



After Bifurcation of Andhra Pradesh Problems and Challenges

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ABSTRACT

The Andhra Pradesh Reorganisation Bill, 2014 was introduced in Lok Sabha on 18 February 2014 by the Minister for Home Affairs. It provides for the reorganization of the state of Andhra Pradesh. The Bill highlights the creation of a separate state, to be called Telangana, comprising 10 districts of the existing state of Andhra Pradesh, namely, Adilabad, Karminagar, Medak, Nizamabad, Warangal, Rangareddi, Nalgonda, Mahbubnagar, Khammam and Hyderabad.

1. Introduction

The Polavaram Irrigation Project has been declared as a national project. Hence, the Central Government will execute the project in consultation with the Governments of the two new states in consideration of all of the relevant environmental, forests, and rehabilitation and resettlement norms.

Andhra Pradesh Reorganisation Act 2014 that have adverse impact on the health and well being of both successor States. The Act, by its conception and content, has created disequilibrium, with negative consequences to the residuary Andhra Pradesh. In a tearing hurry to please and placate certain sections of the State, the UPA government had inflicted a serious blow to the fiscal health, developmental integrity of Telugu community.

Andhra Pradesh has been one of the frontrunners among the progressive States of India. The bifurcation of the State had significant implications of resource flow to the two new States – Telangana and residual Andhra Pradesh and their economic development. Especially Andhra Pradesh is facing considerable complications in working out both revenue and expenditure and fiscal transfers. The loss of urban growth Centre Hyderabad to Telangana, which is the Centre of economic activities and a major source of government finance, is critically affecting the fiscal prospects of the State.

2. Problems

A careful reading and analysis of the Act reveals that it was the principal source of unfair and unjust treatment to both successor States, with the residuary Andhra Pradesh being the worst sufferer. Some of its provisions are having - and would continue to have - adverse impact in the short-term as well as the medium-term on the residuary Andhra Pradesh. Some have been inserted with a deliberate intention to create friction and conflict between the two successor States

The world-class infrastructure, industrial parks, Information Technology and knowledge networks, research and development hubs, international educational institutions, and the dynamic urban megalopolis that Hyderabad has become during the past two decades thanks to the vision, passion and hard work invested in the late 1990s and early years of the last decade, is under the threat of being undone and the Brand Hyderabad is under pressure because the previous government had failed to put in place an effective institutional mechanism and sustain the enabling environment essential for capital city governance.

3. Institutional Conflicts

Schedule-X indicate that twenty-two are government departments, ten are statutory bodies, seventeen are societies and two are categorised as board / council. All these fifty-five entities are required by both States in their entirety and not amenable to sharing between the two States. Further, four of the hundred seven institutions are not functional, nine are universities and sixteen others are integral part of government departments.

4. Revenue Burdens

A diligent analysis of the potential revenue receipts and expenditure for the 2014-15 financial year and the subsequent years indicate that the residuary Andhra Pradesh is likely to face monumental fiscal challenges. The total revenue receipts, including the State's own revenue, Central taxes devolution, grants and market borrowings are likely to be less than fifty per cent of the united State. However, on the expenditure side, due to the allocation of debt, salaries, pensions and subsidies based on population ratio, the residuary State of Andhra Pradesh will have nearly sixty per cent of the united Andhra Pradesh expenditure.

5. Agricultural Sector

One of the casualties of reorganisation has been the agricultural research, development, and above all, the training of new generation of agricultural scientists, as the only Agricultural University in the united Andhra Pradesh is in Hyderabad, which has since become an integral part of Telangana state. To make matters worse, several important agricultural institutions like the DNA Finger Printing, Tissue culture, and Oil analysis laboratories are located in Telangana state. Significantly, Telangana districts have been the major producers of paddy seed production in the united Andhra Pradesh. Telangana State has 969 private seed processing units, compared to 309 in Andhra Pradesh. The reorganisation, therefore, has seriously affected the paddy seed production and processing capacity that is essential for sustaining and accelerating agricultural production and increasing productivity to ensure food security not only for the people of Andhra Pradesh, but also for the rest of India.

6. Irrigation Sector

The Andhra Pradesh reorganisation Act has brought the management and operation of projects in the Krishna and Godavari basins serving the states of Andhra Pradesh and Telangana under the control of River management boards. For the first time in the history of independent India, the water resources management that has been in the exclusive domain of the States has been taken over by the Government of India. This would have significantly reduced the authority and the discretion of the successor States in matters relating to the quantum and timing of water release, operation and maintenance of projects, etc.

7. Power Sector

The pain of bifurcation has started becoming more acute than ever before for the reorganised State of Andhra Pradesh. The sibling State of Telangana is not showing any interest in accommodating AP in resolution of disputes that have been raging since 2014 when the State was sliced into two halves.

