



Issues and Challenges for Andhra Pradesh After Bifurcation Media and Election Surveys in India: Some Reflections

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ABSTRACT

If we look back our history, there was no such idea of Telangana state as an exclusive political entity at any time of the creation of Andhra Pradesh, which was done as part of the States Reorganization Commission on linguistic basis. However, now the sense of same language has failed to keep the people of the state united. The only conclusion is that the “conditional formation” of a state based on language appears to be a failed experiment. The demand for a separate Telangana State started on ground that the Telangana remained economically backward because of the will full neglect of that area by Andhra rulers.

After bifurcation of Andhra Pradesh into two new States, there were significant implications on resource flow, economic development and the levels of publicly provided services for the two new States. Particularly, Andhra Pradesh public was reinforced by the manner in which the State was reorganised without consideration for the disastrous economic and financial consequences on the residuary Andhra Pradesh. Hyderabad, the major source of revenue for united AP went to Telangana, and newly formed AP had to figure out how to generate enough revenue and survive as an independent state. On other hand the government is under compulsion of its poll promises to spend large sums towards various social welfare measures. Thus, this paper is an attempt to review the status of economic and social development of the state Andhra Pradesh post bifurcation and ascertain the issues and challenges in the sunrise state Andhra Pradesh.

1. Introduction

In the year 1969, there was a massive movement demanding for a separate Telangana State in Andhra Pradesh. Similarly, in the year 1972-73, an equally strong movement demanding a separate Andhra State came up. Once again, the demand for a separate Telangana State resurfaced in 2001 on the ground that the Telangana remained economically backward because of the willfull neglect of that area by Andhra rulers. The initial argument was that unless Telangana become a separate State, its development was not possible and it would continue to remain backward.

However, 2014 has been the most decisive year in terms of action taken, with the Union Cabinet as well as the Lok Sabha approving the bill within a month. On 18th February 2014, the Andhra Pradesh Reorganisation Bill, was introduced in Lok Sabha and Andhra Pradesh state bifurcation came into existence and the state split into two separate states –Telangana and Andhra Pradesh. The new Andhra Pradesh and Telangana will have^[1] a common capital, Hyderabad, for an initial 10 years. After the tenure, Hyderabad will continue to be the capital of Telangana due to the geographic location of the capital city. The main challenges in front of the new Governments is that, first, to expand infrastructure facilities to provide proper connectivity to and from other regions. Second, tax bases will be divided between the two new states, depending on the distribution of economic activities. Third, the division of public and private enterprises should share between the two new states, based on the location of their production facilities, will also divide tax revenues.

The newly formed state of Andhra Pradesh which comprises of costal Andhra, Rayalseema and 10 more regions are facing a major challenge compared to his counterpart. The world class infrastructure, industrial parks, Information Technology and knowledge networks, research and development hubs, international educational

institutions, and the dynamic urban megalopolis are all developed in Hyderabad which is now become a part of Telangana. Thus, Hyderabad, the major source of revenue for united AP went to Telangana, and newlyformed AP had to figure out how to generate enough revenue and survive as an independent state.

After bifurcation, the major problem or challenge started when Andhra Pradesh government went ahead to create new capital city and improve the infrastructure across the state, apart from taking up several irrigation projects. Hence, there will be a spurt in capital expenditure which will lead to large borrowings. In order to repay these large borrowings along with interest, in due course the state needs to step up its efforts in revenue generation. On other hand the government is under compulsion of its poll promises to spend large sums towards various social welfare measures. The government is doing a tight rope walk trying to balance both economic development and social welfare measures. How the newly separated state is going to balance the social welfare development and to develop new capital with a world class amenities simultaneously? For successful State or a Government, they should check both social and economic development who ever ruling the state. The rising Andhra Pradesh hence have many issues and challenges in front.

2. Strength

- During bifurcation, AP is the first state in the country which has enacted the industrial single window clearance. Now AP state has put in place for the sectors like- auto mobile, IT, aerospace, electronics etc.,
- In the World Bank ranking Andhra Pradesh got number one in Energy Efficiency Implementation Readiness.
- At the time of bifurcation, there was a power deficit of 25.5 million units per day, as a residuary state of Andhra Pradesh, now the state has successfully managed to become a surplus state within a short span of one year. In this regard, AP government has also won 26 awards in power sector during 2015 to 2017.
- By increasing both conventional and renewable energy production and enhancing energy efficiency through massive installation of LED bulbs and solar pump sets in the villages, AP state has managed to reduce the energy production cost that has managed to bring down the transmission and distribution losses from 14% to 9.8%.
- In its second phase of power sector reforms, the state is focusing more on alternative energy like solar and wind power. For example, the solar power production cost is much lower than the other sources, the government is even contemplating to reduce the electricity charges in the near future.
- The industrial single window clearance and 24x7 power supply has helped the state to increase its industrial growth (7.69% and 10.49% in 2015-16 and 2016-17 respectively). Andhra Pradesh got the 1st position in Ease of Doing Business Rankings this year which was given by the World Bank and the Department of Industrial Policy and Promotion, Government of Bharat in the year 2016-17.
- In the agricultural sector the state has made considerable progress after 2014. The state government has taken up and completed Pattiseema lift irrigation project costing Rs. 1,300 crores in a record time of one year in March, 2016 and entered into the Limca Book of Records.
- Vizag city was devastated by cyclone in October, 2014, but the state government could rebuild the city in a very short span of time and it is one of the 100 smart cities and fifth cleanest cities in India.
- Massive growth has been registered in Services sector in AP i.e.12.93% in 2015-16 and 10.16% in 2016-17. 974 Km of vast eastern coastal corridor passes through AP which has the potential to develop sea ports. The Visakhapatnam port ranks fourth in terms of port traffic and the AP state has 14 notified ports under its control.

