDFC under urban infrastructure related projects and from Externally Assisted Projects, in the backward regions, so that these regions catch up with the developed regions in the matter of development.

Bulk of the share in cumulative sanctions by KSFC and KSIIDC is claimed for various reasons by South Karnataka. It is necessary to set up a separate KSFC with its jurisdiction of operations limited to North Karnataka so that industry and services sectors pick up momentum in this part of the state too.

A review of the State's, loans taken from various sources, both external and internal should be done by an expert agency to frame a policy for repayment and proposing

more projects for loan finance as indicated in the Chapter on Financial Resources [Ch. 22].

## **Science and Technology**

99. Given the significant interrelationship between technological progress and human development, carrying science and technology and technology-based activities to backward areas ought to be an integral part of the government's overall strategy in promoting development, eliminating deprivations and reducing regional imbalances.

100. The programmes and projects meant for promoting science and technology should be carried to each and every district in the State with a view to reducing regional imbalances.

101. Regarding the dispersal of IT and BT, a two-way strategy needs to be used to make their benefits reach the people in all parts of the State: (i) wherever it is possible and feasible to disperse these activities, that line of action should be adhered to; and (ii) where it is not so, the best way is to see that people living in different parts of the State are enabled to participate in these activities.

102. Among other things, the development concerns of the State which include such things as elimination of ignorance, illiteracy, poverty and diseases prevention and reduction of regional inequalities in development opportunities and actual development, should also form an integral part of the concerns of science and technology and its frontier areas.

103. The Committee recommends a financial outlay as shown in Ch. 30 to be expended in eight years (in three phases) to promote and disperse science and technology and technology-supported socio-economic activities across the two regions of Karnataka.

104. In addition to the measures initiated already by the Government, HPCFRRI recommends the need to take some more measures to disperse IT activity across all the districts as follows:

105. The incubation centres should be set-up in all the districts.

106. The Earth Stations will take care of the band-width of the IT companies. But to attract more IT companies, other infrastructure facilities like roads and air connectivity need to be developed connecting Bangalore and Hubli, Mumbai and Hubli, and Bangalore and Gulbarga. Gulbarga need also be considered for the establishment of an Earth Station.

107. IT Investments can be attracted to Hyderabad-Karnataka (HK) region by developing roads of international standards connecting Hyderabad and the district headquarters of Bidar and Gulbarga districts. They need also be connected by air.

108. The incentives announced by the New Industrial Policy of 2001-06 of – investment subsidies to all new IT industries, additional subsidies to special categories of entrepreneurs like SC / ST and women, 100% exemption from stamp duty for all types of documents executed by IT industry, special concessions for exports, waiver of conversion fee etc. – ought to be extended to the entire North Karnataka Region.

109. In addition to establishing an I.T. Park in Hubli, it would be desirable, from the point of view of regional dispersal, to consider Gulbarga and Bagalkot for the establishment of I.T. Parks.

110. Information Technology may be very effectively used in strengthening and deepening grass root level decentralized governance and planning. If it is to become farmer-friendly, it has to be used to provide the latest information on weather conditions, prices of agricultural and horticultural products, latest developments in farm-practices etc., to the farmers in rural areas.

111. With such short term and long term measures, the IT industry, despite its tendency to concentrate itself in places like Bangalore, can be made to move to every district and confer its benefits and advantages on them [Ch. 23].

## **Part IV: Public Services, Tourism, Regional Boards and Social Welfare**

### **Public Services**

112. As there are wide disparities between North Karnataka and South Karnataka regions in regard to representation in public services, sports and cultural organizations, the Committee makes the following recommendations to redress such imbalances:

The HPC recommends that about 50% of representation should be given to North Karnataka in the appointment of various Public Undertakings / Corporations, Karnataka Public Service Commission, State Planning Board, Vice-Chancellors to Universities, various Commissions, Committees, Task Forces constituted by government from time to time. Similarly, 50% representation be given to North Karnataka in the Ministry.