8. Unsolved Issues

There are several pending issues under the AP Reorganisation Act which require central government's financial assistance and support and the major ones are-

- Revenue deficit grant for 5 year period.
- Financial support for completion of the Polavaram project which is a national project,
- Metro rail facility in Vizag,
- New railway zone in Vizag,
- Setting up an integrated steel plant in Rayalaseema etc.,

9. Political Factors

As the central government and the AP state government are being run by two different political parties though they are allies, both are vying with each other to get their share of credit keeping in view the forthcoming 2019 general elections. This has led to the state government rushing the things to show some tangible gains to the people of Andhra Pradesh before the 2019 general elections while the central government has adopted a wait and watch strategy.

10. Challenges

New Capital City

Andhra Pradesh Capital Region Development Authority Act, 2014 (act.no in parked.11 of 2014) was enacted for the declaration of the new capital area for the state of the Andhra Pradesh and a separate authority by the name APCRDA (Andhra Pradesh Capital Region Development Authority) was created for the purpose of planning, co-ordination, execution, supervision, financing, funding and for promoting and securing the planned development of the capital region and capital city area for the state of Andhra Pradesh. Accordingly the foundation for the new capital city at Amaravathi (located between Vijayawada and Guntur cities) was laid on 22nd October, 2015. On 2nd March, 2017 an interim assembly building was inaugurated and interim secretariat building was inaugurated on 20th November, 2017 thereby paving the way for regular functioning of the government from the new capital Amaravati.

Andhra Pradesh 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. Additionally, they would also get an annual financial compensation for a period of 10 years.

It is learnt that Harvard University is planning to study the Amaravati land pooling system in view of its unique features. In the earlier undivided state of Andhra Pradesh, all the development was totally concentrated within the capital city Hyderabad resulting in total neglect of the other cities and towns across the state. Therefore, critics have cautioned against repeating the same mistake in developing the new capital city at Amaravati. However, the AP State government has decided to build the new capital Amaravati as a world class city with a highly ambitious plan.

The Andhra Pradesh Reorganisation Act envisages sanction of special development package by the central government to the backward regions of Rayalaseema and north coastal regions of AP. Accordingly in seven districts of AP viz., Ananthapur, Chittoor, Cuddapah, Kurnool, Srikakulam, Visakhapatnam, Vizianagaram any manufacturing undertaking set up during the period from 01.04.2015 to 31.03.2020 is eligible for 15% of higher additional depreciation and 15% of investment allowance on the cost of plant and machinery acquired by it during the above period. The centre has also sanctioned Rs. 1,050 crores to the above seven backward districts covering the period 2014-15 to 2016-17, and in the process each of these backward districts received Rs. 150 crores. Centre has committed to pay a further sum of Rs. 1050 crores in due course. Andhra Pradesh is the first state in the country which has enacted the industrial single window clearance. AP state has put in place for the sectors like- auto mobile, IT, aerospace, defense, electronics. The World Bank has ranked Andhra Pradesh number one in Energy Efficiency Implementation Readiness.

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. This project has become a boon to the farmers in four districts in Krishna delta covering nearly 13 lakh acres. Enthused by the success of Pattiseema Project, AP state government launched Purushottapatnam Lift Irrigation Scheme costing Rs. 1,638 crores through the left main canal of Godavari River and its phase-I was completed in a record time of 225 days and commenced in August, 2017. 2.15 lakh acres of agricultural lands in East Godavari district are expected to get irrigation facility through this project. The above two lift irrigation projects are the off shoot of the Polavaram irrigation project.

In December 2017, AP state has launched an innovative fibre grid project offering internet, telephone and cable TV services for Rs. 149 per month. While the first phase of this project targets urban households, the second phase aims to cover 9000 gram panchayats with the overall objective of covering education, telemedicine, e-governance, agriculture, rural development, and e-commerce in due course.

11. Political Aspect

As the central government and the AP state government are being run by two different political parties though they are allies, both are vying with each other to get their share of credit keeping in view the forthcoming 2019 general elections. This has led to the state government rushing the things to show some tangible gains to the people of Andhra Pradesh before the 2019 general elections while the central government has adopted a wait and watch strategy.

12. Conclusion

The Government will have to play a proactive role in implementing far reaching reforms stretching across all sectors of the economy. It will enable winwin partnerships with all sections of the society and attract the best of the knowledge, talent, technology, development practices, and capital available across the globe. In this endeavour, the Government seeks the active support, collaboration and cooperation of the people in effecting a paradigm shift to a higher and faster growth. In this direction, the Government will launch seven major Missions to galvanise the entire State into an accelerated development mode. In this endeavour, all citizens are encouraged to become active stakeholders in revitalising the economy and securing all round development.

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