These are some achievement of the AP Government after the bifurcation, which should be appreciated because of their speedy work. However, there are many challenges in front of AP Government which is venturesome in nature.

3. Issues And challenges

- First and the biggest challenge with new AP government is to form or built a new capital city with world class amenities while loosing the well developed Hyderabad to Telangana. Not only that, now revenue from Hyderabad will belong to Telangana. Being a centre of economic activities and the sources of finance, Hyderabad will critically define the monetary prospects for the new State. Hyderabad is an information technology/business hub. The share of the city estimated to have contributed over 34,000 crore⁷ to the state's total revenues of 70,548 crore during 2012–13. This collectively includes the contribution of citizens and companies of both the States. Many public and private enterprises headquarters are in Hyderabad. These enterprises may be paying a significant share of their State taxes in Hyderabad, though their activities

may be differentially spread across the two States. Again sharing these revenue and taxes between new states are difficult because both the government are not ready to sit and solve the problems.

- Hyderabad is not only an IT hub, it also possess many research centres, famous Universities, Hospitals ect., once again, AP Government needs to establish all these in Andhra Pradesh, which is lacking compare to Hyderabad.
- During the unified Andhra Pradesh period, all the development was totally concentrated within the capital city Hyderabad resulting in total neglect of the other cities and towns across the state which is backfiring the ruling government in present scenario. The AP government has chosen Amaravati as a new capital and putting all its effort to make it a world class city by adopting highly ambitious plan. Hence now, the critics have cautioned against repeating the same mistake in developing the new capital city at Amaravati, new capital of Andhra Pradesh. And also, to build such high class city, they need more money as well as time. Both are challenges for AP government.
- Andhra Pradesh police is facing serious challenges as it lost infrastructure facilities like the AP Police Academy, the Greyhounds training academy and organisations like Octopus, FSL and other important organisations, as also manpower, following the state bifurcation. All of these remained with Telangana State.
- The trade of some goods and services that was earlier intra-state within the Andhra Pradesh has become cross-state in the new Andhra Pradesh. Telangana decided to levy of Central Sales Tax for those goods.
- Non-tax revenues, following mainly the principle of location, will also be differentially affected. The sharing of mineral resources including coal and oil and gas will affect royalties. New Andhra Pradesh will rely on offshore resources, while Telangana will get benefit from land-based mineral resources.
- The pattern of investment/expenditure will also be quite different for the two new States. Telangana need to earn more resources to developmental expenditure, including on education and health, to uplift the economic development of districts other than Hyderabad.
- The focus of new Andhra Pradesh will be on selecting the location of the new capital city, which will require a massive flow of resources to cater the infrastructure and construction-related activities.
- Compared to the industrial and agricultural sectors, service sector is yet to catch up the pace and the government has started stepping up its efforts in this regard.
- AP government has followed a unique concept of land pooling in order to overcome the huge financial burden and other hurdles involved in the routine process of land acquisition. Under this land pooling, the land owners (mostly farmers) have surrendered their lands to the government for development of the capital city and in turn they would get back a portion of the developed plots of the capital city backed by good infrastructure. This is another challenge for government to build a city on farm land and repay the satisfied return to those people.

4. Conclusion

Definitely the bifurcation has proved to be difficult from Andhra Pradesh view because of being a capital-less, infrastructure less, and revenue less state from a prosperous state. To govern a state which was wounded and bruised after the bifurcation is not an easy task. However, the effort to survive has been great with a solid progressive start by doing development in all sectors. Honorable vice president of India Mr. Venkaiha Naidu, who is an able administrator, carries lot of responsibilities with an hope and expectations to rise above the occasion and build a state with good infrastructure, vibrant industrial belt and capital city. To built Amaravati as a new capital with high class amenities, government needed more money as well as time. Hence, people need to understand and be patient because everything is being done from scratch. So, expectations are high but they need to be realistic which is possible only with the stable government which can bring in hope among the people to support all the schemes towards creating a new capital. Present and future CM should do massive economic reforms and also has to meet the expectations of a welfare state, demands for farming community, women and the working class, which is lacking. If any other party win the 2019 election apart from TDP, that party should not ruin the ongoing projects.

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