The HPC also recommends for the reservation of 80% of posts in certain categories in 'C' group (i.e, Second Division Assistants/First Division Assistants/Primary school teachers and other equivalent posts in other departments), 100% in 'D' group to localites in each district. 70% of posts in higher cadres of 'C' Group like High School Teachers, Motor Vehicle Inspectors, Commercial Tax Inspectors, Sub-Registrars etc., be reserved at divisional level for the local candidates belonging to the division. In the case of 'B' group posts, reservation to the extent of 60% be made at divisional level. These reservations could be made only if an amendment to the Article 371 of the Constitution is done as in Andhra Pradesh.

The HPC strongly recommends that 50% representation be given to North Karnataka in the appointment of Chairmen and members of Various Academies and conferring various awards and disbursement of monthly honorarium to artists. This is necessary from the point of promoting emotional integration.

### **Art and Culture**

113. The regional imbalance noticed with regard to the construction of Ranga Mandirs providing Arts Schools, Cultural Training Centres should be set right by providing these facilities in all the districts of North Karnataka especially in Hyderabad-Karnataka region. Special budget provision be made to the extent of Rs. two Crore to North Karnataka for the construction of Ranga Mandirs, stadia, development of play grounds, purchase of sport articles, setting up of cultural training centers so as to remove the existing imbalances.

114. To ensure fair distribution in the matter of representation in services, Committees, Awards, old-age pensions, selection of Vice-Chancellors and the like, the Committee recommends that Government may give a statutory backing to the proposed 50 percent reservation for North Karnataka by enacting a new legislation or by amending the existing legislation, if any in force.

## Sports

115. In the matter of sports and games also, the North Karnataka region suffers from inadequate infrastructure facilities, training facilities and funds. As a result, North Karnataka is lagging behind in producing good athletes and players. This imbalance must be removed within five years from now. Committee's proposed outlay on sports is given in Table 30.1 of Chapter 30 [Ch. 24].

## Tourism

116. In general, there is great scope for encouraging tourism in the State. The scope for doing so is even more in North Karnataka. As a follow up, we propose some measures for consideration.

Many tourist spots in North Karnataka do not have tourism infrastructure like good hotels / lodgings, connecting good roads, telecommunication facilities, transport, wayside amenities, airstrips etc., to attract foreign and domestic tourists. The HPC recommends that the proposal for the development of tourism in public and private sector as worked out by the TECSOK for the Department of Tourism be implemented. In order to complete those works in a five-year period an estimated cost of Rs.647.47 Crore in North Karnataka and of Rs.1522.04 Crore in South Karnataka is required to be met.

Tourism be declared as industry in Karnataka as in Kerala, Andhra Pradesh and Rajasthan.

All concessions offered under the industrial policy of the state should be made available for private investment in tourism.

All the tourist places identified by the Department of Tourism in North Karnataka and South Karnataka regions should be developed in a phased manner in 5 years as per the perspective plan prepared by the TECSOK. The share of Government and Private sectors as indicated in the perspective plan should be ensured.

Access to tourist spots should be the responsibility of the State Government.

Approach by air: Government of India be persuaded to adopt an open sky policy. Private providers be encouraged with infrastructure support.

### I Existing Airstrips:

117. In North Karnataka there are no fullfledged airports except in **Belgaum**. The airstrip at **Belgaum** is not being used to full capacity. There is a need to upgrade the existing infrastructure to attract chartered flights from Goa and other places. **Hubli** airport is not functioning at present. There is a need to upgrade the existing airstrips. Existing airport of Air Force at **Bidar** could be used for the promotion of tourism in consultation with Air Force Authority. **Bellary** airstrip is rarely used. It is better to construct a new airstrip at a mid-point between **Bellary** and **Hospet** so as to facilitate tourists to visit World Heritage Centre at Hampi, T.B. Dam, Sandur Mines and industrial area around Bellary.

118. There are fullfledged airports at **Bangalore** and **Mangalore**. The existing airport at **Mysore** is not in operation. It needs to be modernized for the use of small air crafts and chartered flights.

## **II New airstrips**

119. Taking into consideration the interests of domestic and foreign tourists, industrialists and others, it is recommended that new airstrips be constructed at **Gulbarga, Bijapur and Hassan**. This would facilitate to connect these cities to the flourishing centers in the adjoining states through air transport.

### **Ropeways:**

Ropeways should be built at Vaikunta Hills at T.B. Dam (Hospet), Nandi Hills, Chamundi Hills, Krishnarajasagar Dam, Kemmangundi and Jog Falls, under the scheme of Build, Operate, Transfer (BOT) in Private Sector.

Public Works Department and Rural Development and Panchayat Raj Department should provide funds in their budgets for constructing and improving important identified tourism – related roads.

A loan of about Rs.125 Crore be availed from HUDCO by Toursim Department for the purpose of constructing roads, signage boards etc.

The accommodation facilities owned by Government and KSTDC at tourist destinations should be handed over for private management.

Private investors be encouraged for setting up resorts in forest areas.

50% of the revenues generated through gate collection at tourist facility be used for maintenance and development of that facility.

Incentives be given for establishing heritage hotels.

Area around important ancient and historical monuments be developed [Ch. 25].

## **Functioning of Regional Boards**

120. An evaluation of the functioning and impact of all regional Area Development Boards was done by commissioning a special study at an outside expert organization. These boards have spent Rs.802 Crore till 2001, 63 % going for HKADB, 23 % to MADB and about 3 % to BADB. The boards are found to be functioning according to their own style not so much in line with the charters and guidelines. The works implemented do not seem to be very much consistent with the real needs of the people. Equal distribution of the funds among the Constituencies has only further enhanced the regional disparities. The voices of the people in the backward regions have come out very sharply against these boards. Quality of works is the casualty due to lack of supervision and monitoring, proper planning and implementation.

121. HPC FRRI recommends the abolition of all these Area Development Boards. The alternative mechanism for redressal of regional imbalances should be done on the Maharashtra model by seeking an amendment to under Article 371 of the Constitution of India to set apart a special development fund and the Governor can act through the State Planning Department for ensuring earmarking of funds and the implementation of the Special Development Plan. The District and the Regional Planning Division of the Planning Department should be fully revamped with a professional Special Secretary to guide formulation of decentralized district development plans integrating all the programmes at that level. This should be supported by a technical cell at the Z.P. level with one or two research assistants at the taluka level.

122. Under amendment to Article 371, a Central University should be established in North Karnataka preferably at Gulbarga, an Indian Institute of Technology at Raichur, an Indian Institute of Management at Hubli-Dharwad or Belgaum. For maintaining a balance, the Bangalore University should be developed as a Federal Residential University under the Government of India and be organized on the lines of Jawaharlal Nehru University at Delhi. The location of Institutions of Excellence in the places suggested in North Karnataka will go a very long way in spreading its impact on achieving excellence especially in higher and technical education in North Karnataka [Ch. 26].

### **Weaker Sections and Social Security**

123. While appreciating the concern shown by the government towards the unorganized workers, it is proposed that a much wider system of social security to cover comprehensively not only all the weaker sections but also all aspects of uncertainties and contingencies of life. By way of ameliorating the deprivation of the weaker sections, we suggest a package of social security which shall have protective and promotional components.

124. The protective aspect of the social security envisaged by us will cover food security, employment security, and securing of improved quality of life by providing shelter, sanitation, drinking water, elementary education and health facilities. A comprehensive social insurance scheme for the workers of the unorganized sector as envisaged in the Karnataka Unorganized Workers Welfare Bill, 2002 should, of course, be provided. Government must also add its share to the various welfare funds envisaged under this Bill which should be passed by legislature immediately.

125. As for the promotional aspect of the social security, the state should empower the weaker sections to benefit from the globalization policy by enabling them to participate in the market process competently. To be able to do so, they should have the necessary resources such as capital, skills, technical and managerial capabilities, and market oriented attitudes. Towards this end, the state should encourage saving habit among weaker sections, create awareness about the merit of physical and human capital formation at the household level, provide entrepreneurial and managerial training, and upgrade their communication skills [Ch. 27].

## Women Development

126. The Committee recognizes the concern of the government towards Women and Children who constitute a large segment of the weaker sections and appreciates the efforts made to promote the development of women and children through a large number of appropriate programmes. However, considering the deficiencies of some of these programs especially at their implementation level we make the following recommendations:

The Department of Women and Child Development be made the 'Nodal Agency' to co-ordinate and monitor the various programmes and policies relating to women development in various departments.

Women's concerns should become central in the developmental strategy of every department and not just of Women and Child Development Department.

At present 30% of all recruitments are reserved for women. It should be ensured that women of North Karnataka should get 30% of the posts belonging to those areas.

It should be ensured that 30% of the vacancies at all levels in Police Department and 30% posts of Public Prosecutors, Munsiffs and government advocates should be filled by direct recruitment of women. 30% of the vacancies of North Karnataka should go to women of that area.

Only 18 percent of pre-matric hostels established by the Social Welfare Department are meant for girls. This percentage is even lower in North Karnataka. From 2002-03 onwards, of all new pre-matric hostels to be established every year, 60% of hostels in South Karnataka and 75% of hostels in North Karnataka should be earmarked for girls with a view to making up the backlog. Similarly 50% and 60% of all new post-matric hostels (SC / ST & BCM) should be for girls in South Karnataka and North Karnataka respectively.

Many PHCs do not have the posts of lady Medical Officers and the Staff Nurses. As such, no proper care is taken of the diseases of women and particularly complications arising from pregnancies and deliveries. It is suggested to create one staff nurse post in each PHC and to cover 50% of PHCs in North Karnataka and 1/3 of PHCs in South Karnataka by lady Medical Officers in a span of 5 years.

In order to encourage girl students to continue their education up to tenth standard in the seven educationally backward districts of North Karnataka, there is a need for setting up of one high school for girls with a hostel in every taluk in these districts. There should be 30% reservation for girls in all professional colleges.

On the lines of SNTD at Mumbai and Padmawathi Mahila University at Tirupathi, two separate universities for women one at Hassan / Davanagere and another at Bijapur be set up in Karnataka also [Ch. 27].

## Part V: Development Strategy and Organisation

### Strategy of Development

127. Every effort should be made for making up the backlog in development and also for a more equitable spatial distribution of growth benefits. The concern for backward areas and weaker sections require the adoption of area wise sectoral programmes and area plans and they have to be properly integrated keeping in view the employment effect. Market forces will not operate to bring the desired results in social infrastructure and in agriculture and rural development since markets are imperfect in these and are unfriendly to the poor. A remedy is to be sought within the framework of public sector outlay supported by private sector investment. The strategy should be one of preparing a Comprehensive Development Plan for each taluk to make up the backlog in the various facilities or the infrastructure. In view of the very low literacy rates, especially, among women the strategy of development should give the key position for human resources development.

128. Primacy for irrigation and agriculture is imperative and it should be the aim of the Government in developing any river basin water resources that all taluks coming within the Krishna, Godavari and Cauvery basins should be brought under assured irrigation. Priority attention should be given for re-charging to improve underground water resources. Bigger role should be assigned to reduce the regional imbalances by supplementing public investment in the backward taluks. Further liberalization in agriculture in developing proper technology delivery system should form an inseparable component of the total strategy. Providing equalization funds appears inevitable in any strategy for reducing the existing imbalances. Equal distribution of funds on a uniform basis for any of the developments or improvements in infrastructure through direct-release of funds to the MPs and MLAs should be reviewed since such an approach of uniform funds allocation would dis-equalize further the existing imbalances.

129. The strategy should include setting up of Commodity Boards for all major agricultural products (Tur, coconut, oilseeds, cotton, areca, chilli) and an Agricultural Prices Stabilization Fund with adequate resources like, say, Rs.1,000 Crore should be set up to overcome instability of farm prices.

130. The **Special Development Plan** strategy should have a time horizon and also promote Town Planning and Growth Centers, which will produce forward and backward linkages for reducing rural-urban imbalances and also inter-town and intra-town imbalances. Any strategy of development cannot ignore the emotional aspect of the regions. Permanent remedies should be adopted through the programmes of **Special Development Plan** although they may appear to be high cost solutions. They will turn out to be cost effective in the medium and long-term period.

131. More than the physical disparities, imbalances in representation of various Committees and organizations dealing with services, literature, sports, arts, culture and honorarium to artists should be provided to avoid the continued feeling of neglect. While physical facilities or development of the local resources for improving income are important, equal importance should be attached to raise the quality of life of people in the development process.

132. There should be a new authority for allocation of funds for the proposed **Special Development Plan**. Government should seek amendment to Article 371 of the Constitution of India to make the Governor as the authority to decide on the proportion of the funds to be set aside for **Special Development Plan** to reduce disparities and direct the State Government to implement it as in Maharashtra. The strategy of development for reducing imbalances should include involvement of voluntary organizations with appropriate mechanism for accountability insisting on high ethical standards under decentralized governance and planning [Ch. 28].

### **Special Eight-Year Development Plan**

133. In view of the inadequate Annual Plans both in outlays and in the location of the programmes, HPC FRRI recommends that a **Special Development Plan** with a net additional outlay of Rs.16,000 Crore will have to be formulated to make up the backlog in imbalances / disparities in 114 taluks identified as backward. The **Special Development Plan** will supplement but not supplant the Annual Plan programmes. It will have a time profile of eight years from 2003 to 2010.

134. The **Special Development Plan** will have ten specific objectives including accelerating growth in the backward taluks, building infrastructure to make up the backlog, establishing needed institutions / organizations, enabling the Planning Authority to prepare Action Plan with the priorities, recommended in the Chapter on the **Special Development Plan**.

135. Assuming that the regular Annual Plans of 114 taluks will have at least an anticipated flow of Rs.15,000 Crore, the total outlay of the Eight-Year **Special Development Plan** is estimated at Rs.31,000 Crore, thus requiring a net additional outlay of Rs.16,000 Crore.

136. Agriculture and allied sectors including horticulture, fisheries, animal husbandry, markets, and setting up of Agricultural Prices Stabilization Fund will have Rs.2,340 Crore. Rural roads, rural water supply, ZP roads and rural housing will have an outlay of Rs.7,100 Crore. Irrigation including water re-charging scheme must have Rs.8,000 Crore. We recommend Rs.3,000 Crore for energy. Industry and minerals including the setting up of a State Finance Corporation for North Karnataka should have Rs.400 Crore, Transport including airports, seaports and railways Rs.1,650 Crore, Science and Technology may get Rs.200 Crore. Economic services like Banking, support to Co-operation may get Rs.10 Crore. Social services including health, education, sports, tourism, urban development, urban water supply including setting up of an Urban Water Supply and Drainage Board for North Karnataka, and development of women, weaker sections and the like should have an outlay of Rs.8,025 to Rs.8,300 Crore. The Committee recommends sub-sectoral outlays as shown in Table 30.1 in Chapter 30.

137. HPC FRRI further recommends an allocation out of the **Special Development Plan** outlay based on an objective criteria like Cumulative Deprivation Index Rs.6,400 Crore [40 %] for Gulbarga Division, Rs.3,200 Crore [20 %] for Belgaum Division, Rs.4,000 Crore [25 %] for Bangalore Division, and Rs.2,400 Crore [15 %] for Mysore Division. North Karnataka shall have 60% [Rs. 9600 Crore] and South Karnataka 40% [Rs. 6400 Crore] of the net additional outlay. The Committee also recommends that the Government may

seriously consider using our CCDI values and CDI values, in future, as a basis for Plan resource allocation in view of its scientific nature, wide coverage and extreme adaptability.

138. Some of our recommendations require the support of the Central Government. The State Government should vigorously pursue this task. The time profile of eight years, 2003-2010 should be strictly observed by the Government to avoid cost or time over-runs and also to build up confidence among the people of the affected taluks [Ch. 30].

## **Financial Resources**

139. Since there are substantial disparities in the 114 taluks identified by the Committee as backward, the backlog should be made up within a stipulated period like eight years from now, viz., by 2010. For implementing the **Special Development Plan** involving an additional outlay of Rs.16,000 Crore over a period of eight years, Government will have to take firm measures for mobilizing additional resources for financing the **Special Development Plan**.

140. The State finances, at present, are highly strained with a revenue deficit of Rs.2,724 Crore in 2001-2002 and a fiscal deficit of Rs.-5,127 Crore in 2002. Plan outlays allocated to Zilla Panchayats are inadequate. State finances in relation to SNDP parameters reveal more or less a stagnant picture. The total debt stock is a matter of concern and it is projected to rise to about Rs.46,000 Crore by 2005 with fiscal deficit more or less remaining at 5.05 per cent. The scope for additional taxation is extremely limited.

141. The Committee, therefore, recommends that Government will have to mobilize resources from the non-tax sources. They are: irrigation, energy and sick public undertakings.

142. It should be possible to raise at least Rs.1,000 Crore on irrigation investment of nearly Rs.17,000 Crore by revising the tax on water for irrigation and bringing it to the level of Andhra Pradesh and enforce its collection. By charging appropriate 'user charges' for energy supplied to pump sets used in agriculture on a total investment of about Rs.15,000 Crore in power both generation and distribution, there should be a return of at least Rs.1,000 Crore annually. The present outgo of Rs.3,000 Crore as subsidy to the energy sector should be saved for further investment. On an investment of Rs.22,000 Crore in the State Public Undertakings, the State is not getting the expected returns. Instead, there is a subsidy to them to the extent of Rs.4,000 Crore, which should be drastically reduced through a vigorous disinvestments programme or an outright sale keeping five or six strategic public sector undertakings. It should be possible to raise more than Rs.1,000 Crore by way of reform without any further delay.

143. If additional resources are not mobilized either through tax or non-tax sources, it will be inevitable for the State to set aside the needed additional investment of Rs.16,000 Crore out of the total plan resources and this may mean a reduction in regular plan outlay for all the 175 taluks in the Annual Plan.

144. Since the Government has done well in attracting external assistance, the Committee urges the Government to review the debt position for a better debt management and seek in greater measure external assistance from World Bank, Asian Development Bank, NABARD, HUDCO and various other bilateral agreements among various countries for

medium-long term projects included in the **Special Development Plan**. Perpetuating the status-quo certainly will accentuate further imbalances which may cause serious social unrest in the State [Ch. 31].

## Organisation and Management

145. Planning for development, especially the organization and management of plan projects, play an important role promoting not only overall development and in general but also regional / area development. As such, the planning process and its organization and management ought to be programmed to promoting regional balanced development. Experience in Karnataka has it that this concern some how has been missing in recent years in the planning exercises.

146. Planning for regional development and redressal of regional imbalances should avoid the limitations of the planning process referred to above. Thus, in the allocation of plan resources, backwardness of the region should be the major consideration. Intra regional allocation within the panchayats should be based on the need of the local economy and the practice of panchayat member-based allocation should be dispensed with. And the formulation of inter-regional plans should be carried out in the framework implied in the integrated area development strategy.

147. The orientation of planning towards redressing regional imbalances stated in the above para would call for an emphasis on micro planning at the micro administrative unit - be it a district or taluk - and it should be a comprehensive inclusive of all programs of panchayats, municipalities, financial institutions and private sector. The successful implementation of the plan for regional development plan suggested by our Committee depends on (a) the availability of expertise both at the State Planning Department and at the micro unit level to plan and implement the micro plans, and (b) the generation and maintenance of the required data. Therefore, the HPC FRRI recommends that the District and Regional Planning Division of the Planning Department should be strengthened, **inter-alia**, with other structural changes suggested in the Chapter on **Functioning of the Regional Development Boards**. The District and Planning Division should be headed by a professional with expertise in decentralized planning and should have the designation and Rank of a Special Secretary to Government with the required supporting technical staff at the State level. At the Zilla Panchayat level, there should be Technical Cell with expert staff headed by the Chief Planning Officer to assist the District Level Committee in the preparation of the District Development Plan by integrating all the programmes of development of different organizations, covering both Zilla Panchayat and others, in a scientific manner. At the Taluk Panchayat level, there should be one or two Research Assistants for the preparation of the Taluk Development Plan under the guidance of the District and Regional Planning Division of the Planning Department and the Technical Cell at the Zilla Panchayat. To facilitate this, the recruitment policy should be modified, if required, to appoint the trained experts at the State / District / Taluk levels. Similarly, attention should be paid to the generation of required data on a talukwise basis in respect of the 35 indicators adopted in this **Final Report** and for its updating every year and its maintenance for use by planners both as a planning input and a reference point for monitoring and evaluation [Ch. 32].